



Clearinghouse CDFI Secures \$60 Million in New Market Tax Credits from the United States Department of Treasury—Will Create Jobs and Services in Distressed Communities

Lake Forest, CA, September 29, 2023—Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) announced today that it has been awarded a \$60 million New Markets Tax Credit (NMTC) allocation from the United States Department of Treasury, CDFI Fund. Clearinghouse CDFI will use the tax credits to finance community investments in low-income and urban areas in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming.

“We are grateful to the CDFI Fund and Department of Treasury for this meaningful allocation which will create jobs and drive resources to many distressed communities,” said Douglas J. Bystry, President and CEO of Clearinghouse CDFI. “Tax credits are an important tool in community and economic development, making large projects with grand impact possible.”

Clearinghouse CDFI was one of 102 organizations across the United States to receive more than \$5 billion in NMTC allocation awards throughout the United States, through the calendar year 2022 round of the NMTC Program.

“The New Markets Tax Credit plays a critical role in financing many vital businesses and community projects in our nation’s low-income communities,” said Graham Steele, Assistant Secretary for Financial Institutions at the U.S. Department of the Treasury. “The investments that will result from today’s announcement will help preserve and create hundreds of thousands of jobs and spur economic growth in these urban, rural, and Tribal communities across our country. It is important that Congress sustains these investments by making the New Markets Tax Credit permanent.”

The NMTC program stimulates community development in economically distressed communities through tax credits that attract private investment capital. This federal tax credit incentive helps to invigorate struggling local economies by allowing investors to make larger investments than would otherwise be possible. Communities benefit from the job creation associated with these investments and greater access to public facilities, goods, and services. This includes manufacturing, food, retail, housing, health, technology, energy, education, and childcare.

“For more than 20 years, the New Markets Tax Credit has catalyzed needed investment into the nation’s low-income rural and urban communities, which have a long history of disinvestment. It has created jobs, helped build businesses, and is a pivotal force in helping these communities not just recover but to grow stronger,” said CDFI Fund Acting Director Marcia Sigal.

Through the NMTC Program, the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs). CDEs, such as Clearinghouse CDFI, are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to projects operating in distressed areas that have better rates and terms and more flexibility than available in the conventional marketplace.

Since inception, Clearinghouse CDFI has deployed over \$629 million of Federal and State NMTC allocation to 89 unique projects nationwide.



About the NMTC Program

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in financial intermediaries known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities. CDEs must apply annually to the CDFI Fund to compete for New Markets Tax Credit Program allocation authority. Since the inception of the NMTC Program, the CDFI Fund has completed 19 allocation rounds and has made 1,563 awards totaling \$76 billion in tax allocation authority. This includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority used for the recovery and redevelopment of the Gulf Opportunity Zone. To learn more about the New Markets Tax Credit Program, please visit www.cdfifund.gov/nmtc.

About the CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded more than \$7.4 billion to CDFIs, community development organizations, and financial institutions through its funding programs, allocated more than \$76 billion in tax credit allocation authority to Community Development Entities through the New Markets Tax Credit Program, and guaranteed bonds for more than \$2.1 billion through the CDFI Bond Guarantee Program. To learn more about the CDFI Fund and its programs, please visit the CDFI Fund's website at www.cdfifund.gov.

About Clearinghouse Community Development Financial Institution (Clearinghouse CDFI):

Clearinghouse CDFI addresses unmet credit needs throughout the U.S. and in Indian Country through direct lending, equity investments, and financial assistance. For 27 years, Clearinghouse CDFI has helped bridge the gap between conventional lending standards and the needs of low-income, distressed, and communities of color. Clearinghouse CDFI is also a B Corp—a certification received from the nonprofit B Lab. B Corps are companies who meet rigorous standards of social and environmental performance, transparency, and accountability, and use business as a force for good.

Clearinghouse CDFI has funded \$2.2 billion in total loans for over 2,600 community projects. These projects have created or retained more than 40,000 jobs and benefit over 3.9 million individuals. Clearinghouse CDFI loans have also created 12,000 affordable housing units. In 2022, 64% of Clearinghouse CDFI financing benefited projects in low-income communities. These projects served 2,686 African American clients; 7,868 Latino/Hispanic clients; and 510 Native American/Native Alaskan Clients. Overall, 40% of projects financed in 2022 are minority owned/controlled or primarily serve a minority population. More information is available at www.ccdfi.com.

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