



## **For third straight year, Clearinghouse CDFI Secures \$60 Million New Markets Tax Credit Allocation to Spur Economic and Community Development in Low-Income and Tribal Communities**

**Lake Forest, CA, October 14, 2024**—Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) announced today that it has been awarded, for the third straight year, 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 tribal communities in the Western United States.

"We are deeply thankful to the CDFI Fund and the Department of Treasury for their enduring partnership and trust in us to deploy this substantial and transformative financial resource," said Douglas J. Bystry, President and CEO of Clearinghouse CDFI.

Clearinghouse CDFI was one of 104 organizations across the United States to receive more than \$5 billion in NMTC allocation awards, through the calendar year 2023 round of the NMTC Program. Over 20% of the CDFI Fund's total investments will be made in rural communities, and it is estimated that these award recipients will make nearly \$1.2 billion in NMTC investments in non-metropolitan counties, including an estimated \$126.2 million in Native Areas.

"Today, we announce the 20<sup>th</sup> round of New Markets Tax Credit allocations, which has attracted billions in private capital into businesses and projects in low-income communities nationwide as they continue to recover from the impacts of the pandemic," said CDFI Fund Director Pravina Raghavan. "These investments have spurred job creation, the rehabilitation of commercial corridors, and the development of community facilities like health clinics, charter schools, and food banks, all examples of how New Markets Tax Credit investments are vitally important for low-income urban, rural, and Tribal communities across the country."

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.

Historically, NMTC Program awards have generated \$8 of private investment for every \$1 invested by the federal government. Through the end of fiscal year 2023, NMTC Program award recipients deployed more than \$63.6 billion in investments in low-income communities and businesses. Resulting impacts include the creation or retention of more than 894,000 jobs and the construction or rehabilitation of nearly 259.5 million square feet of commercial real estate.

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.



“The NMTC program offers a solid return on investment, creates substantial impact, and improves communities through economic development,” said Bystry.

Clearinghouse CDFI has provided \$656 million of NMTC allocation for 87 projects serving over 646,000 individuals in low-income communities. In total, Clearinghouse CDFI has funded \$2.5 billion in total loans for 2,670 community projects over the past 28 years. These projects have created or retained more than 43,800 jobs and benefit over 4.8 million individuals.

### **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 20 allocation rounds and has made 1,667 awards totaling \$81 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.

### **About the CDFI Fund**

Since its inception in 1994, the CDFI Fund has provided more than \$7.4 billion through a variety of monetary award programs, \$81 billion in tax credits through the NMTC Program, and has guaranteed nearly \$2.5 billion in bonds through the CDFI Bond Guarantee Program, all to increase the impact of CDFIs and other community development organizations in economically distressed and underserved communities. During this time, the CDFI Fund has helped build the capacity of more than 1,400 Certified CDFIs, which are located in all 50 states as well as in the District of Columbia, Guam, and Puerto Rico. More at [www.cdfifund.gov](http://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. Since 1996, 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. More information is available at [www.ccdfi.com](http://www.ccdfi.com).

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