C. Information Technology Support

People who have visual or mobility impairments that prevent them from creating a Target Market map using the CDFI Fund’s Web site should call (202) 622–2455 for assistance (this is not a toll free number).

D. Communication With the CDFI Fund

The CDFI Fund will use the Applicants’ and Awardees’ contact information in their myCDFIFund accounts to communicate. It is imperative; therefore, that Applicants, Awardees, Subsidiaries, Affiliates, and signatories maintain accurate contact information in their accounts. This includes information like contact names, especially for the authorized representative; email addresses; fax and phone numbers; and office locations. For more information about myCDFIFund, as well as information on the Community Investment Impact System, please see the following Web site: http://www.cdfifund.gov/ciis/accessingciis.pdf.

VIII. Information Sessions and Outreach

The CDFI Fund may conduct Webinars or host information sessions for organizations that are considering applying to, or are interested in learning about, the CDFI Fund’s programs. For further information, please visit the CDFI Fund’s Web site at http://www.cdfifund.gov.


Dated: October 31, 2011.

Donna J. Gambrell,
Director, Community Development Financial Institutions Fund.

[FR Doc. 2011–28684 Filed 11–4–11; 8:45 am]

BILLING CODE 4810–70–P

TABLE 9—CONTACT INFORMATION

<table>
<thead>
<tr>
<th>Type of question</th>
<th>Telephone number (not toll free)</th>
<th>Email addresses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax number for all offices: (202) 622–7754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDFI Program</td>
<td>(202) 622–6355</td>
<td><a href="mailto:cdfihelp@cdfi.treas.gov">cdfihelp@cdfi.treas.gov</a></td>
</tr>
<tr>
<td>Certification, Compliance Monitoring and Evaluation</td>
<td>(202) 622–6330</td>
<td><a href="mailto:ccme@cdfi.treas.gov">ccme@cdfi.treas.gov</a></td>
</tr>
<tr>
<td>Information Technology Support</td>
<td>(202) 622–2455</td>
<td><a href="mailto:ITHelpdesk@cdfi.treas.gov">ITHelpdesk@cdfi.treas.gov</a></td>
</tr>
</tbody>
</table>

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

New Markets Tax Credit Program

AGENCY: Community Development Financial Institutions Fund, U.S. Department of the Treasury

ACTION: Request for public comment.

SUMMARY: This notice invites comments from the public regarding the New Markets Tax Credit (NMTC) Program, which is jointly administered by the Community Development Financial Institutions Fund (CDFI Fund) and the Internal Revenue Service (IRS). All materials submitted will be available for public inspection and copying.

DATES: All comments and submissions must be received by February 6, 2012.

ADDRESSES: Comments may be sent by mail to: Bob Ibanez, Manager, New Markets Tax Credit Program, CDFI Fund, U.S. Department of the Treasury, 601 13th Street NW., Suite 200 South, Washington, DC 20005; by email to cdfihelp@cdfi.treas.gov; or by facsimile at (202) 622–7754. Please note this is not a toll-free number.

FOR FURTHER INFORMATION CONTACT: Information regarding the CDFI Fund may be found on the CDFI Fund’s Web site at http://www.cdfi.fund.gov.

SUPPLEMENTARY INFORMATION: The New Markets Tax Credit Program was authorized by the Community Renewal Tax Relief Act of 2000 (Pub. L. 106–543). It has been extended and amended since initial authorization. The CDFI Fund periodically seeks the views of the public on the NMTC Program, seeking to increase its effectiveness, while reducing cost and burden on program participants. Currently the CDFI Fund is conducting a third-party a long term, longitudinal study of the NMTC Program, including an evaluation of investor behavior. This study will be completed in 2012. Once this study is complete, the CDFI Fund may seek comments from the public about whether additional modifications to the program should be made based upon study findings.

In response to this Request for Public Comment, the CDFI Fund invites and encourages all comments and suggestions germane to the mission, purpose and implementation of the NMTC Program. The CDFI Fund is particularly interested in comments in the following areas:

1. Low-Income Communities and Areas of Higher Distress

The NMTC Program targets Low-Income Communities (LICs), including Targeted Populations, as defined in 12 U.S.C. 4702(20). To encourage investment in areas experiencing greater economic distress, the CDFI Fund also provides an opportunity for applicants to score more highly by committing to making investments in Areas of Higher Distress. The CDFI Fund welcomes comments on the definition of “Low Income Community” and designation as an Area of Higher Distress. Specifically:

LICs are generally defined by statute as census tracts with a poverty rate of at least 20 percent or a median family income at or below 80 percent of the area median income. The CDFI Fund has relied upon decennial census data in determining whether census tracts meet these qualifications, and deems as eligible those census tracts which meet the statutory criteria, provided that the decennial census data shows that the “population for which poverty is determined” is greater than zero.

(a) Should the CDFI Fund consider using different standards or methodologies for determining whether census tracts meet the statutory definition of low-income communities? For example, could using different census data or a different methodology appropriately include census tracts that are currently excluded? Conversely, could using different census data or a different methodology appropriately exclude census tracts that are currently eligible (e.g., census tracts with low populations)? Please cite specific examples of census tract types (not individual census tracts) and sources of national census tract-level data the CDFI Fund could use to both map eligibility and monitor compliance.
(b) In the allocation award process, should the CDFI Fund increase the
percentage from 75 percent of investments made in Areas of Higher
Distress in order to receive the highest scores for this sub-section of the
Community Impact score (See question 25(a) of the 2011 application)? Should the CDFI Fund include additional
distress indicators, alter or eliminate any existing indicators?

2. Treatment of Certain Businesses

The NMTC Program statute (at Internal Revenue Code § 45D(d)(2))
provides the definition of a Qualified Low-Income Community Business
(QLICB), including certain types of businesses that cannot qualify based
upon the nature of their operations (i.e., any trade or business consisting of the
operation of any private or commercial golf course, country club, massage
parlor, hot tub facility, suntan facility, racetrack or other facility used for
gambling, or any store the principal business of which is the sale of
alcoholic beverages for consumption off
premises).

(a) Are there certain other types of businesses that should be discouraged
or barred from receiving NMTC investments? If so, what types of
businesses, and what administrative means could be utilized to discourage
such investments?

(b) Should the CDFI Fund provide additional opportunities in the
allocation award process for applicants to score more highly by committing to
invest in certain business types over others (e.g., small business or rural
investment, operating businesses vs. real estate projects, etc.)?

(c) Are there specific administrative or regulatory changes that would
facilitate the financing of specific types of businesses while preserving public
policy objectives and safeguards?

3. Community Accountability

The authorizing statute (Title I,
subtitle C, Section 121 of the
Community Renewal Tax Relief Act of
2000 (Pub. L. 106–554), as amended)
and the CDFI Fund require certain
community accountability and primary
mission standards be met in order for an
to qualify as a Community
Development Entity (CDE). Moreover,
the CDFI Fund evaluates CDE
Applicants on certain community
accountability dimensions. The CDFI
Fund welcomes comments on the
community accountability of CDEs.

Specifically:

(a) Should the CDFI Fund increase the
community accountability standards for
an entity to qualify as a CDE? For
example, (1) increase the minimum
percentage of Low-Income Community
Representatives required on the board
(governing or advisory) that is providing
accountability for the CDE; or (2) require
some minimum of Low-Income
Community Representatives to be
locally based, such as local residents
and/or government officials?

(b) Should CDE community
accountability standards differ for CDEs
depending on whether they use
governing or advisory boards to
demonstrate accountability?

(c) Should the CDE be required to have
Low-Income Community
Representatives approve of investments
made by the CDE?

(d) Should CDE activities be required to
be coordinated with community
stakeholders? If so, how should this
coordination be conducted and
demonstrated?

(e) Should the CDFI Fund implement
measures to increase the transparency of
CDE activities? For example, should it
(i) require CDE board meetings to be
open to the public and require advance
public notice of such meetings; (ii)
require CDEs to keep and publish
minutes of board meetings; or (iii)
require CDEs to make board member
contact information readily available to
the public?

(f) If a CDE has a Controlling Entity,
should the CDFI Fund require that the
Controlling Entity of the CDE also meets
community accountability
requirements? If so, what requirements
should be applied?

(g) Should CDE community
accountability requirements differ for
allocatee CDEs and non-allocatee CDEs?

(h) Are there other ways in which
CDEs can enhance their accountability
to the Low-Income Communities in
their respective service areas?

4. Transaction Costs

The CDFI Fund requests comments on
whether additional rules, restrictions,
and requirements should be imposed
related to fees and expenses charged by
CDEs. Specifically:

(a) Should there be greater disclosure of
(and perhaps limitations on) the fees
and other sources of compensation and
profits that NMTC applicants propose
and NMTC allocates and their affiliates
charge to (or receive from) their
borrowers, investors or other parties
involved in NMTC transactions? Should
such information be made available by
applicants and allocates directly or
through the CDFI Fund to the public or
should it remain excluded from
disclosure as proprietary business
information?

(b) Should the CDFI Fund provide an
opportunity for CDEs that commit to
limit fee and other forms of
compensation to earn a higher score in
the allocation award process? If so,
please provide specific standards that
could be used.

(c) Are there specific administrative or
regulatory changes that would reduce
transaction costs while preserving
public policy objectives and safeguards?

5. Evaluation of Financial Products

The CDFI Fund provides an
opportunity in the allocation award
process for applicants to earn a higher
score in the Business Strategy section by
committing to providing equity, equity-
equivalent financing, debt with below-
market interest rates, or debt with
certain flexible terms (question 15 of the
2011 application). The CDFI Fund
welcomes comments on the CDFI
Fund’s evaluation of the quality of an
applicant’s financial products.

Specifically:

(a) Should the CDFI Fund adopt the
use of a defined Effective Annual
Percentage Rate for purposes of the
application and compliance
measurement? Should the CDFI Fund alter the flexible rates and terms
question (question 15 of the 2011 application) to base the scoring
preference on a basis point reduction from a market benchmark determined by
the CDE (or a standard metric such as LIBOR) instead of a percentage?
Should the benchmarks be raised?

(b) Are there specific administrative or
regulatory changes that would facilitate the provision of specific
financial products while preserving
public policy objectives and safeguards?

6. Use of Other Federally Subsidized
Financing in Conjunction With NMTCs

Often, CDEs and NMTC investors use other sources of federally subsidized
financing (e.g., historic tax credits, Section 402 loan guarantees) to help
finance NMTC transactions. These
sources of financing are sometimes used in addition to the Qualified Equity
Investment (QEI), as part of a leveraged
debt transaction, or as simultaneous
investments made at the project-level.
Currently, the only restriction against
commingling of federal funds is that
NMTCs may not be used in conjunction
with Low Income Housing Tax Credits.

(a) Should there be any additional
restrictions in the allocation award
process regarding the use of NMTCs
with other sources of federally
subsidized financing? If so, are there
certain types of federal financing that
should be disallowed? Should it matter whether the financing is made as part of
the QEI investment (e.g., through the leveraged debt structure) or at the project level?

(b) Assuming that it is appropriate for any other source of federally-subsidized financing to be used in conjunction with NMTC investments, would it be prudent for the CDFI Fund to limit, as part of the allocation process, the overall amount of QEI dollars or project level investments that may be supported with other sources of federal financing?

(c) Are there specific administrative or regulatory changes that could facilitate the coordination of other federally subsidized financing in conjunction with NMTCs while preserving public policy objectives and safeguards?


Dated: November 1, 2011.

Donna J. Gambrell,
Director, Community Development Financial Institutions Fund.

[FR Doc. 2011–28687 Filed 11–4–11; 8:45 am]

BILLING CODE 4810–70–P