



Community Reinvestment Fund, USA  
801 Nicollet Mall, Suite 1700 West  
Minneapolis, Minnesota 55402  
800 475.3050/612 338.3050 tel  
612 338.3236 fax [www.crfusa.com](http://www.crfusa.com)

Capital for Communities—  
Opportunities for People™

## **FOR IMMEDIATE RELEASE**

For more information contact:  
Katelyn Bednarski  
Community Reinvestment Fund, USA  
612-305-2550  
[katelyn@crfusa.com](mailto:katelyn@crfusa.com)

David J. Hlavac  
Haberman & Associates  
612-338-3900  
[david@habermaninc.com](mailto:david@habermaninc.com)

### **Community Reinvestment Fund, USA Receives \$110 Million New Markets Tax Credit Allocation To Stimulate Small Business Growth**

#### ***Second-largest federal allocation represents “ray of hope” for entrepreneurs in a difficult economy***

MINNEAPOLIS – Oct. 22, 2008 – Community Reinvestment Fund, USA (CRF), a nonprofit organization that connects community-based and economic development lenders with the capital resources of Wall Street, today announced it received \$110 million in federal New Markets Tax Credit (NMTC) funds, the second-largest total allocation awarded in this round. CRF will apply its NMTC credits in key states including California, Colorado, Illinois, Minnesota, New York, Ohio and Wisconsin.

CRF was one of 70 organizations selected from a pool of 239 applicants to receive an allocation in the sixth round of NMTC awards. Since the program's inception in 2001, CRF has received combined NMTC allocations totaling \$522.5 million, making CRF the single largest allocatee focused solely on small business financing.

“Our latest NMTC allocation provides powerful momentum to our organization and represents a ray of hope for thousands of borrowers in low-income communities during difficult economic times,” said Frank Altman, president and chief executive officer for CRF. “At a time when many institutions are retreating from small business lending, community development lenders are seeing greater demand for their financing. This NMTC allocation will play a key role in helping us drive capital to these lenders, so they can meet the needs of entrepreneurs in their communities.”

The NMTC program, part of the Community Renewal Tax Relief Act of 2000, is aimed at stimulating private investment in low-income communities by providing tax credits to investors who make qualified equity investments in privately managed community development entities (CDE). By making an equity investment in an eligible CDE, investors can receive tax credits worth more than 30 percent of the amount invested. The CDE must then use these investments to provide capital for low-income communities, helping finance community development projects, stimulate economic growth and create jobs. Industry estimates show that for every \$1 gained by NMTCs, award recipients are able to leverage an average of \$21 in additional investment from the private sector.



"This recent allocation of tax credits allows us to drive greater funding into disadvantaged areas. NMTC is a landmark program that promises to deliver important economic development opportunities, and we are enthusiastic about continuing our work to leverage NMTC dollars for maximum community impact," Altman said.

CRF is particularly adept at leveraging the economic value of its NMTC awards, spurring millions of dollars in ancillary economic investment in communities that are underserved by traditional financial institutions. As a purchaser of economic development loans, CRF uses NMTC funds to expand the supply of community development capital, allowing lenders to support many more local entrepreneurs than they could without CRF. The organization also assumes the administrative burdens that local lenders otherwise would have to handle, such as establishing a for-profit entity, applying for tax credits, finding investors and reporting the use of the credits and loans to investors.

#### **About CRF**

Community Reinvestment Fund, USA (CRF), a nonprofit organization, is the nation's leader in bringing capital to public and private, nonprofit community development lenders through the secondary market for community development loans. Formed in 1988, CRF has injected more than \$1 billion into low-income and economically disadvantaged communities around the country to help stimulate job creation and economic development, provide affordable housing, and support community facilities. CRF is headquartered in Minneapolis, Minn. [www.crfusa.com](http://www.crfusa.com)

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