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Capital for Communities—
Opportunities for People™

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Community Reinvestment Fund, USA Receives \$75 Million New Markets Tax Credit Allocation To Stimulate Business Growth

Federal allocation supports a stronger, more sustainable future for disadvantaged communities

MINNEAPOLIS – Oct. 30, 2009 – 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 \$75 million in federal New Markets Tax Credit (NMTC) funds. CRF will apply its NMTCs in low-income communities across the country.

CRF was one of 99 organizations selected from a pool of 249 applicants to receive an allocation in the seventh round of NMTC awards. Since the program's inception in 2001, CRF has received combined NMTC allocations totaling \$597.5 million, which makes CRF one of the nation's single largest NMTC allocatees focused solely on business financing.

"At a time when businesses must help drive economic recovery, capital availability continues to be a barrier to investment," said Frank Altman, president and chief executive officer for CRF. "This NMTC allocation will play a key role in helping us drive capital to business lenders, so they can meet the financial needs of their communities."

Congress provided an additional \$1.5 billion in NMTC authority as part of the American Recovery and Reinvestment Act of 2009, which brought the entire amount of tax credits allocated this year to \$5 billion. 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 (CDEs). 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, help 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 new allocation of tax credits allows us to support further investment in disadvantaged areas and improve the quality of life for low- and middle-income American families. We are enthusiastic about continuing our work with this landmark program and leveraging NMTC dollars for maximum community impact,” Altman said.

Using its NMTC Round 6 allocation, CRF has helped create and retain jobs, including 125 new jobs in Phoenix, Ariz. as part of a \$15.9 million construction project for an industrial manufacturer. CRF also plans to develop a business loan for green building improvements, using NMTCs to help meet a growing demand for energy efficiency.

“We are grateful for the support of the CDFI Fund as CRF continues its legacy of responsible financial innovation,” Altman said. “With this allocation, CRF can redouble its efforts to create compelling community impact while remaining financially sound and sustainable.”

About CRF

Community Reinvestment Fund, USA (CRF), a nonprofit organization and certified Community Development Financial Institution (CDFI), 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.

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