

order to generate benefits distributed broadly throughout the community.

Through the NMTC Program, an entity may apply to the Fund to be certified as a CDE. Nonprofit entities and for-profit entities may be certified as CDEs by the Fund. Both for-profit and non-profit entities may apply to the Fund for an allocation of NMTCs, but only CDEs that are for-profit entities are eligible to issue Qualified Equity Investments with respect to which investors will be entitled to claim NMTCs. A taxpayer that makes a Qualified Equity Investment in a CDE that has received a NMTC Allocation from the Fund may claim a five percent tax credit on the investment amount as of the date on which the investment is initially made and on each of the next two anniversary dates and a six percent tax credit for each of the next four anniversary dates.

In this NOAA, the Fund addresses specifically how an entity may apply to receive an allocation of NMTCs, the competitive procedure through which NMTC Allocations will be made, and the actions that will be taken to ensure that proper allocations are made to appropriate entities. Applicants should consult the temporary regulations and related guidance issued by the IRS for the NMTC Program to obtain guidance on tax issues related to the NMTC Program.

II. Eligibility

IRC section 45D specifies certain eligibility requirements that each applicant must meet to be eligible to apply for an allocation of NMTCs. The following sets forth additional detail and certain additional dates that relate to the submission of applications under this NOAA:

(1) CDE Certification: For purposes of this NOAA, the Fund will not consider an application for an allocation of NMTCs unless: (a) The applicant is certified as a CDE at the time the Fund receives its NMTC Program allocation application; or (b) the Fund receives from the applicant an application for certification as a CDE no later than 5 p.m. ET on August 29, 2003. The Fund will not provide allocations of NMTCs to applicants that are not certified as CDEs. Applicants for certification may obtain a CDE certification application through the Fund's Web site at <http://www.cdfifund.gov>. Applications for CDE certification must be submitted as instructed in the application form.

If an applicant that has already been certified as a CDE wishes to change its designated CDE service area, it must submit its request for such a change; said request must be received by the

Fund by no later than 5 p.m. ET on September 30, 2003. The CDE service area change request must be sent from the applicant's authorized representative and include the applicable CDE control number, the revised service area designation, and an updated accountability chart that reflects representation from low-income communities in the revised service area. The service area change request must be sent by e-mail to cdfihelp@cdfi.treas.gov or by facsimile to (202) 622-8911.

(2) Entities that Have Received NMTC Allocations in the Prior NMTC Program Allocation Round: Applicants are hereby notified that success in a prior round of the NMTC Program or any of the Fund's other programs is not a predictor of success under this NOAA. A prior Allocatee of the NMTC Program is not eligible to receive a NMTC Allocation pursuant to this NOAA unless the Allocatee can demonstrate via the Fund's allocation tracking system that, as of February 17, 2004, it has issued and the Allocatee has received cash from its investors for 50 percent of its Qualified Equity Investments relating to its prior NMTC Allocation. Further, an entity is not eligible to receive a NMTC Allocation pursuant to this NOAA if another entity that Controls the applicant, is Controlled by the applicant or shares common management officials with the applicant (as determined by the Fund), has not, as of February 17, 2004, issued and received cash from its investors for 50 percent of its Qualified Equity Investments relating to a prior NMTC Allocation. For purposes of this section of the NOAA, the Fund will only count as "issued" those Qualified Equity Investments that have been recorded in the Fund's allocation tracking system by February 17, 2004. Allocatees and their Subsidiary transferees, if any, are advised to access the Fund's allocation tracking system to record each Qualified Equity Investment that they issue to an investor in exchange for cash.

(3) Entities that Have Received Awards from the Fund in Prior Award Rounds of Other Fund Programs: Prior awardees of any component of the Fund's Community Development Financial Institutions (CDFI) Program, the Bank Enterprise Award (BEA) Program, or any other Fund program are eligible to apply under this NOAA, except as follows:

(a) The Fund will not consider an application submitted by an applicant that is a prior Fund awardee under any Fund program or component of the CDFI Program if the applicant has a balance of undisbursed funds under said prior award(s), as of the application

deadline of this NOAA. Further, an entity is not eligible to apply for a NMTC Allocation pursuant to this NOAA if another entity that Controls the applicant, is Controlled by the applicant or shares common management officials with the applicant (as determined by the Fund), is a prior Fund awardee under any Fund program or component of the CDFI Program, and has a balance of undisbursed funds under said prior award(s), as of the application deadline of this NOAA. For the purposes of this section, undisbursed funds are defined as: (i) In the case of prior BEA Program awards, any balance of award funds greater than \$5,000 that remains undisbursed more than three (3) years after the BEA Program awardee executes an award agreement with the Fund, and (ii) in the case of prior CDFI Program or other Fund program awards, any balance of award funds greater than \$5,000 that remains undisbursed more than one (1) year after the CDFI Program or other Fund program awardee executes an assistance agreement with the Fund; and

(b) The Fund will not consider an application submitted by an applicant that is a prior Fund awardee under any Fund program or component of the CDFI Program if the applicant has failed to meet its reporting requirements, set forth in a previously executed assistance or award agreement(s), or has been debarred from applying under any Fund program, as of the application deadline of this NOAA. Further, an entity is not eligible to apply for a NMTC Allocation pursuant to this NOAA if another entity that Controls the applicant, is Controlled by the applicant or shares common management officials with the applicant (as determined by the Fund), is a prior Fund awardee under any Fund program or component of the CDFI Program, and has failed to meet its reporting requirements, set forth in a previously executed assistance or award agreement(s), or has been debarred from applying under any Fund program, as of the application deadline of this NOAA.

Accordingly, applicants that are prior awardees under any other Fund program are advised to:

(i) Submit all required reports by the deadlines specified in the assistance or award agreements governing said prior awards and to comply with all requirements found therein;

(ii) Contact the appropriate Program Operations representative of the Fund to ensure that all necessary actions are underway for the disbursement of any outstanding balances of said prior awards; and