



## NCIF NMTC Strategy

### Using New Markets Tax Credits (“NMTC”) to Catalyze Community and Economic Development

The National Community Investment Fund (“NCIF”) has created its **3-Way Strategy** to generate long term, sustainable change in low-and moderate-income markets nationally. In this strategy, NCIF partners with the **NCIF Network** – which is a national network of CDFI and Minority Banks, Minority CDEs, other CDFIs, and major **Investors**. Together, we foster job creation, increase access to financial products and services, and enable an environment that creates greater opportunity for the underserved.

To date, NCIF has received a total of \$326 million of NMTC allocations. Using the above strategy, NCIF has catalyzed over \$800 million worth of transactions supporting various community and economic development projects that have created 9,600 jobs. Many of the transactions are located in some of the most distressed neighborhoods of the country (poverty rates ranging from 7% to 70%, and a median unemployment of 14.5% at the time of investment). NCIF is embarking on an ambitious three -part strategy to deploy the allocations over the next two years as follows:

1. **National Deployment with NCIF Network Partners**: NCIF will deploy its NMTC allocations to fund the highest impact projects nationwide with total project costs of approximately \$400 million over the next two years;
2. **Local oneCity Strategy**: NCIF will focus a part of its available NMTC allocation to focus on one or more cities with the goal of reducing the persistence of a *Tale of Two Cities*<sup>1</sup>. Initial focus will be on the City of Chicago.
3. **Catalyze small business lending**: NCIF will bring the program to small businesses that typically need \$1-2 million of funding but have hitherto been neglected due to transaction costs. NCIF will work with customers of NCIF Network partners to support such customers.

We are inviting NCIF Network partners to take advantage of available allocations to support their customers and to increase fee revenues. Other financial institutions that want to partner with NCIF Network may also apply. Key requirements for projects to be eligible in this program are:

1. Projects must be located in eligible (preference for “severely distressed”) census tracts;
2. Project sponsors must be current or future customers of NCIF Network partners;
3. Total project cost must be between 3-4 times the requested NCIF NMTC allocation;
4. Capital stack must contemplate market rate debt; NCIF and its Network partners must participate in a portion of this debt;
5. Projects must create measurable social (and environmental) impact in low- and moderate-income communities and must commit to reporting data to support this impact; and,
6. Must be willing to be recognized as NCIF Partners in internal and external communications.

Access:

1. [NCIF Intake Form](#)
2. [NCIF oneCity Strategy](#)
3. [NCIF Network Bank Strategy](#)

For more information, please contact [NMTC@ncif.org](mailto:NMTC@ncif.org)

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<sup>1</sup> While gains have been made due to community development investments, many cities in the country continue to have significant disparities of income and wealth within the city boundaries – we call it the (unfortunate) *Tale of Two Cities*. We would like to invest our NMTC allocations in a focused manner to contribute to the reduction in persistence of these trends.