



NCIF NMTC Program: Features and Impact

NCIF calls its NMTC strategy **Impact-Plus**. The strategy is to rapidly deploy NMTC allocations in the highest-impact operating businesses and real-estate developments, and in some of the most distressed census tracts around the country. There are two interrelated components to the strategy. First, NCIF creates a **3-Way Partnership** between itself, the tax credit investor bank, and a CDFI Bank that serves the community in which the project or business is located. Second, by partnering with high-impact CDFI Banks in each transaction, NCIF is able to uniquely increase the leverage of its NMTC allocation in low-income communities by creating two distinct types of impact: transactional and permanent.

Transactional impact refers to the specific impact generated by the project itself. This is typically measured by job creation and services offered to the community. Permanent impact refers to the impact that is generated through the creation of a long-term, stable business within the community. NCIF's CDFI Partner is a permanent, stable resident and corporate citizen in the community served, and by supporting them in the transaction, NCIF and the other project partners support a permanent presence that will continue in the community long after the compliance period is over. Following are expectations from NCIF partners in the 3-Way Partnership.

A. Potential Roles and Expectations of the CDFI Bank Partner

CDFI Banks partner in NCIF NMTC transactions in the following primary ways:

- As a Tax Credit Equity Investor, Leveraged Lender, direct lender to the Sponsor or as a Co-allocatee to the project.
- Commits to partnership with NCIF: Throughout the 7-year compliance period:
 - Helps in underwriting and serving the QALICB
 - Helps in analyzing the impact of the QALICB
 - Has a strong working relationship with the sponsor/QALICB
 - Commits to being recognized as an active member of The NCIF Network.

B. Expectations of the Borrower Partner:

- Borrower will remain an active member of the 3-Way Partnership, exploring ways to leverage the relationship between itself and the CDFI Bank partner.
- Commits to building a relationship with the CDFI Bank Partner
- Executes and provides reporting subject to a Community Benefits Agreement.

C. Expectations of the Tax Credit Equity Investor Partner:

- Performs underwriting and impact evaluation of the QALICB
- Supports The NCIF Network and the mission of NCIF

Please visit our website www.ncif.org to learn more about NCIF's New Markets Tax Credits program, or to communicate interest in partnering with NCIF on a transaction. We look forward to hearing from you.