



U.S Department of Treasury Allocates \$65 Million in New Market Tax Credits to Clearinghouse CDFI for Community Facilities and Native American Projects

Lake Forest, CA July, 23, 2020—Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) announced today that it has been awarded a \$65 million New Markets Tax Credit (NMTC) allocation from the United States Department of Treasury. Clearinghouse CDFI will use the tax credits to finance the development of community facilities in underserved neighborhoods throughout the western United States. This includes hospitals, clinics, job training centers, and projects serving Native American communities.

“For almost 20 years, the New Markets Tax Credit has attracted private capital into businesses and communities as they recover from significant shocks to our economy,” said CDFI Fund Director, Jodie Harris. “Projects that spur job creation, enable access to technology infrastructure and develop community facilities like federal qualified health centers, are examples of how New Markets Tax Credit investments are especially critical for low-income communities across the country.”

The New Markets Tax Credit program stimulates community development in economically distressed communities through tax credits that attract private investment capital. This federal tax credit incentive helps to invigorate struggling local economies by allowing investors to make larger investments than would otherwise be possible. Communities benefit from the job creation associated with these investments, as well as greater access to public facilities, goods, and services. This includes: manufacturing, food, retail, housing, health, technology, energy, education, and childcare.

“We are grateful to the CDFI Fund for entrusting us with this NMTC allocation and the opportunity to create positive change in the communities we serve.” said Douglas Bystry, President and Chief Executive Officer of Clearinghouse CDFI. “We are targeting these resources to benefit some of the hardest hit, most economically distressed communities, including many Native American communities.”

Through the New Markets Tax Credit Program, the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs). CDEs, such as Clearinghouse CDFI, are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to projects operating in distressed areas that have better rates and terms and more flexibility than available in the conventional marketplace.

Since inception, Clearinghouse CDFI has deployed \$538 million in NMTC funding for 57 projects throughout the western United States. This includes:

- [Kalispel Reservation](#), Cusick, WA—\$9 million of NMTC allocation for the construction of a new healthy foods facility on tribal land.
- [Expertise Cosmetology Institute](#), Las Vegas, NV—\$4.5 million of NMTC allocation and \$2.5 million in financing to construct a skilled training facility in a highly distressed area.
- [First Place](#), Phoenix, AZ—\$8 million NMTC allocation to build a unique special needs center.



About the NMTC Program

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in financial intermediaries known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities. The tax credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The CDEs in turn use the capital raised to make investments in low-income communities. CDEs must apply annually to the CDFI Fund to compete for New Markets Tax Credit Program allocation authority. Since the inception of the NMTC Program, the CDFI Fund has completed 16 allocation rounds and has made 1,254 awards totaling \$61 billion in tax allocation authority. This includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority used for the recovery and redevelopment of the Gulf Opportunity Zone.

About Clearinghouse Community Development Financial Institution

Clearinghouse CDFI addresses unmet credit needs throughout the U.S. and in Indian Country through direct lending, equity investments, and financial assistance. For over 23 years, Clearinghouse CDFI has helped bridge the gap between conventional lending standards and the needs of low-income, distressed, and communities of color. Clearinghouse CDFI is also a B Corp—a certification received from the nonprofit B Lab. B Corps are companies who meet rigorous standards of social and environmental performance, transparency, and accountability, and use business as a force for good. More information is available at: www.ccdfi.com.

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