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Department of Treasury Announces \$265 Million in NMTC Allocations to CDFI Banks

The CDFI Fund announced \$265 million in 2019 New Markets Tax Credit allocations to CDFI banks for projects in economically distressed communities.

Washington, DC, July 15, 2020 – The U.S. Department of the Treasury’s Community Development Financial Institutions (CDFI) Fund has awarded \$265 million to five CDFI banks and their affiliated entities, all of which are CDBA members.

The CDFI Fund allocated \$3.55 billion in New Markets Tax Credits this year to 76 financial institutions, including those five CDFI-certified banks and affiliates. The CDFI bank awards are as follows:

- \$50 million to Carver Financial Corporation, affiliated with Carver State Bank of Savannah, GA
- \$50 million to Harbor Bankshares Corporation, affiliated with The Harbor Bank of Maryland in Baltimore, MD
- \$50 million to SB New Markets CDE, LLC, affiliated with Sunrise Banks of Saint Paul, MN
- \$50 million to Southern Bancorp of Arkadelphia, AK
- \$65 million to UB Community Development LLC, affiliated with United Bank of Atmore, AL

These allocations give Community Development Entities (CDEs) the authority to offer tax credits in exchange for purchasing equity shares in the CDEs. In turn, these CDEs provide investment capital to underserved communities in order to build critical community infrastructure, including schools and hospitals. The tax credits serve to offset the risks associated with investing in these communities, ensuring that these investments are prudent for investors in addition to being vital to communities. With this announcement, the total value of NMTC Awards granted since the program’s inception 15 years ago now exceeds \$61 billion in tax credit authority.

“The impact of the NMTC Program awards over the past 15 years is a testament to the incredible importance of the work CDFI banks do in the communities they serve,” said Jeannine Jacokes, CEO of the Community Development Bankers Association, the national trade association of community development banks. “This modest investment of federal dollars consistently leads to significant new investment in the economically distressed areas that need it the most.”

About the CDFI Fund

The Community Development Financial Institutions (CDFI) Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. As a bureau of the U.S. Treasury Department, the CDFI Fund operates programs that use modest amounts of federal money to leverage a multitude of private sector capital to promote the revitalization of low-income communities and bring disenfranchised populations into the economic mainstream.

Awarded annually, the New Markets Tax Credit (NMTC) Program enables banks to financially support and increase lending and services in the most economically distressed communities in the nation with 30 percent poverty and 1.5 times the national unemployment rate.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 81 CDFI-certified and mission-aligned member banks work to make the banking industry a force for good by collectively promoting financial inclusion and creating economic opportunity in the nation's most economically distressed rural and urban communities.

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