

Heather Hunt  
Program Manager, Office of Compliance Monitoring and Evaluation (OCME)  
CDFI Fund  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Re: Comment Request: New Markets Tax Credit (NMTC) Allocation And Qualified Equity Investment (QEI) Tracking System  
(FR Doc. 2022-25781 Filed 11-25-2022)

Ms. Hunt:

The African American Alliance of CDFI CEOs (the Alliance) is pleased to provide the following in response to the CDFI Fund request for comments regarding the New Markets Tax Credit (NMTC Program) Allocation and Qualified Equity Investment and Tracking System (AQEI). The Alliance is a membership-driven intermediary organization that aims to: build the capacity of member organizations; build bridges to economic stability, well-being, and wealth for Black individuals, families, and communities; and build power in Black communities by challenging and influencing financial sectors to operate more equitably. Since launching in 2018, the Alliance has established a network of 72 CEOs of Black-led Community Development Financial Institutions (CDFIs), which includes loan funds, credit unions, and venture capital funds. Alliance members reach historically underserved communities in all 50 states by providing financial services in the small business, affordable housing, and commercial real estate development sectors.

In 2018, the CDFI Fund transitioned Qualified Equity Investment (QEI) reporting from the legacy system, the Allocation Tracking System (ATS), into the Awards Management Information System (AMIS) environment. The transition to the AQEI Tracking System in AMIS is designed to:

1. Enhance the Allocatee's ability to report to the CDFI Fund on information regarding the issuance of its QEIs, per Section 6.5 of its Allocation Agreement, in a timely manner;
2. Collect data to monitor the Allocatee's compliance with certain components of Section 3.2 (Authorized Uses of NMTC Allocation) of its Allocation Agreement;
3. Enhance the Treasury Department's ability to monitor the issuance of QEIs to ensure that no Allocatee exceeds its allocation authority, and to ensure that QEIs are finalized within the timeframes required by the Allocation Agreement and the Internal Revenue Code Section 45D; and
4. Provide the Treasury Department with investor and lender data, which may be aggregated and analyzed in connection with NMTC Program evaluation efforts.<sup>1</sup>

The Alliance generally supports the inclusion of the following two data points, per recommendations found in [GAO-14-500: New Markets Tax Credit, Better Controls and Data](#)

---

<sup>1</sup> [NMTC Allocation and QEI Tracking Guide March 2022 C2L.pdf \(cdfifund.gov\)](#)

[Are Needed to Ensure Effectiveness](#)<sup>2</sup>, to better measure the depth of public subsidy associated with New Markets Tax Credit transactions.

1. **Other Tax Credit Amount:** Report tax credit amount received in conjunction with this pass-through entity for another tax credit program.
2. **Other Public Subsidy Used to Fund Leveraged Loan:** Report the amount of other public sources (local, state, and federal), excluding other tax credits, used to fund the leveraged loan and public sources that are received by Affiliates of the QALICB and used to fund the leverage loan.

Though we believe these to be positive changes for the AQEI, the Alliance urges the CDFI Fund to take the necessary measures to ensure the cost of compliance is not disproportionately felt by smaller community development entities (CDEs) that, due to the complexities surrounding the collection of this data, may have to obtain third-party assistance. Further, the Alliance recommends that the CDFI Fund revise its metrics to make minority impact (i.e., the extent to which a project is minority-owned or controlled) a required reporting metric, as opposed to merely being optional. The Alliance believes that such a shift would increase minority participation in NMTC transactions, which would be a net positive for the program and for people and communities in need.

We thank you for the opportunity to share our thoughts, and we ask the CDFI Fund to consider our comments as it strives to expand economic opportunities for historically underserved communities around the U.S.

Sincerely,



Lenwood V. Long Sr.  
President and CEO  
African American Alliance of CDFI CEOs

---

<sup>2</sup> [New Markets Tax Credit: Better Controls and Data Are Needed to Ensure Effectiveness | U.S. GAO](#)