



June 26, 2013

Chairman Max Baucus
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Ranking Member Orrin G. Hatch
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

I am contacting you on behalf of Opportunity Finance Network (OFN), the country's premier network of community development financial institutions (CDFIs). CDFIs invest in a broad range of affordable housing, small and micro-businesses, real estate development and community facilities benefitting economically distressed communities across the United States. In 2011 OFN Members provided more than \$2.6 billion in financing to people, markets, and communities that mainstream lenders do not serve.

As the Finance Committee considers tax reform legislation, we urge you to include a permanent authorization of the New Markets Tax Credit (NMTC) program. The NMTC is a proven incentive for spurring private sector investment in low-income communities. The Credit delivered over \$55 billion in capital to economically distressed communities between 2003 and 2011, directly creating over 350,000 jobs. According to calculations by the NMTC Coalition, NMTC investments and the jobs created by those investments generated over \$5.4 billion in federal tax revenue between 2003 and 2010, covering the \$5.3 billion cost of the program over the same period.

OFN and the mission-driven CDFI industry are highly experienced with the NMTC. OFN was one of only 66 Allocatees in the NMTC Program's first round (2002), and we have also received an allocation in the most recent 2012 round of awards. An estimated 15% of OFN's Member CDFIs are NMTC Allocatees. Over the life of the program, CDFIs have been awarded approximately 25% of the total allocations; more than 90% of the CDFIs awarded NMTC allocations are OFN Members.

The NMTC places the project underwriting responsibility at the community level where it has the most impact. The NMTC is the only incentive that provides both the flexibility to finance a variety of businesses and projects in low-income communities along with an effective and well established system to deliver that financing.

Again, we urge you to include a permanent authorization of the New Markets Tax Credit program in tax reform legislation. Please contact Jennifer A. Vasiloff, Executive Vice President, Policy at 703-967-1338 or jvasiloff@opportunityfinance.net for any assistance that our organization can offer.

Sincerely,

A handwritten signature in black ink that reads "Mark Pinsky". The signature is written in a cursive, slightly slanted style.

Mark Pinsky

Cc: Members of the Senate Finance Committee