

**Quotes from Steven A. Carriker**  
**Executive Director, Texas Association of Community Development Corporations**  
**(TACDC)**

Before working at TACDC, he worked for a community development finance institution (CDFI) that financed nonprofit community health care facilities. The CDFI leveraged funds into these facilities to improve the quality of community health and increase the availability of capital for building these facilities in low-income areas. Not long after the CDFI started did it become aware of the New Markets Tax Credit (NMTC) program, which encourages investment in low-income census tracts through tax credits. It provides a 5 percent tax credit for the amount of the investment in the first three years and six percent in the next four years. It is a shallow subsidy program, as compared to the low-income housing tax credit and other historical programs.

NMTC does not make a bad business deal a good one but can be used to do a number of different things. For example, it can raise equity, enhance the returns of an investment to make a loan slightly more attractive, and subsidize a project by lowering a loan's interest rate. In Carriker's case, he wanted to get the lowest possible level of monthly or annual debt service for the project that his CDFI was financing so that most of the funds could be used to serve health care needs, not just the needs of the health care facilities' builders.

The CDFI Fund has gone a long way to make the complicated NMTC program more understandable. There are 100 different ways to do 1,000 different projects under the program.

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