

Tax Advisory

New Markets Tax Credit Finance

Investing in Communities for a Brighter Future

The New Markets Tax Credit (“NMTC”) program provides a federal subsidy of about 20% for projects that create jobs or deliver vital goods and services in low income communities. It involves a public-private partnership in which the U.S. Department of Treasury, through a division called the Community Development Financial Institutions (“CDFI”) Fund, issues tax credits to private organizations called Community Development Entities (“CDEs”).

The CDEs sell these credits and use the capital raised to provide below market, flexible financing for projects located in census tracts with high poverty rates and/or low median family incomes. CDEs invest in a wide range of projects through the NMTC program, including commercial real estate projects, operating businesses, or community facilities, all with the goal of creating positive impacts in low income communities.

Tax Advantage Group by Cherry Bekaert (“TAG”) helps clients successfully navigate and secure financing for their NMTC projects, and have participated in \$1.5 billion in NMTC funding. We offer tailored solutions to fit your project.

We will identify appropriate financial partners and provide professional, packaged project details to uniquely position your project to CDEs, with the ultimate goal of creating a clear path to closing.

How We Can Help

With a limited supply of credits available, securing funding through the NMTC program is a highly competitive process. Drawing upon our strong relationships with an extensive network of CDEs and tax credit investors, our professionals work closely with you to showcase the mission, goals and impact of your project to the right partners. This helps you get the financing you need to achieve your objectives and make a lasting difference in your community.

Where appropriate, we can also assist in identifying and closing on investment from other tax advantaged solutions, such as state and federal historic tax credits, Opportunity Zones and other federal and state incentives.

How We Work

TAG's Consulting services are positioned to maximize opportunities, close faster, and generate positive outcomes for local communities. From kick-off to closing, our three-phase approach typically lasts between 12 and 24 months and is designed to support your NMTC journey every step of the way.

Phase 1

In-depth project research, analysis and packaging (1-3 months)

A rigorous due diligence process in which our team evaluates your project's operations, outcomes and financing needs. We then work with you to develop compelling marketing materials designed to capture interest and investment from the most relevant CDEs.

Phase 2

Targeted marketing and sales outreach (6-18 months)

Rather than adopt a "scattergun" approach to marketing your project, we use our knowledge, experience and relationships to determine the CDEs best suited to supporting your project. This precision process is based on factors like geography, focus area and community impact. We then communicate directly with those CDEs to build a bank of engaged potential partners.

Phase 3

Full project closing support (2-4 months)

Once we have helped you identify and secure the right CDEs, we assist you throughout the process of closing. This includes supporting you in navigating the different terminology, stakeholders and economic modelling involved, thereby ensuring you get the best possible outcome for your project and your community.

"The expansion of our services would not be possible without the NMTC program, and that program would have been unattainable if it weren't for TAG's diligent work and guidance throughout the process."

- Laura Hobson President & CEO,
Faith Family Medical Center
(Nashville, TN)

Experience the Difference

We are actively involved in the NMTC finance process from start to finish. That means taking the time to truly understand your project's needs and goals before engaging with CDEs most likely to invest. It means doing the heavy lifting when it comes to completing forms and creating tailored marketing materials. It also means being on hand to provide guidance and support right up until your deal is finalized. We will even advise you if we think another tax credit or subsidy program would be more effective for you. Our commitment to getting you the best overall package is what sets us apart. And because we stand out, your project will too.

Creating Success Through Industry Alignment

NMTC financing is open to almost any public, private or non-profit organization provided they can demonstrate the required impact on Disadvantaged Businesses and Communities. At Cherry Bekaert, we have deep experience in supporting community projects across a variety of industries including industrial manufacturing, real estate and construction, government services, healthcare and life sciences, and not-for-profits. For further information and case studies, visit cbh.com/nmtc.

Let us be your guide forward

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