



Commonwealth Cornerstone Group

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VIA FACSIMILE: (202)622-8911

Matthew Josephs
New Markets Tax Credit Program Manager
Community Development Financial Institutions Fund
U.S. Department of the Treasury
601 13th Street, NW., Suite 200 South
Washington, DC 20005

Dear Mr. Josephs:

These comments are submitted pursuant to the Community Development Financial Institutions ("CDFI") Fund Comment Request in Federal Register Vol. 70, No. 248 dated December 28, 2005. These comments are submitted on behalf of the Commonwealth Cornerstone Group, a certified CDE affiliated with the Pennsylvania Housing Finance Agency.

I wish to comment specifically on the Allocation Application ("Application") process utilized in awarding New Markets Tax Credits. To begin, the amount of time required to effectively and thoroughly complete the Application far exceeds the 175 hours estimated by the Department of Treasury. When responding to the inquiry on the application, we have responded approximately 250 hours. However, we believe that even this estimate significantly underestimates the number of hours that are truly required to prepare the Application.

Additionally, the electronic application program used by CDFI for the completion of the application also had its flaws. While we understand that all future applications will be submitted through the Grants.gov website, we believe that these comments may be helpful in ensuring that this new system will be more user-friendly as well.

- Question 14 of the 2006 Application. The formatting of this question differed between the "hardcopy" version available online and the actual "online" application. For instance, the hardcopy application requested the selection of all descriptions that apply, but the online version permitted the selection of only one choice.

- Formatting. The online application should allow formatting, i.e., Bold, Underline, Italics, etc. This would make the application more readable for the eventual scorers and will allow the applicant to stress and prioritize among various points.

- Charts. The charts used by the online program are excessively time consuming. It would be more efficient to permit the uploading of Excel charts rather than requiring the duplicative data entry into the Application charts.

- Submission. For the second year in a row, it has been difficult to submit the application on the deadline date due to the influx of applications from other applicants. This may be resolved by the use of Grants.gov, but it should have been anticipated that the system may become overloaded on the day of the deadline. If electronic submission deadlines remain embedded in the process, please also embed in the process a waiver- or exception- for the period of time that the applicant is unable to access due to the technical glitches such as capacity or overloaded systems. We were unable to get any real response from the helpdesk during the two hour period when we were blocked from entering the system.

Finally, certain questions on the Application require information that is not truly calculable, and require significant guesswork. For instance, the Community Impact Questions 31-33 require the "methodology and assumptions" used to determine the fields. We were able to answer the questions as accurately as possible due to the use of industry software our consultants used for assisting in the completion of the Application. This is an enormous economic burden to applicants and calls into question the judging and scoring criteria being used. We have no idea how other applicants derived their data for input into these fields and wonder how you gauge the accuracy of these projections. While acknowledging the importance of attempting to solicit this information during the Application process, we believe that the majority of information provided in response to these questions is not well defined. Lack of a definitive standard invites pipe-dreaming and puffery.

Thank you for this opportunity to comment on the New Markets Tax Credit Allocation Application. If you have any follow up questions, please contact me at the above address.

Sincerely,



David L. Evans
Executive Director