Author Full Name : Asteria Steinberger **Received Date :** 08/28/2023 04:13 PM

Comments Received :

Dear CDFI Fund team,

The comments below were previously submitted via email on April 10, 2023 to Ms. Shannon McKay, Program Manager, Office Financial Strategies and Research, CDFI Fund, U.S. Department of the Treasury, at CDFI-FinancialStrategiesandResearch@cdfi.treas.gov.

Thank you for the opportunity to provide comments to the NMTC Program Transaction Level Report (TLR).

The main issue we've observed related to fees and payments reporting is the inconsistent interpretation of what should be reported by CDEs, both in the TLR and in the QALICB Fee Disclosure Form. Our comments below aim to clarify the definitions in the TLR. In addition, to provide better transparency to the CDFI Fund relative to the fees and payments going to the relevant parties, a standardized QALICB Fee Disclosure template could be created to be used for all closings. The data will flow directly from the financial model prepared by the accountant, with each CDE and QALICB signing off on the QALICB Fee Disclosure Form that would now include all CDEs in the transaction within the form. This would then be uploaded to AMIS.

Regarding the TLR data points, our comments are as follows:

1. Upfront Fees to the CDE or CDE Affiliate – Column BE
• Include any and all fees or revenue or payments charged prior to or during the close of the QLICI transaction, including any cash, loan or payment from the QALICB/QALICB affiliate received by CDE/CDE affiliate (e.g. placement fees, sub-allocation fees, syndication fees, loan agreements, other outflow of cash, etc.). This includes any fees, payments, revenue or loans received by the CDE/CDE affiliate charged before the QEI is made.

2. Back-End to CDE or CDE Affiliates – Column BL
• Include any and all revenue, loan repayments or fees collected at the end of or after the seven year compliance period retained by the CDE or any affiliates (e.g. success, residuals, loan repayments, reserves, donations, exit fees, carried interest, Allocation Agreement compliance, etc.).
• Exclude third-party transaction costs paid to parties not affiliated to CDE (e.g. legal, audit, tax preparation, and accounting expenses associated with exiting an NMTC transaction)

3. Upfront Transaction Costs – Column BN
• Include any and all transaction costs collected prior to or during the close of the QLICI transaction paid to parties not affiliated to CDE (e.g. legal, financial modeling/projections, consulting fees, placement fees, syndication fees, audit, tax preparation, and accounting expenses, and any expenses associated with closing an NMTC transaction).
• If the fees are paid to an affiliate of the CDE, it should be reported under the Upfront Fees to the CDE or CDE Affiliate.

Please let us know if you have any questions or would like to discuss further.

Best Regards,

National New Markets Fund, LLC