



1.) Leverage Lender provides \$7.5MM loan to the Investment Fund. The loan source can be a variety of private investment or public subsidies such as: bank debt, capital campaign proceeds, balance sheet cash, grants, TIF proceeds and other state and local subsidies.

2.) Once the Leverage Lender makes a loan to the Investment Fund, the NMTC Investor will provide \$2.5MM to the Investment Fund. NMTC Investors are institutional investors and are predominately large banks.

3.) The Investment Fund serves as an aggregator of capital sources and provides a \$10MM Qualified Equity Investment ("QEI") to the Community Development Entity ("CDE").

4.) The CDE receives a fee once the QEI is made (between 4-6% of the total project size).

5.) The CDE makes a \$10MM loan called a Qualified Low-Income Community Investment ("QLICB") in the form of a loan to a NMTC qualified business called a Qualified Active Low-Income Community Business ("QALICB").

6.) The QALICB can use the proceeds for a variety business reasons including new construction, equipment purchases, real estate acquisition, working capital, and more. The QLICB payment is interest only for a term of 7 years.

7.) ***QALICB nets approx. \$1.8-2.0MM of new equity.***