



Driven to deliver.

NEW MARKETS TAX CREDIT PROGRAM

LEGACY BANK AND TRUST

Loan Pool Structure: \$200,000 - \$4,000,000
Direct Leveraged Structure: \$6,000,000+

NMTC PROGRAM

The New Markets Tax Credit (NMTC) program, was passed by Congress in 2000 by the Community Renewal Tax Relief Act. The NMTC program is administrated by the United States Department of Treasury, through the Community Development Financial Institution (CDFI) fund.

The NMTC program encourages investment into low-income, severely-distressed communities, by creating jobs and ensuring community enrichment. CDEs seek qualified businesses in low-income communities to lend subsidized loans to. Pending the project size and underwriting, the borrower may be eligible for one of the two products offered in the NMTC financing program.

SUMMARY:

- Attract and Retain Workforce
- Enrich Low-income Communities
- Subsidize Financing Efforts for Community Enrichment and Development

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LEGACY ECONOMIC GROWTH FUND, (LEGF), affiliated with Legacy Bank and Trust, is a Community Development Entity (CDE), with New Markets Tax Credit authority. Borrowers can receive subsidized loan terms in the New Markets Tax Credit financing program. Within this program, borrowers who qualify may be eligible for one of the two NMTC products: Small-Dollar Loan Pool structure (\$200,000-\$4,000,000) and the Direct Leveraged structure (\$6,000,000+).

IS MY PROJECT ELIGIBLE?

- **Must be located in a qualified census tract**
**Subject to determination by CDFI Fund Mapping tool, in addition to qualification by CDE / Consulting staff at LEGF.*
- **Industry Requirements (Emphasis in Manufacturing and Healthcare)**
- **Job Creation / Community Enrichment**

BENEFITS OF LOAN POOL STRUCTURE:

- **Subsidized Interest Rates (50% below market rates)**
- **Interest only, no principal reduction**
- **7-years fixed, term**
- **No loan origination fees**

BENEFITS OF DIRECT LEVERAGED STRUCTURE:

- **On Average, 20%-25% Equity Returned**
**Equity from the sale of tax credits is injected as sources of capital.*
- **Low Cost of Capital**

All borrowers interested in the NMTC lending program are subject to availability and approval by Legacy Bank & Trust. Legacy Bank & Trust is responsible for handling the due diligence of ensuring eligibility of the borrower. The subject borrowers are all subject to bank underwriting standards, with opportunity for flexible options. All terms are subject to change.

05.2024