

- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- VIEW WEBCASTS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY

Treasury Official Celebrates Use of New Markets Tax Credits at Groundbreaking of Houston Stainless Steel Mill

June 11, 2008

Washington, DC -- The Director of the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund Donna J. Gambrell participated today in a groundbreaking ceremony in Houston, Texas. Lone Star New Markets, LP was awarded \$25 million in allocation authority under the 2003 round of the New Markets Tax Credit Program and is using part of this allocation to secure a new Houston location for Energy Steel Products, a leading stainless steel mill support center.

"I am proud to see the New Markets Tax Credit Program being used to allow Energy Steel Products to retain its current employees and to hire additional new employees within this distressed community," said CDFI Fund Director Donna Gambrell.

In July 2007, Lone Star acquired Energy Steel Products, LLC that is a leading stainless steel mill support center and provides inventory management for steel service center customers. Today's groundbreaking ceremony celebrated the new North Houston location for Energy Steel Products. The relocation and new facility will provide a substantial opportunity for economic revitalization, business stimulation, and property growth.

About the NMTC Program

The NMTC Program, established by Congress in December of 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDEs). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must in turn be used by the CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by the CDFI Fund.

Through the first five rounds of the NMTC Program, the CDFI Fund made 294 awards totaling \$16 billion in tax credit allocation authority. The CDFI Fund anticipates awarding another \$3.5 billion of allocation authority to CDEs in the fall of 2008. The NMTC Program is currently set to expire in 2008, but President Bush has asked Congress to extend the Program with a \$3.5 billion authorization for 2009.

About the CDFI Fund

The CDFI Fund was created for the purpose of promoting economic and community development through investment in and assistance to community development financial institutions (CDFIs). The CDFI Fund's role in promoting

community and economic development was expanded in FY 2001 when the Secretary of the Treasury delegated to the CDFI Fund the responsibility of administering the New Markets Tax Credit (NMTC) Program.

Since its creation in 1994, the CDFI Fund has awarded \$864 million to CDFIs, community development organizations and financial institutions through CDFI Program, the Bank Enterprise Award (BEA) Program, and the Native Initiatives. In addition, the CDFI Fund has allocated \$16 billion in tax credit authority to community development entities (CDEs) through the NMTC Program.

-30-

[CDFI-2008-21]

Last updated/reviewed: 6/11/08

 [print this page](#)

[Contact Us](#) | [Site Index](#) | [Search](#) | [Return to Main Page](#)

Copyright Status

[USA.gov](#) | [Grants.gov](#) | [Regulations.gov](#) | [Privacy & Security](#) | [No Fear Act](#)
[FOIA](#) | [Website Policies & Major Links](#) | [Download Adobe Acrobat PDF Reader](#)