



U.S. Bank Receives \$55 Million in New Markets Tax Credit Allocation

September 29, 2023

ST. LOUIS--(BUSINESS WIRE)--Sep. 29, 2023-- U.S. Bancorp Impact Finance, a subsidiary of U.S. Bank, and its community development entity (CDE) – USBCDE, LLC – received \$55 million of New Markets Tax Credit (NMTC) allocation from the U.S. Department of Treasury. The allocation is part of the federal government’s \$5 billion NMTC program, which helps economically distressed communities attract private investment capital.

USBCDE, LLC has now been awarded more than \$1 billion in total allocations, one of only three CDEs to do so. It is one of 102 CDEs to receive a share of the NMTC allocation authority package announced by the Treasury’s Community Development Financial Institutions Fund (CDFI Fund). The bank received its first award in 2006; this is its 13th allocation under the NMTC program; and the sixth year in a row it has received an award. Since its inception, USBCDE has invested more than \$910 million in 46 states plus D.C., helping create more than 59,000 jobs and increasing the capacity served at community facilities like schools and health care centers by more than 1.9 million people annually.

“These allocations of NMTCs are an important tool in helping to catalyze growth and build wealth in communities that have historically lacked access to capital,” said U.S. Bancorp Impact Finance Managing Director of Community Finance Solutions Laura Vowell. “We’re committed to investing in projects and with partners that prioritize increasing access to capital and helping to close the racial wealth gap.”

Recent projects that USBCDE has financed with its allocation include:

- An expansion of the Lakota Tech High School serving members of the Pine Ridge Reservation in South Dakota. This project has two components: an addition to the existing building for additional classroom space as well as the construction of a new stand-alone automotive tech and welding training facility that will help Lakota Tech students learn skills that employers seek.
- Development of the Children’s Village at Lotus House, a multi-provider children’s resource center in Miami, serving women, families and children experiencing homelessness.
- Development of a community-owned grocery store and community space in Detroit, increasing access to healthy and sustainably grown foods while building community ownership and empowerment.
- The renovation of a long-vacant shopping center in Dellwood, Missouri, into a vital resource for the predominantly Black community that provides early childhood education, workforce development, co-working space, a restaurant, and a bank.

Fee income collected through these projects is also reinvested. Impact Finance distributes it as grants to organizations with a racial equity focus and has provided \$7.6 million to organizations and communities since 2013.

In addition to being a vocal advocate for more equitable access to capital in the NMTC industry, Impact Finance has provided technical assistance, grant dollars and referrals for third-party support to several person of color-led CDEs to assist in completing the allocation application. USBCDE also deploys some of its own allocation to emerging and person of color-led CDEs through the intermediary CDE model – a partnership that helps the CDE build a NMTC track record, offers an opportunity to deploy this resource within their selected community and is a potential factor for success in gaining future allocation.

Overall, about 20% of this year’s allocatees and allocation went to CDEs led by persons of color.

“We’re happy to see with this round of allocations continued improvement in representation, particularly an increased representation in Native-led CDEs and investment in Native areas,” Vowell said. “We’re excited for all of the allocatees and look forward to helping support their success.”

About U.S. Bank

U.S. Bancorp, with approximately 77,000 employees and \$681 billion in assets as of June 30, 2023, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. Union Bank, consisting primarily of retail banking branches on the West Coast, joined U.S. Bancorp in 2022. U.S. Bancorp has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2023 World’s Most Ethical Companies. Learn more at usbank.com/about.

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