

United States Senate
WASHINGTON, DC 20510-2102

March 30, 2007

The Honorable Henry M. Paulson, Jr.
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Avenue, NW
Room 3330
Washington, DC 20220

Dear Secretary Paulson:

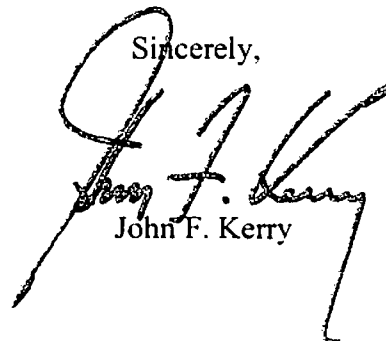
I am contacting you in regards to the New Markets Tax Credit (NMTC) Program which has been a valuable and successful program. The American Jobs Creation Act of 2004(P.L. 108-357) included a provision that modifies the Secretary of Treasury's authority to prescribe regulations to designate "target populations" as low-income communities for purposes of the new markets tax credit. This modification expands target population to include a group of individuals that lack adequate access to loans or equity investments. I am requesting that you consider designating service-disabled veterans as a target population.

Under the modifications, a target population does not need to be located within in a particular census tract. With these modifications, it seems that the designation of service-disabled veterans would be appropriate. A study entitled *Entrepreneurship and Business Ownership in the Veterans Population* published in November 2004 for the Small Business Administration Office of Advocacy examined the lack of capital for service-disabled veterans. This study shows that 52.4 percent of service-disabled veterans believe that access to financing is an impediment to starting a business.

I think we should do all that we can to help service-disabled veterans become entrepreneurs. The NMTC program is a proven existing program that would help service-disabled veterans secure the necessary capital to start a business.

Thank you in advance for your consideration of this important matter.

Sincerely,



John F. Kerry