

CDFI FUND FY.2003 PROGRAM COMPARISON CHART
(See respective NOFAs for more detail)

<i>Chart A: General Program/Component Characteristics</i>					
	NACD	TA/NATA	FA	BEA	NMTC
Maximum Funding Provided	<ul style="list-style-type: none"> ▶ Up to \$100,000 per awardee. 	<ul style="list-style-type: none"> ▶ TA: Up to \$50,000 per awardee. ▶ NATA: Up to \$100,000 per awardee. 	<ul style="list-style-type: none"> ▶ Category I: Up to \$1,000,000 per awardee. ▶ Category II: Up to \$2,000,000 per awardee. NOTE: organizations whose asset size places them in Category I may apply under Category II (for awards up to \$2,000,000), but they will compete with Category II applicants.	<ul style="list-style-type: none"> ▶ Max. award: Up to \$1,500,000, based upon the amount that can be reasonably disbursed within 12 mo. of award ▶ Usually no maximum transaction size, though only on first \$1,000,000 of principal. For commercial real estate loans, max. transaction size is \$1M. 	No maximum tax credit allocation is anticipated for the CY 2003 round.
Application Deadline	<ul style="list-style-type: none"> ▶ Applications will be evaluated on a first-come, first-reviewed basis, through May 31, 2004, subject to funding availability . 	<ul style="list-style-type: none"> ▶ Applications will be evaluated on a first-come, first-reviewed basis, through May 31, 2004, subject to funding availability. 	<ul style="list-style-type: none"> ▶ April 14, 2003 	<ul style="list-style-type: none"> ▶ 6-month option: July 23, 2003 ▶ 12-month option: February 25, 2004 	<ul style="list-style-type: none"> ▶ The CY 2003 allocation round and its deadline has not yet been announced.
Purpose	<ul style="list-style-type: none"> ▶ To fund organizations that plan to create separate CDFIs that will serve Native American (NA), Alaska Native (AN) and/or Native Hawaiian (NH) communities (which need not necessarily be reservation-based). 	<ul style="list-style-type: none"> ▶ TA: To build capacity of CDFIs or legal entities proposing to become certified CDFIs. ▶ NATA: Same as TA, but aimed at entities that primarily serve (\geq 50% of activities) NA, AN and/or NH communities (not necessarily reservation-based). 	To address the capitalization needs of CDFIs which, in particular: <ul style="list-style-type: none"> ▶ provide community development finance in Hot Zones; ▶ increase homeownership and job opportunities for Low-Income and Other Targeted Populations. 	<ul style="list-style-type: none"> ▶ To encourage FDIC-insured depository institutions (IDIs) to strengthen and expand the financial & organizational capacity of CDFIs, and increase their lending and services in distressed communities. 	<ul style="list-style-type: none"> ▶ To encourage private sector investment in Low Income Communities (LICs) via a tax credit incentive.
Type of Funding Provided	<ul style="list-style-type: none"> ▶ TA grantsⁱ for technology, consulting, training and staff salaryⁱⁱ 	<ul style="list-style-type: none"> ▶ TA/NATA: TA grants for technology, consulting, training and staff salary. 	<ul style="list-style-type: none"> ▶ FA: grants, loans, equity investments, credit union shares, secondary capital ▶ TA: grants for eligible TA uses, accompanying a FA request 	<ul style="list-style-type: none"> ▶ Grants 	<ul style="list-style-type: none"> ▶ Not a cash disbursement. ▶ Tax credits that are provided by the allocatee to investors in exchange for equity investment. ▶ Proceeds of investor equity must be used to make direct investments in LICs.

Chart B: Top “Do”s and “Don’t”s in Preparing Applications

	NACD	TA/NATA	FA	BEA	NMTC
Top “Do”s	<ul style="list-style-type: none"> ▶ Do consider the Native American Training Program for training needs. ▶ Do be sure that Native Partner is signatory to application if applicant doesn’t primarily serve NA community. 	<ul style="list-style-type: none"> ▶ Do attach most recent, original, Audited Financial Statements of prospective CDFI if available; if not, internally-generated financial statements. 	<ul style="list-style-type: none"> ▶ Do attach most recent, original, Audited Financial Statements, with auditor notes and if not available, internally-generated financial statements. ▶ Do ask Board member(s) to review final package for clarity, consistency and completeness before submission due to highly competitive nature of this funding round. 		<ul style="list-style-type: none"> ▶ Do gain a thorough understanding of the IRS regulations (along with the standard materials for all Fund components, listed below). ▶ Be realistic in assessing your allocation request given your organizational and management capacity and experience.
	<ul style="list-style-type: none"> ▶ Do provide information on overall market context and rationale for existence of CDFI entity. ▶ Do clearly identify and adequately justify the proposed uses of TA funds, and how it correlates to the capacity-building needs (weaknesses) of the CDFI. 				
	<ul style="list-style-type: none"> ▶ Do provide concise narrative to explain all anomalies and negative trends/events, especially when related to irregularities in charts and financial statements. 				
	<p>MOST CRITICAL POINTS FOR APPLICATIONS TO ALL COMPONENTS:</p> <ul style="list-style-type: none"> ▶ *Do be sure you understand the NOFA, regulations and program requirements thoroughly, and review the application instructions and the relevant outreach presentation available on the Fund’s website, before starting to work on the application or calling or writing to ask questions. ▶ Do submit materials organized in the order of the original application, preferably with tabs to separate the sections. ▶ Do assure consistency between charts and the narrative. Be concise but provide relevant details. ▶ Do assure that the applicant’s Contact Person has full knowledge of the application and is able to answer questions and respond within 24 hours of contact by the Fund. 				
Top “Don’t”s (Common Mistakes)	<ul style="list-style-type: none"> ▶ Don’t request TA funds for recurring or operating expenses, unless for staff salary for start-ups < 2 years old. 		<ul style="list-style-type: none"> ▶ Don’t request TA funds for recurring or operating expenses. 		
	<ul style="list-style-type: none"> ▶ Don’t submit unreasonable TA costs. 				
	<ul style="list-style-type: none"> ▶ Don’t submit any chart and/or narrative with incomplete information. You will not be permitted to provide supplemental information later, unless requested. ▶ Don’t provide extraneous information. Provide only the (concise) information requested in the application. ▶ Don’t assume the numbers in your charts speak for themselves. Be sure to include relevant narrative to explain the reasoning (e.g. for projections). ▶ Don’t assume that the Fund has previous knowledge of your organization and/or business proposal. Applications are evaluated entirely on their own merits. 				

Chart C: Choosing the Most Appropriate Funding Program/Component for Your Organization

	NACD	TA/NATA	FA	BEA	NMTC
General Organizational Requirements for Funding Eligibility	<p>► <u>Organization Type:</u> CATEGORY I: Tribes (fed-, state- or un-recognized), Tribal entities, and other entities primarily (≥ 50%) serving NA, AN, and/or NH populations. CATEGORY II: TA or other providers (e.g. firms providing training or TA in CD finance or econ. dev.; CDCs, CDFIs, and others in NA communities) Any Category II org. that does not primarily serve a NA population MUST identify a NA partner(s) to work with to create a CDFI. ► Awardees must establish entities that will become certified CDFIs by 1/31/06 (for applications received by 5/31/03) or by 1/31/07 (for applications received between 6/1/03 and 5/31/04). ► Must be <u>compliant</u> w/previous Fund awards + have <u>no undisbursed funds under prior awards.</u></p>	<p>► Applicant must be a <u>legal entity</u> at the time of application. ► Generally, awardee cannot have received more than \$250,000 TA or FA in prior awards from the Fund. ► Applicants include: (i) certified CDFIs whose certifications expire after 6/30/03; (ii) entities that have reasonable plans to achieve CDFI certification by 01/31/05 (for applications received by 5/31/03) or by 1/31/06 (for applications received between 6/1/03 and 5/31/04). ► Must be <u>compliant</u> with previous Fund awards and have <u>no undisbursed funds under prior awards.</u></p>	<p>► <u>Total Asset Size:</u> CATEGORY I: < \$25M if nonregulated or an insured credit union < \$500M if an insured depository institution CATEGORY II: All organizations exceeding the Category I asset limits; no maximum asset limits for Category II. ► Must be <u>currently certified as CDFI</u>, with a cert expiration date after 6/30/03, OR cert application received by Fund by 3/7/03. ► Must be <u>compliant</u> with previous Fund awards and have <u>no undisbursed funds under prior awards.</u></p>	<p><u>For financial institutions:</u> ► Must be an FDIC-insured depository institution ► Applicant must serve a distressed community as defined by BEA Program. <u>For CDFIs interested in partnering with IDIs:</u> ► Must be a certified CDFI (applications submitted by 4/15/03 for the 6-mo option; 10/15/03 for 12-mo. option) ► Assets < \$500M for CDFI banks; \$25M for CDFI credit unions and all other CDFIs. ► Must show organization is Integrally Involved in serving a Distressed Community as defined by BEA regulations.</p>	<p>► Must be certified as a CDE.</p>
Matching Funds Requirement	Not Applicable	Not Applicable	<p>► 1:1 match of FA request (non-federal funds only): ≥25% of requested FA in-hand; and ≥50% of requested FA firmly-committed.</p>	Not applicable	Not applicable

Certification Requirements (in addition to legal incorporation)	<u>CDFI Certification Requirements:</u> <ul style="list-style-type: none"> ▶ <u>Primary Mission</u> of community development. ▶ Serves an eligible <u>Target Market</u>. ▶ Is predominantly a <u>Financing Entity</u>. ▶ Provides <u>Development Services</u> linked to its financial products. ▶ Is <u>Accountable</u> to the Target Market (significant representation on the board). ▶ Is a <u>Non-Government Entity</u>. 	<u>Eligibility Requirements for IDIs:</u> <p>IDIs must be FDIC-insured as of date specified in the applicable NOFA.</p> <p>IDIs that participate in BEA themselves need not be CDFIs. However, if the IDI conducts CDFI support activities, the CDFI partner must be certified, and meet requirements outlined in the NOFA.</p>	<u>CDE Cert. Requirements:</u> <ul style="list-style-type: none"> ▶ Primary mission (PM): have PM of serving LI people or communities ▶ Accountability: ≥ 20% of governing or advisory boards are representative of LI communities in entity's designated service area
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ⁱ TA grants may be used only for capacity-building activities that are non-recurring expenses.

ⁱⁱ TA grants may be used for staff salary for the limited purposes of completing tasks and/or fulfilling functions that are otherwise eligible TA grant uses. Only on an exceptional basis can staff salary be used for operating support for those applicants in operation for more than 24 months as of the date of application.