



# COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY

CDFI Fund • 601 Thirteenth Street, NW • Suite 200, South • Washington, DC 20005 • (202) 622-8662

## **FY 2010 CDFI Program**

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**Combined Application for  
Financial Assistance and/or  
Technical Assistance**



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### **Combined Application for Financial Assistance and/or Technical Assistance**

Pending Renewal OMB No. 1559-0021

CDFI-0001

#### Paperwork Reduction Act Notice

This submission requirements package is provided to Applicants for awards under the CDFI Program. The Estimated average burden associated with this collection of information is 50 hours per respondent, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Community Development Financial Institutions Fund, 601 Thirteenth Street, N.W., Suite 200-South, Washington, DC 20005.

All materials are available on the CDFI Fund Website: [www.cdfifund.gov](http://www.cdfifund.gov).

Catalog of Federal Domestic Assistance Number: 21.020

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# FY 2010 CDFI PROGRAM

## COMBINED APPLICATION FOR FA and / or TA

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# INTRODUCTION AND INSTRUCTIONS

**NOTE:** Capitalized terms (other than titles) are defined in the Notice of Funds Availability (NOFA) for the FY 2010 funding round, the CDFI Program Regulations, or the CDFI Fund Program Glossary, which may be downloaded from the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). Certain terms used throughout the Application have meanings unique to the CDFI Program. Applicants should make sure that they are familiar with these meanings by consulting the NOFA, regulations, and glossary.

## **CDFI Fund: Mission and Programs**

The mission of the Community Development Financial Institutions Fund (the Fund) is to expand the capacity of financial institutions to serve populations and communities lacking adequate access to Financial Products and Financial Services. The Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following programs and initiatives:

- CDFI Program (includes Financial Assistance (FA) and Technical Assistance (TA)).
- Bank Enterprise Award (BEA) Program.
- New Markets Tax Credit (NMTC) Program.
- Native Initiatives.

Information on the Fund's programs can be found on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). From the home page, click on "What We Do" then "Information for Applicants." Click on the link for the various programs of interest.

## **Fiscal Year 2010 CDFI Program**

For fiscal year 2010, the Fund released a NOFA and Application for Applicants seeking FA and/or TA. The key component for applying for either award type is the submission of the Comprehensive Business Plan (CBP). A single Application allows an Applicant seeking either or both types of awards to submit a single CBP. The Application deadline for the FY 2010 funding round of the CDFI Program is 5:00 p.m. ET, Wednesday, November 18, 2009 for all types of assistance: Technical Assistance (TA) funding only; Financial Assistance (FA) funding only; and combined FA and TA funding. Please note the CDFI certification deadline is earlier; the CDFI certification application must be received by 5:00 p.m. ET, Wednesday, October 14, 2009.

## **Funding for Financial Assistance (FA)**

Financial Assistance funds can be requested for Financial Products, Financial Services, Development Services, Capital Reserves, Loan Loss Reserves, Operations and other uses that support the Comprehensive Business Plan. These funds are intended to offer flexible financial support for CDFIs to achieve the strategies outlined in their Comprehensive Business Plans. The most popular use of these funds is for direct financing of the Applicant's financial products. Awardees may also use FA funds to cover staff costs or other operating expenses, restore or increase loan loss reserves, or otherwise strengthen the Awardee's capital structure, e.g., by increasing net assets.

**Note: Applicants should be aware that successful Awardees will be required to demonstrate that an amount equal to at least 85 percent of the total Financial Assistance award amount has been deployed to its Target Market in Financial Products, Financial Services, and/or Development Services over the three-year reporting period.**

Only a certified CDFI may receive an FA award. The Fund provides FA in the form of grants, loans, Equity Investments (including, in the case of Insured Credit Unions, Secondary Capital accounts), deposits, and Insured Credit Union Shares. The amount of FA an Applicant can request is determined by the Applicant’s Category (see more information below). The form of the FA is based on the type of Matching Funds the Applicant demonstrates it has available (in-hand, firmly committed, or to be raised). The Fund will match the size and form of the assistance provided by the non-federal source. For example, an Applicant demonstrating Matching Funds in the form of a 10-year, 2 percent loan for \$200,000 will receive a 10-year, 2 percent loan from the Fund, if it is approved for an FA award. The reporting period for an FA award is approximately three years as specified in each Awardee’s Assistance Agreement.

**Note: For the FY 2010 Application, matching funds documentation is optional. Please see Part III: Matching Funds of this document for additional guidance.**

The amount of FA an Applicant can request depends on its category. This category determination is predominantly driven by asset size and age. Applicants requesting FA fall into one of two categories for the purposes of the FY 2010 Application:

**Category I: Small and/or Emerging CDFI Assistance (SECA).** A Category I/SECA Applicant may request up to \$500,000 in FA plus up to \$100,000 in TA. To be considered a SECA Applicant, a CDFI may not have been selected to receive in excess of \$500,000 in FA in the aggregate from the CDFI Program or Native Initiatives funding programs prior to the FY 2010 Application deadline. To qualify, an Applicant must also meet an asset test or an age test as follows:

- Began operations on or after January 1, 2006.

**OR**

- Total Assets at the end of the Applicant’s most recent fiscal year are as follows :

Institution Type	SECA Asset Maximum
Insured Depository Institution / Holding Company	up to \$250 million
Insured Credit Union or Venture Capital Fund	up to \$10 million
Other CDFIs (Loan Funds)	up to \$5 million

**Category II: Core.** A Category II/Core Applicant may request up to \$2 million in FA and up to \$100,000 in TA. A Category II/Core Applicant is a Certified CDFI or a Certifiable CDFI (defined below) that meets all other eligibility requirements described in the NOFA for the FY 2010 funding round.

## **Funding for Technical Assistance (TA)**

Technical Assistance funds can be requested to strengthen the capacity of the CDFI Applicant, or help an Applicant that has not yet been certified to achieve its status as a certified CDFI. TA awards are grant funds and do not require a corresponding matching fund source. TA grants can be used to cover operating expenses such as personnel salaries and fringe benefits, training, travel, professional

services, material and supplies, equipment, and other costs. A detailed description of the TA categories and related application requirements can be found in Part I of this application under "Technical Assistance Proposal." The reporting period for a TA award is approximately 2 years, as specified in each Awardee's Assistance Agreement.

Applicants can choose to apply for FA and TA together, FA only, or TA only.

**TIP** The Fund will not make an award over the requested amount. Applicants are advised to consider organizational needs and projected costs carefully in developing the award request.

## **Application Eligibility Factors**

There are several factors that determine whether an organization is eligible to apply under the FY 2010 funding round. *Please refer to the FY 2010 CDFI Program NOFA for additional information regarding application eligibility factors including eligibility factors for Prior Fund Awardees or Allocatees.*

The information below explains these factors and which type of funding (FA vs. TA) an organization is eligible to apply for based on its certification status.

### **Certification Status**

Only a certified CDFI is eligible to receive FA from the Fund. The Fund, however, may award and disburse a TA award to an entity not certified as a CDFI. The entity must demonstrate that it has a reasonable plan to become certified by December 31, 2012. For purposes of this Application, the Fund refers to such an Applicant as an "Emerging CDFI." Also for purposes of this Application, the Fund refers to an Applicant that is not certified – but currently meets all certification requirements – as a "Certifiable CDFI."

Even if the Fund finds an Emerging CDFI or Certifiable CDFI eligible to receive an award, such an organization will not be certified as a CDFI until it submits a CDFI Certification Application and the Fund determines that the organization meets each of the requirements for certification. For details concerning the requirements to become a certified CDFI refer to the CDFI Program Regulations and CDFI Certification Application available from the Fund's website.

Required eligibility materials depend on the Applicant's certification status (Certified, Certifiable, or Emerging) and whether it is seeking FA. Failure to submit the required eligibility materials in the specified timeframe may result in the funding and/or certification applications being deemed incomplete and rejected without further review. Applicants are eligible to apply for FA and/or TA as follows:

Table 1 – Eligibility Materials		
Applicant Type	Eligible Funding	What to Submit
<p><b>Certified CDFIs</b> Any certified CDFI whose certification has not expired and that has not been notified by the Fund that its certification has been terminated.</p>	FA and / or TA	<input type="checkbox"/> Certification of Material Event Form <ul style="list-style-type: none"> <li>– Submit the Certification of Material Event Form to the Fund by Wednesday, October 14, 2009, in accordance with instructions on the Fund’s website.</li> <li>– The Form and related guidance are available on the Fund’s website at <a href="http://www.cdfifund.gov">www.cdfifund.gov</a>.</li> </ul>
<p><b>Certifiable CDFIs</b> For purposes of this Application, a Certifiable CDFI is an entity from which the Fund receives a complete CDFI Certification Application no later than October 14, 2009 evidencing that the Applicant meets the requirements to be certified as a CDFI.</p> <p>Note: The Fund will only certify as a CDFI an entity that submits a CDFI Certification Application that the Fund determines meets each certification requirement.</p>	FA and / or TA	<input type="checkbox"/> If seeking FA: <u>CDFI Certification Application</u> <ul style="list-style-type: none"> <li>– Certifiable CDFIs seeking FA must submit a CDFI certification application to the Fund by Wednesday, October 14, 2009.</li> <li>– The CDFI Certification Application is available on the Fund’s website at <a href="http://www.cdfifund.gov">www.cdfifund.gov</a>.</li> </ul> <input type="checkbox"/> If seeking TA Only: Emerging CDFI Eligibility Questionnaire <ul style="list-style-type: none"> <li>– Part II of this Application.</li> <li>– Certifiable CDFIs seeking TA Only may submit a CDFI certification application – but are not required to do so.</li> </ul>
<p><b>Emerging CDFIs</b> For purposes of this Application, an Emerging CDFI is an entity that demonstrates to the Fund that it has a reasonable plan to be certified as a CDFI by December 31, 2012.</p>	TA Only	<input type="checkbox"/> Emerging CDFI Eligibility Questionnaire <ul style="list-style-type: none"> <li>– Part II of this Application</li> </ul>

**TIP** The difference between a Certifiable CDFI and an Emerging CDFI:

- A Certifiable CDFI meets all certification requirements at the time it submits the CDFI Certification Application. Therefore, the Fund will certify such an entity upon its confirmation that the entity meets the certification requirements.
- An Emerging CDFI, on the other hand, does not meet all certification requirements at the time of Application (either for certification or funding). Therefore, the Fund will not certify such an entity as a CDFI.

The difference between the CDFI Certification Application and the Emerging CDFI Eligibility Questionnaire:

- The CDFI Certification Application is used to demonstrate that an Applicant currently meets all of the certification requirements as of the date of the application.
- The Emerging CDFI Eligibility Questionnaire, alternatively, is used to demonstrate that the Applicant has a reasonable plan to become a certified CDFI by December 31, 2012.

**Entities with CDFI Certification Applications Currently Pending with the Fund:** An Applicant seeking TA (either solely or in conjunction with FA) that has a CDFI Certification Application pending with the Fund – but has not received notification that it has been certified – is strongly encouraged to also submit the Emerging CDFI Eligibility Questionnaire (Part II of this Application). If such Applicant is not certified as a CDFI based on the pending CDFI Certification Application, the narrative responses required in the Questionnaire will allow the Fund to better determine if the Applicant qualifies as an Emerging CDFI and is therefore eligible to be considered for the TA portion of the Application.

## Legal Entity

At the time an entity submits its Application, it must be a duly organized and validly existing legal entity under the laws of the applicable jurisdiction (including a Tribal jurisdiction), in which it is incorporated or otherwise established.

## Matching Funds (FA Applicants Only)

Congress waived the matching funds requirements for the FY 2009 funding round, and it is possible that the matching funds requirements may be waived for the FY 2010 Funding Round as well. As of the publication date of this NOFA, however, such a waiver has not been enacted into law.

Accordingly, the Fund encourages Applicants to include matching funds documentation as instructed in the application; if the matching funds waiver is enacted, the Fund will not consider matching funds documentation.

However, matching funds documentation is optional in the FY 2009 application. The Fund **will review** applications which do not submit matching funds documentation.

Should the matching funds requirement **not** be waived, Applicants that have not included matching funds documentation will be provided a **30-day window** to submit this information. The Fund will provide additional information about this process at the time that it opens the 30-day window. Applicants who do not supply matching funds documentation run the risk of being determined ineligible for funding under the FY 2010 Funding Round if the matching funds waiver is not enacted.

# **Application Materials and Deadlines**

## **Submission Deadlines**

All Applications must be submitted electronically through the Applicant's MyCDFI Fund account. All attachments must be uploaded and the Signature Page must be submitted (clicked) by 5:00 p.m. Eastern Time (ET) on **Wednesday, November 18, 2009**.

## **Ensuring that the Application Is Complete**

**Complete Versus Incomplete Applications:** A complete Application is one that includes all required material listed on the Application Checklist. Some items – if missing or incomplete – will result in the immediate rejection of the entire Application. Any Application missing the SF 424 or a valid EIN will immediately be rejected. No Applicant will be given an opportunity to provide a missing SF 424 or missing EIN after the Application deadline.

The Fund will allow two business days for an Applicant to submit the following items if missing or incomplete:

- IRS Documentation of the Applicant's EIN.
  - Provide an electronic copy of Internal Revenue Service (IRS) documentation as evidence the Applicant itself (i.e., not its parent or Affiliate) has been assigned its own unique EIN.
- Dun and Bradstreet Data Universal Numbering System (DUNS) Number.
  - Any entity applying for Federal assistance is required to have a DUNS number.
  - To obtain this number, call 1-866-705-5711 or visit [www.DNB.com](http://www.DNB.com).
- Emerging CDFI Eligibility Questionnaire.
- Environmental & Legal Certifications.
- Certification of Material Events Form.
- Signed Copy of Signature Page.

**TIP** Do not wait until the last minute to obtain a DUNS or EIN documentation. The Fund strongly encourages Applicants to allow sufficient time to obtain the necessary numbers or documentation. If either the DUNS or EIN documentation is missing from the initial submission of the Application materials, the 2 days allowed by the Fund to submit these items may not be sufficient time to obtain them. It is always better to ensure that the initial Application submission contains all required items and documentation.

## **Contacting the CDFI Fund**

The Fund will respond to questions between the hours of 9:00 a.m. and 5:00 p.m. ET, through the date that is indicated in Table 3 of this application. The Fund will not respond to phone calls or e-mail inquiries received after 5:00 p.m. ET on said date, until after the funding Application deadline.

NOTE: These are not toll-free numbers.

<b>Table 2 – CDFI Fund Contact List</b>			
<b>Main Office:</b>	(202) 622-8662 (202) 622-7754 (fax)	www.cdfifund.gov	General inquiries; phone numbers for individual Fund staff; access to MyCDFI Fund and program webpage.
<b>Program Support:</b>	(202) 622-6355	cdfihelp@cdfi.treas.gov	CBP questions, how to complete tables, certification.
<b>Compliance and Monitoring Support</b>	(202) 622-6330 (202) 622-7754 (fax)	cme@cdfi.treas.gov	Status of compliance with other awards including outstanding reports.
<b>IT Support</b>	(202) 622-2455	ithelpdesk@cdfi.treas.gov	Registering and creating accounts on MyCDFI Fund.
<b>Legal Support</b>	If you have any questions or matters that you believe require response by the Fund's Office of Legal Counsel, please refer to the document titled "How to Request a Legal Review," found on the Fund's web site at <a href="http://www.cdfifund.gov">www.cdfifund.gov</a> .		

**Contacting the Fund Regarding CDFI Certification:** The Fund will respond to questions and provide support concerning CDFI certification, related to this NOFA, between 9:00 a.m. and 5:00 p.m. ET, through the date indicated in Table 3. The Fund will not respond to questions or provide support concerning CDFI certification, related to this NOFA, that are received after 5:00 p.m. ET on said date, until after the deadline for submitting such applications. The CDFI Certification Application and other information regarding CDFI certification may be obtained from the Fund's website at <http://www.cdfifund.gov>.

Please see the following table for deadlines to contact Fund staff:

<b>Table 3 - FY 2010 CDFI Program Deadlines</b>		
<b>Application Type</b>	<b>Application Deadlines (5:00 p.m. ET)</b>	<b>Last Date to Contact Fund Staff (5:00 p.m. ET)</b>
CDFI Certification	Wednesday, October 14, 2009	Monday, October 12, 2009
TA-only grant	Wednesday, November 18, 2009	Monday, November 16, 2009
FA-only funding, or FA/TA funding (Core/SECA)	Wednesday, November 18, 2009	Monday, November 16, 2009

# APPLICATION CHECKLIST

Table 4 – Application Checklist			
Application Component	Prepare In...	Submit via...	TA Only Applicants vs. FA Applicants
Signature Page	MyCDFI Fund Online Form	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants:</b> <ul style="list-style-type: none"> <li>Complete and submit form online.</li> <li>NOTE THAT ALL OTHER DOCUMENTS ARE SUBMITTED AS ATTACHMENTS TO THE SIGNATURE PAGE</li> </ul>
Standard Form (SF) 424	MyCDFI Fund Online Form	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants</b> <ul style="list-style-type: none"> <li>This form must be signed by an authorized person.</li> <li>Complete, sign and scan the document.</li> <li>Submit as an attachment online.</li> </ul>
Documentation of EIN	PDF	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants:</b> <ul style="list-style-type: none"> <li>Documentation from the IRS of their own unique EIN.</li> </ul>
Environmental Review Form 501 (c)(4) Certification Assurances and Certifications	MS Word Templates	MyCDFI Fund upload under Attachments	<b>Both TA Only Applicants and FA Applicants:</b> <ul style="list-style-type: none"> <li>Environmental Review Form and the 501(c)(4) Certification (if applicable): <ul style="list-style-type: none"> <li>Complete MS Word Templates.</li> </ul> </li> <li>Assurances and Certifications: Electronic Signature on the SF 424 certifies this form – it is not necessary to submit a separate copy.</li> </ul>
Emerging CDFI Certification Eligibility Application	MS Word	Mail or Fax	<b>FA Applicants:</b> <ul style="list-style-type: none"> <li>Not Applicable – FA Applicants must already be certified or submit a certification application by Wednesday, October 14, 2009.</li> </ul> <b>TA Only Applicants:</b> <ul style="list-style-type: none"> <li>If not certified as a CDFI: Complete in MS Word.</li> </ul>
Comprehensive Business Plan (Narrative)	MS Word	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants:</b> <ul style="list-style-type: none"> <li>Complete MS Word template.</li> </ul>
Application Charts	MS Excel	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants:</b> <ul style="list-style-type: none"> <li>Complete all applicable charts in the Excel Workbook.</li> </ul>
Matching Funds Documentation	PDF	MyCDFI Fund	<b>FA Applicants Only:</b> <ul style="list-style-type: none"> <li>OPTIONAL (See Part III: Matching Funds)</li> <li>Provide an electronic copy of Match Fund documentation.</li> <li>Provide all documentation as a <b>single attachment</b>.</li> <li>Be sure to label the attachment "Matching Funds."</li> </ul>
Financial Statements	PDF	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants</b>
Organizational Chart & Resumes	MS Word	MyCDFI Fund	<b>Both TA Only Applicants and FA Applicants</b>

## Important Deadlines

- **Certification Application:** Received at the Fund by Wednesday, October 14, 2009
- **Certification of Material Events Form:** Received at the Fund by Wednesday, October 14, 2009
- **TA-Only Electronic Application:** MyCDFI Fund submission by **Wednesday, November 18, 2009**
- **FA-Only or FA/TA Electronic Application:** MyCDFI Fund submission by **Wednesday, November 18, 2009.**

**Incomplete Applications:** Applications received after the submission deadlines noted above and/or missing any of the items listed below will be considered incomplete and immediately rejected from consideration for an award without an opportunity to rectify:

- SF 424
- EIN
- Substantially incomplete CBP section of the Application

**Table 5 - FY 2010 CDFI Program Deadlines  
(All 5:00 p.m. ET deadlines)**

Document Type	Due Date
CDFI Certification	Wednesday, October 14, 2009
Certification of Material Event Form	Wednesday, October 14, 2009
TA-only grant – MyCDFI Fund submission	Wednesday, November 18, 2009
FA-only funding, or FA/TA funding (Core/SECA) – MyCDFI Fund submission	Wednesday, November 18, 2009

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# PART I:

## COMPREHENSIVE BUSINESS PLAN

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### WHO MUST COMPLETE THIS SECTION?

- ALL APPLICANTS

### IS THERE ANYTHING IN THIS SECTION THAT WILL CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?

- The Applicant will use the specified MS Word template provided in the application documents available from MyCDFI Fund to respond to the CBP questions. An Applicant will be able to submit the CBP document even if there are no responses to the questions or the responses are incomplete. However, the lack of information will prevent reviewers from completing their evaluation. Therefore, if the Fund determines that there is insufficient information in the CBP section to evaluate the Application, it will not forward it for review. No Applicant will be provided an opportunity to provide supplemental information for the CBP.

### ARE THERE PAGE LIMITS IN THIS YEAR'S APPLICATION?

- Yes. Each section in the Application that is scored has page limitations. You will find guidance in each section specifying the page limits. Applicants are encouraged to read each section carefully and to remain within the page limitations for each section. The Fund will not consider responses beyond the specified page limitation in each section – reviewers will be instructed to stop reading the narrative at the page limit. Applications must be single-spaced and use a 12-point font with 1- inch margins.

<b>Table 6 - Application Page Limits</b>	
Comprehensive Business Plan – Narrative Sections	Maximum Number of Narrative Response
Technical Assistance Plan (TAP)	Four (4) pages
Executive Summary	One (1) page
Market Analysis	Seven (7) pages
Business Strategy	Nine (9) pages
Community Development Performance & Effective Use	Six (6) pages
Management	Eight (8) pages
Financial Health & Viability	Five (5) pages
Total Narrative (with TAP/without TAP)	Forty (40) pages w. TAP Thirty-six (36) pages without TAP

### THINGS TO NOTE:

- Be sure to pay close attention to the Tips as well as the questions.
- The charts are all in a single MS Excel workbook. An electronic version of this Excel file is included

in the application documents available from MyCDFI Fund.

- The completed Excel Workbook and completed MS Word CBP template will be submitted electronically through MyCDFI Fund.
- Do not submit additional materials that are not specifically requested in this Application. The Fund will read only the information it requests. It will not read attachments that have not been specifically requested (such as organizational strategic plans, marketing plans, or letters of support).

# GENERAL GUIDANCE

The CBP includes an Executive Summary, TA Proposal (if applicable), and five key sections, each of which includes several subcomponents. The maximum points available for each section are as follows:

<b>Comprehensive Business Plan (CBP) Sections</b>	<b>TA-only Applicants</b>	<b>FA Applicants (Core and SECA)</b>
Market Analysis	25 points	20 points
Business Strategy	25 points	20 points
Community Development Performance and Effective Use	20 points	20 points
Management	20 points	20 points
Financial Health and Viability	10 points	20 points
Technical Assistance Proposal	Not Scored	Not Scored

## **Charts and Attachments**

The charts and attachments required to complement and supplement the CBP narrative are detailed within each section of the CBP. Make sure all the charts and attachments are submitted appropriately.

# TECHNICAL ASSISTANCE PROPOSAL (TAP)

## Requirements for Applying for Technical Assistance

Any Applicant applying for a Technical Assistance (TA) grant, either alone or in conjunction with a Financial Assistance (FA) award must complete a Technical Assistance Proposal (TAP), which consists of (1) the TA Request Budget (Chart C), and (2) a detailed narrative explanation and justification for each requested use as part of its Application. The TAP supports the overall TA grant request and is the Applicant's narrative explanation and justification for each item of TA requested. The Fund will evaluate the TAP to determine the eligibility and appropriateness of the requested uses of TA.

The narrative must include the following information:

- A brief overall summary of how the requested TA grant will address the organizational improvements needed to achieve the objectives of the CBP.
- A distinct narrative for each requested TA item entered on the TA Budget (Chart C). Each description must include:
  - A detailed description of the requested TA item,
  - A detailed description of how the TA item will improve the Applicant's capacity to serve its Target Market and/or become a certified CDFI and, therefore, achieve the objectives of the CBP,
  - An explanation of how the Applicant calculated each activity, and
  - A timeline including when the activity/purchase will be initiated and completed (note: TA item cannot be expensed prior to Notice of Award – approximately August 2010).
- If the Applicant has received the requested TA item in the past, a description of how the item further builds the capacity of the applicant is necessary. The Fund will not provide funding for the same activities funded through prior awards without a compelling justification.

**TIP** How to submit: The TAP narrative is inserted in the 'TAP field' located in the first box of the downloadable Comprehensive Business Plan MS Word template available via MyCDFI Fund. The TAP narrative provides comprehensive details and justifications for each TA item request and for the overall TA grant request.

Please note the following when writing the TAP and the CBP:

- Generally, all TA grants must be used and activities completed within 24 months of receipt as indicated in the Awardee's Assistance Agreement.
- TA grants cannot be expensed prior to the execution of a Notice of Award (approximately August 2010).
- The Fund will evaluate the TAP for the eligibility and appropriateness of the requested TA grant. The Fund will not provide funding for construction costs.
- If the Applicant identifies a capacity-building need related to any section of the CBP (e.g., if the Applicant requires a market need analysis or a community development impact tracking/reporting system), the Fund will assess its plan to use the TA request to address such need. The

Applicant's plan should be clearly detailed in the TAP narrative and corresponding section of the CBP.

- If the Applicant is not a Certified CDFI and requests a TA grant to address certification requirements, it must explain how the TA will assist the Applicant in meeting the certification requirement. The Fund will assess the reasonableness of the plan to become certified by December 31, 2012, taking into account the requested TA.

## **TAP Calculation Methodology and Justification**

### **A: Personnel (Salary & Fringe).**

- An Applicant may request a TA grant to cover the salary paid to its staff for the 2-year (for TA Only awards) or 3-year (for FA or FA/TA awards) performance period defined in the Assistance Agreement. The narrative justification must describe how the activities that the identified staff person is expected to carry out within the covered timeframe will build the Applicant's capacity to serve its Target Market or become certified as a CDFI.
- For example, the justification for a request to cover a year's salary of a lending officer should explain the capacity improvements expected at the end of that year, i.e., quantified increase in lending, development of new lending products, etc.
- The narrative must list each position by name and title/position of employee. The narrative must clearly identify each staff person's annual salary rate and the percentage that will be covered by the TA grant (e.g., 50 percent of the loan officer's annual salary for two years).

#### *Fringe Benefits.*

- Fringe benefits must be reported separately from Category A (Salary), but Applicants may use the same narrative justification. An Applicant may request a TA grant to cover the fringe benefits paid to its staff for the 2-year (for TA Only awards) or 3-year (for FA or FA/TA awards) performance period defined in the Assistance Agreement.
- Applicants may only request fringe benefits for personnel listed in Budget Category A and the portion covered must correspond to the portion of salary requested for the same time period (e.g., 50 percent of staff person's time for two years). Provide the organization's fringe rate and clearly calculate the portion of fringe costs be covered by the TA grant.

### **B: Training.**

- An Applicant may request a TA grant to acquire external training for its staff, volunteers, or board members in order to increase the effectiveness of its existing and future administrative operations and programs by developing its human capital.
- The narrative must describe each specific training, the purpose and content, and board/staff expected to participate. The narrative should include the costs of tuition, fees, training materials, and textbooks. Travel, subsistence, and salary for staff attending the training should be requested under Budget Category A and D (Personnel and Travel), as appropriate.
- Costs for attending meetings/events/conferences without specific training content are not eligible under the TA Program.

- In the following cases, Training costs should be listed under specific Cost Categories: Procuring a trainer for in-house training should be requested under Category E (Professional Services). Costs associated with the staff time for providing training to the Applicant's customers and volunteers should be requested under Budget Category A and B (Personnel). Travel associated with training activities must be requested separately in Category D (Travel). Training content must be standardized and specific to the needs of the organization (i.e., financial management training for finance staff, loan-underwriting training for lending staff, etc.).

### **C: Travel.**

- An Applicant may request a TA grant to cover travel expenses for staff, consultants, or board members. Allowable travel-related expenses include air or train fare, lodging, mileage, rental cars, taxi and subsistence (e.g., meals).
- Travel expenses must be reasonable and consistent with the Applicant's designated travel policies. Applicants must designate their travel policy in Chart C.
- Applicants that have indicated on Chart C that they will apply Federal travel policies must follow appropriate GSA rates; the Federal rates can be found online at [www.gsa.gov](http://www.gsa.gov).
- Travel expenses associated with any requested training must be included in this category.
- Travel expenses must be itemized by purpose in the TA Budget chart. For example, an Applicant must clarify the amount of travel expense for Outreach, Training, and Consultants, etc.

### **D: Professional Services.**

- An Applicant may request a TA grant to procure Professional Services that will increase its capacity to serve and benefit its Target Market or become certified as a CDFI. This Cost Category includes items generally understood as Consultants and Contractors.
- The narrative must include the vendor name, if known, a detailed discussion of the product or services to be provided, rate of compensation, and estimated time required.
- The rate of compensation for Professional Services covered by a TA grant varies. Services that are obtained outside of a competitive-bid process (i.e., sole-sourced) cannot exceed the daily or hourly rate equivalent to the ES-4 federal salary, currently \$71.63. Current rates can be found at the Office of Personnel Management (OPM) website ([www.opm.gov](http://www.opm.gov)). Services obtained through a competitive bid process may exceed this rate. Applicants must designate their procurement policy in Chart C.
- Requested services should be non-recurring – i.e., distinct projects resulting in a delivered product (e.g., a report), product specific, and closely linked to the achievement of the Applicant's CBP.
- All other expenses related to delivery of Professional Services, such as travel, should be requested in the relevant cost category.
- Examples of Professional Services include:
  - ~ Hiring a consultant to develop lending policies and procedures.
  - ~ Hiring a consultant to develop a market analysis with recommendations for expansion.
  - ~ Hiring a contractor to evaluate existing or new financial products or training services.
  - ~ Hiring a contractor to deliver training to potential borrowers.

## **E: Materials, Supplies and Equipment.**

### *Materials and Supplies.*

- An Applicant may request a TA grant to purchase supplies and/or to produce materials (such as training materials associated with providing developmental services or outreach materials to promote the Applicant's loan products). The narrative should explain how the requested items will be used to build the Applicant's capacity to serve its Target market or to become certified as a CDFI.
- Generally, supplies include any materials that are expended or consumed over time. Items requested under supplies must have a value of less than \$5,000 per unit. The costs of developing materials should be requested either under Budget Category A or F (Personnel or Contractual Costs), as appropriate.
- The narrative description must include details on the type of materials or supplies and per unit cost.

### *Equipment.*

- For purposes of this Application, Equipment includes computer hardware, computer software, related peripherals, and office equipment. An Applicant may request TA to acquire new equipment or to enhance existing equipment. The narrative should explain how the requested items will be used to build the Applicant's capacity to serve its Target Market or to become certified as a CDFI.
- Non-expendable, tangible property having a useful life of more than two years and/or an acquisition cost of \$5,000 or more per unit are considered Equipment. (Expendable items should be requested under "Supplies" or under "Other").
- List each specific item that is to be purchased with the TA grant. When appropriate, list the unit cost multiplied by the number of units to be purchased. Peripheral costs less than \$250 should be added into the cost of the main item to be purchased (such as the computer or copier).

## **F: Other Expenses.**

- Specific costs not associated with the categories A-G should be listed here. An Applicant may request a TA grant to cover direct expenses, such as administrative support, janitorial, security, rent, reproduction, telephone service, internet service, subscriptions, and utilities. The Applicant must demonstrate that other direct expenses listed in OMB Circular A-122 will enhance its capacity to serve its Target Market and/or to become certified as a CDFI. Indirect Costs associated with Personnel costs from category A should be included here. Such activities are subject to approval by the Fund.
- List each specific item that is to be purchased with the TA grant. When appropriate, list the unit cost multiplied by the number of units to be purchased.

## **Areas Needing Improvement and TA Request Questions in CBP**

TA grants are provided to support the Applicant's capacity to achieve the strategies outlined in the Comprehensive Business Plan, including certification. Therefore, in addition to the TAP narrative and

TA Budget Chart, Applicants should link each of the TA item requests to some component of the CBP, explaining how the TA will support capacity building for that section. This will be done in the final questions for each CBP section labeled "Address areas needing improvement and, if applicable, justify TA Use requests that will help." All Applicants must respond to these questions, whether it is requesting TA or not. Their response should include three key components:

- Acknowledge and discuss areas needing improvement or definitively state that no improvements are needed in that CBP component.
- Reference and justify requested TA item(s) from Chart C that will support improvement and strengthen its capacity in that component.
- Explain how the areas of improvement are being addressed in ways other than through the requested TA grant.

**Note** – Do not repeat the justification for each TA request for each CBP question response. If certain TA requests will improve the capacity of more than one CBP section, simply reference the item stating that the detailed justification can be found in the previous CBP TA question.

# TA Budget Chart: Instructions and Sample Chart

Follow the instructions on the chart completing one row for each TA request. Insert more rows above the subtotal line if necessary.

## C. TA Budget Chart

Identify all items and / or tasks to be financed with the TA grant. A detailed description, justification, and explanation of the calculation methodology for the amount requested for each entry must be included in the TA Proposal (TAP) section of the application. Provide the requested information for each requested use. Complete a separate entry for each individual use. Insert more rows above the appropriate subtotal line if additional rows are needed. Additional instructions (and a sample chart) can be found in the FY 2010 Combined CDFI Program application.

**Requested TA may not be expended prior to September 2010**

### A. Personnel (Salary & Fringe)

Under Name/Position, identify the staff person and title. Under Computation, list the annual salary rate and the percentage to be covered by the requested TA grant (which should correspond to the percentage of time to be devoted to an identified project / task or for carrying out CDFI-related activities as described in the narrative justification). In the next column, enter the amount of salary costs to be covered. List the (annual) fringe rate in its own column. The subtotal will calculate based on the percentage of salary covered and the fringe rate.

Name/Position	Computation	Total Salary	Fringe Rate	Total Fringe
<i>Example: Loan Officer</i>	<i>30% of \$55,000 (1 year)</i>	<i>\$16,500</i>	<i>29%</i>	<i>\$4,785</i>
<b>Personnel Sub-Total:</b>				<b>\$4,785</b>

### B. Training

List each training class or course funded by the TA grant separately by the name of the training. Under Name of Training, identify the name of the training event. Under Training Provider, identify the name of the training provider. Under Computation, identify all items to be covered by the TA grant including costs of tuition, fees, training materials, and text books (travel, subsistence, and salary for staff attending the training should be reflected in the Travel and Personnel categories). Under Cost, list the total cost computed for each training event calculated using the methodology described under Computation.

Name of Training	Training Provider	Computation	Cost
<i>Ex: Credit Counseling Certification Course</i>	<i>NeighborWorks</i>	<i>2 attendees x \$1,400 (tuition) + \$100 (registration fee per person)</i>	<i>\$3,000</i>
<b>Training Sub-Total:</b>			<b>\$3,000</b>

### C. Travel

List each travel expenses by purpose (e.g., consultant travel, staff to training, field interviews, advisory group meetings, etc.). Under Location, identify the location of travel, if known. Under Computation, show the basis of computation. The computation must include: the length of the trip, the number of people traveling, and the unit costs involved (i.e., the cost of transportation, the cost of lodging, and the cost of subsistence). - Applicants that have indicated on Chart C that they will apply Federal travel policies must follow appropriate GSA rates. Under Cost, list the total cost of each trip calculated using the methodology described under Computation.

<b>The following type of travel policies will be used by the Applicant:</b>			
Purpose of Travel	Location	Computation	Cost
<i>Ex: Credit Counseling Certification Course (NeighborWorks)</i>	<i>Waco, TX</i>	<i>2 attendees x \$300 (airfare) + \$30 (per diem for 5 days)</i>	<i>\$900</i>
<b>Travel Sub-Total:</b>			<b>\$900</b>

### D. Professional Services

Professional Service fees covered by the TA grant cannot exceed the daily or hourly rate equivalent to the ES-4 federal salary if that service was not obtained through a competitive bid. The current rates can be found at the Office of Personnel Management website at [www.opm.gov](http://www.opm.gov).

Itemize each cost by task performed or service provided. Under Name of Provider, enter the name, if known, of the consultant/contractor. Under Task, enter a brief description of the services to be provided. Under Computation, show the basis for the total cost (e.g., hourly or daily fee times estimated time on the project).

The following type of procurement policies will be used by the Applicant:

Name of Provider	Task	Computation	Cost
<i>Ex: Jane Smith</i>	<i>Market Analysis</i>	<i>\$73.65 per hour x 10 hours.</i>	<i>\$737</i>

**Professional Services Sub-Total: \$737**

### E. Materials, Supplies and Equipment

List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items less than \$5,000, such as books, hand held tape recorders). Under Computation, show the basis for the total cost (i.e., number of units times the per unit value). Peripherals costing less than \$250 should be added into the cost of the main item to be purchased (such as the computer or copier). List computer software separately from computer hardware. Under Cost, list the cost calculated under Computation.

Item	Computation	Cost
<i>Example: Desktop Computer</i>	<i>2 computers x \$1000.</i>	<i>\$2,000</i>

**Materials and Supplies Sub-Total: \$2,000**

### F. Other Costs

List items by cost category as described in OMB Circular A-122. Under Expense, indicate the cost category as described in A-122. Under Description, enter a brief explanation of the proposed use to be funded by the TA grant. Under Computation, enter the basis of the computation including all associated direct costs. Under Cost, enter the requested amount obtained using the calculation methodology under Computation.

Category	Description	Computation	Cost
<i>Ex: Memberships, subscriptions, and professional activity costs</i>	<i>Subscription</i>	<i>2 year subscription x \$1000.</i>	<i>\$2,000</i>

**Other Costs Sub-Total: \$2,000**

### Summary Totals by Category

<u>Budget Category</u>	-	<u>Amount</u>
A. Personnel (Salary & Fringe)		\$4,785
B. Training		\$3,000
C. Travel		\$900
D. Professional Services		\$737
E. Materials / Supplies		\$2,000
F. Other Costs		\$2,000
<b>TOTAL TA Budget</b>		<b>\$13,422</b>

## ACTIVITIES LEVEL CHART CATEGORIES

Chart D, the Activities Level Chart, is an important supplement to the CBP narrative. Please use this table to clarify the Financial Product and Service selection options in Chart D. Applicants are encouraged to use the activities listed when describing its Financial Products in its CBP. These "Activity" categories are loosely based on the transaction "Purpose" options found in the Community Investment Impact System (CIIS), the Fund's online data reporting tool. CDFIs that successfully receive an FA award are required to report their financing activity through CIIS annually. To learn more about CIIS click on the CIIS link under "What We Do" on the Fund's website, [www.cdfifund.gov](http://www.cdfifund.gov).

<b>Business Products:</b> Investments used to finance working capital or non-real estate fixed asset purchases. Commonly financed working capital includes payroll, rent, or utility expenses. Commonly financed fixed assets include machinery and equipment, furniture and fixtures, and leasehold improvements. Select one of the three categories that most accurately identifies the type of borrower to whom the product is targeted, and the type of investment made.	
Activity Option	Description
<b>Business - Equity Investments</b>	Equity Investments made to support for-profit entities. Intermediaries should use this category for equity investments made to for-profit CDFIs.
<b>Business Loans - Community Organizations</b>	Loans supporting non-profit or not-for-profit entities. Intermediaries should use this category for loans and EQ2 investments made to non-profit CDFIs.
<b>Business Loans - Non-Micro</b>	Loans supporting non-microenterprise, for-profit entities.
<b>Business Loans – Microenterprise</b>	Loans supporting microenterprise, for-profit entities.
<b>Consumer Loans</b>	Personal (secured or unsecured) loans to one or more individuals for health, education, emergency, credit repair, debt consolidation, or other consumer purposes (including car loans).
<b>Home Purchase – 1<sup>st</sup> Mortgage</b>	Non-subordinated loans supporting the purchase of a primary residence.
<b>Home Purchase - Subordinate</b>	Subordinated loans supporting the purchase of a primary residence and is not in first position. This includes down-payment assistance loans.
<b>Home Improvement</b>	Loans for the renovation or other improvement of an owner-occupied home, regardless of lien position.
<b>Real Estate Products:</b> Investments used for any real estate financing. Common real estate uses include acquisition, predevelopment, construction or permanent financing of office, retail, or manufacturing, space. Select one of the three categories that most accurately identifies the type of borrower the product is targeted.	
<b>Real Estate-Commercial</b>	Loans/equity investments that support commercial for-profit entities. Select this option for <b>mixed-use</b> real estate combining both commercial and residential use.
<b>Real Estate-AHD</b>	Loans/equity investments that support affordable housing development (AHD).
<b>Real Estate-Community Facilities</b>	Loans/equity investments that support <b>community facilities</b> .
<b>Savings/Checking/Share/Draft Accounts</b>	Deposit accounts offered by regulated financial institutions.
<b>Other</b>	Select this category for any grant programs or other financing not identified above.

# EXECUTIVE SUMMARY

No Points

## Narrative Page Limit

- ❑ The Executive Summary must be no more than one (1) page.
- Provide a narrative describing the Applicant's mission, key products and services, community development track record, and impacts to date in its Target Market.
- Include a paragraph stating the exact amount of the total award request. Include a sentence for FA, if requested, which details the exact amount and intended use of funds. The FA total must be indicated on the Data Request Form within the Applicant Excel Workbook.
- Summarize the key elements of the CBP, expected outcomes, and proposed uses of FA and TA, if applicable.
  - An Emerging CDFI should also discuss plans to become certified as a CDFI, particularly focusing on its plans to begin its financing activities, and to begin providing Development Services.
- Complete an Applicant Profile providing the following information (a sample template is provided):
  - Organization name
  - Certification status – “certified,” “certifiable,” or “emerging” CDFI
  - Year organization was established
  - Major products offered
  - Geographic and, if applicable, population-based Target Market(s) served
  - Expected use of funds (summarize categories, high cost items, and unique uses).

### ***Sample Profile Template:***

**Smithtown Loan Fund (SLF) is a certified CDFI established in 1973. SLF provides microloans and small business training related to childcare and youth development to a Low-Income Targeted Population in Orange County California. SLF will use the 2010 FA award as lending capital. It will use the TA grant to 1) obtain consulting services to design two new loan products and related lending policies and procedures; 2) pay for staff training in portfolio management; and 3) purchase computers and presentation technology.**

**TIP** If an Applicant is seeking TA Only, it must generally answer the same questions as an Applicant seeking FA. However, the Fund expects that the response from the TA Only Applicant will be shorter (e.g., 1-2 paragraphs versus 1-2 pages) and have less detail than for an FA Applicant. Please contact the Program staff at the Fund for further clarification.

## COMMUNITY PARTNER

### Narrative Page Limit

- ❑ If applicable, the Community Partner narrative must be no more than one (1) page.

The Fund's statute provides specific conditions for an Applicant working with a Community Partner through a Community Partnership. The term "community partner" means an entity that provides loans, equity investments, or Development Services, including a DIHC, an IDI, an ICU, a non-profit organization, a State or local government agency, a quasi-governmental entity, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958. The term "community partnership" means an agreement between a CDFI and a Community Partner to provide Development Services, loans, or equity investments to a Target Market.

If the Applicant has a Community Partner, attach the written agreement between the Applicant and the Community Partner. Briefly discuss the role of the Community Partner in delivering products, services, and projects in the Target Market. Describe how the Applicant will ensure quality performance by the Community Partner, how the Community Partner will enhance the likelihood of success of the CBP, and how service to the Target Market will be better performed by a partnership than by the Applicant alone.

**TIP** The CBP must be written from the Applicant's perspective. An Applicant may reference activities of its Affiliates (such as a parent organization) to the extent they are relevant to the Applicant's ability to carry out its CBP.

# MARKET ANALYSIS

TA-only Applicants: 25 points; FA Applicants (Core and SECA): 20 points

The Fund will evaluate: (i) the extent and nature of the economic distress within the designated Target Market; and (ii) the extent of demand for the Applicant's Financial Products, Development Services, and Financial Services within the designated Target Market.

## Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)

## Narrative Page Limit

- The Narrative response to Part I. Market Analysis must be no more than seven (7) pages.

## Narrative

### 1. Briefly describe the Applicant's current or proposed Target Market.

- Describe the Applicant's Target Market (according to the CDFI Fund's definitions, i.e., Investment Area, OTP, LITP)?
- Provide an overview of the designated Target Market's principal characteristics (such as demographic, economic, or household characteristics). Provide quantitative and qualitative data on the Target Market context (e.g., population, population shifts, business environment, number of small businesses, largest employers).
- Discuss the extent of economic distress within this Target Market including quantitative and qualitative data (e.g., unemployment, poverty, number of families needing housing, etc.).
- Discuss the need in the Target Market for credit, capital, and financial services.

### 2. Discuss the demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the Target Market.

- Discuss and quantify the extent of demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the current or proposed Target Market.
- Explain how the Applicant ascertained that there was demand for the Financial Products, Development Services, and/or Financial Services that it offers. Discussion should include indicators of demand such as market studies for specific products, trends in product deployment, and/or the number of applications/inquiries per month.
- Describe the demand for the CDFI by providing a sense of the financial marketplace currently available to the community. Identify other sources of Financial Products, Development Services, and/or Financial Services and discuss gaps in access to these resources in the Target Market.

### 3. Address areas needing improvement and, if applicable, justify requested TA activities that will help.

- Acknowledge the areas for improvement needed in the Applicant's Market Analysis capacity by discussing the extent to which the Applicant lacks one of the elements above or is a start up. Include a discussion of how the applicant is trying to improve on those areas.
- If there are requested TA activities that will help to address the Market Analysis deficiencies, reference those items from the TA Budget Chart and explain how the requested TA will address the deficiencies or strengthen the Applicant's capacity in the area of Market Analysis.
- **Sample Market Analysis TA Response:** Smithtown Loan Fund's (SLF) Market Analysis needs improvement in understanding the size and diversity of its potential customer base. We have addressed this weakness developing a Statement of Work for a potential contractor to help conduct research to answer these questions. SLF has also requested the following TA use that will help implement the market analysis improvements: The \$25,000 Contractual entry in the TA Budget Chart will allow us to hire a Contractor to conduct the research needed to understand the size and diversity (population and geographic) of our market. The data is critical for our success in serving our Target Market.

# BUSINESS STRATEGY

TA-only Applicants: 25 points; FA Applicants (Core and SECA): 20 points

The Fund will evaluate the Applicant's business strategy for addressing market demand and creating community development impact through: (i) its Financial Products, Development Services, and/or Financial Services; (ii) its marketing, outreach, and delivery strategy; and (iii) coordination with community development entities within the Target Market.

## Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)

## Narrative Page Limit

- The Narrative response to Part II. Business Strategy must be no more than nine (9) pages.

## Narrative

### 4. Describe the Applicant's relevant Financial Products and Financial Services.

- List each of the Applicant's current and proposed Financial Products and/or Financial Services. ***For each: identify the dollar range, interest rate, fees, and terms.***
- Describe the customer profile for each Financial Product/Service and discuss how their design or proposed design is appropriate for the customer (e.g. flexible underwriting criteria, nontraditional forms of collateral, low down payment requirements, closing costs assistance, etc.).
- Describe the returns generated by each Financial Product and/or Financial Service. Make sure to discuss sources and costs of capital, the returns generated by each product/service, and the financial sustainability of each.
- Discuss how the Applicant's Financial Products/Services are leveraged with other resources (public and private) to achieve greater impact.

### 5. Describe the Applicant's Development Services.

- List each of the Applicant's current or proposed Development Service offerings. Typical examples include credit and financial counseling, homebuyer classes, business development classes, or project financing consultations for affordable housing development CDFIs. ***For each: identify the curriculum, qualifications of instructors, format (i.e., one-on-one vs. group); frequency of offerings, fees/costs, and the system used to evaluate the effectiveness of these offerings.***
- Discuss how Development Services are linked to Financial Products and/or Financial Services. What is the relationship between the number of clients receiving Development Services and ultimately qualifying for Financial Products?
- What are the Applicant's plans for pre-and post-loan support?
- Who provides (include description of partners) Development Services?

- How does the Applicant sustain these Services? (How does the Applicant cover the costs of providing these Services?)

**6. Describe the Applicant's marketing, outreach, and delivery strategy. Discuss the Applicant's collaboration, coordination, and partnerships.**

- Describe how the Applicant markets its products and services.
- Discuss methods the Applicant uses to expand the reach of its marketing. Discuss efforts to reach out to marginalized or isolated populations.
- Discuss how the Applicant will sustain its delivery mechanisms.
- Describe the Applicant's collaboration, coordination, and partnerships (including with banks, credit unions, CDFIs; local, state and tribal government agencies; and other relevant entities).

**7. Address areas needing improvement and, if applicable, justify requested TA activities that will help.**

- Acknowledge the areas for improvement needed in the Applicant's Business Strategy capacity by discussing the extent to which the Applicant lacks one of the elements above or is a start up. Include a discussion of how the applicant is trying to improve on those areas.
- If there are requested TA activities that will help to address the Business Strategy deficiencies, reference those items from the TA Budget Chart and explain how the requested TA will address the deficiencies or strengthen the Applicant's capacity in the area of Business Strategy.
- **Sample Business Strategy TA Response:** Smithtown Loan Fund's (SLF) Business Strategy capacity needs improvement in the marketing and outreach area. We have addressed this weakness by developing a position description for a new "Community Partnership Coordinator." SLF has requested the following TA use which will help us address this Business Strategy weakness: The \$40,000 Personnel – Salary and \$12,000 Personnel – Fringe Benefits entries will allow us to hire this new position and thereby create the types of collaborations and partnerships needed to effectively promote our products and services within our defined Target Market.

# COMMUNITY DEVELOPMENT PERFORMANCE AND EFFECTIVE USE

TA-only Applicants: 20 points; FA Applicants (Core and SECA): 20 points

The Fund will evaluate (i) the Applicant's track record in providing Financial Products, Financial Services, and Development Services to the Target Market; (ii) the Applicant's projected activity levels and community development objectives and (iii) the extent to which the Applicant will maximize the effective use of the Fund's resources.

## Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)
- Community Development Impacts Chart (Chart E in the Application Charts Excel Workbook)

## Narrative Page Limit

- The Narrative response to Part III. Community Development Performance and Effective Use must be no more than six (6) pages.

## Narrative

### **8. Describe the Applicant's track record in providing Financial Products, Development Services, and/or Financial Services.**

- Discuss the Applicant's past activities focusing on those specifically provided to clients in the designated Target Market. As appropriate, use historic data from the Activities Level Chart (Chart D) to support the Applicant's discussion.
- Discuss the circumstances behind the Applicant's track record. For instance, relate growth patterns to the figures reported on the Activities Level Chart. Likewise, if the Applicant has experienced alternating periods of growth and decline, explain why this has occurred.
- Discuss the extent to which past activity levels are suitable in light of the Applicant's organizational structure, products and services, and external/market factors.
- Discuss the impacts and outcomes that have resulted from the Applicant's activities. Refer to historic data from the Community Development Impact Chart. Discuss how these outcomes are measured.

### **9. Describe the Applicant's projected activities and how progress toward these goals is measured.**

- Describe the Applicants projected activities, as illustrated in Activities Level Chart. Explain how all projected figures and timelines were calculated.
- Describe the Applicant's impacts selected in the Community Development Impacts Chart (Chart E). Explain key data the Applicant uses to measure impact over time and how that data is captured.

- Describe the procedures and systems in place (or that will be developed) allowing the Applicant to track the impacts listed in Chart E.

**TIP** The Fund is looking for clearly defined specific outcomes or impacts that will be achieved during the performance period. For example, as a result of the Applicant’s activities, it may successfully increase homeownership opportunities for Low Income residents of the Target Market. In structuring this discussion, keep in mind that outcomes are ultimate goals. Benchmarks or outputs are interim activities or products that lead to the ultimate achievement of the Applicant’s goals.

**10. Discuss why the Applicant should receive a government subsidy in the form of a CDFI Fund award given the Fund’s limited resources.**

- Describe in detail how the Applicant will use the Fund’s award. Provide a timeline for achieving the major CBP’s objectives. Discuss the Applicant’s capacity to deploy the FA Award during the next three years.
- Discuss how the requested award will enable the Applicant to build its capacity as a CDFI.
- Explain how this award will help the applicant attract or leverage non-federal support for its work. Describe the percentage of federal dollars the applicant has historically depended on and how that percentage has changed over time. Explain which other types of support the applicant has or plans to use such as foundations, traditional banks, corporations, fees for service, etc.

**11. Prior Awardees.** If the Applicant or an Affiliate has received an award under any of the Fund’s programs, discuss the extent to which the Applicant has been successful in utilizing the award(s) to build its capacity. *For Awards received between FY 2005-2008*, discuss the extent to which the Applicant has been successful in meeting performance goals and reporting requirements. Additionally, please include the following information:

- Name of the entity that received the award(s) and relationship to the Applicant.
- Previous FA Awardees: At any time during the performance period, did the Awardee fail to meet a performance measure or a financial soundness covenant? If yes:
  - ~ What caused the failure?
  - ~ How have the issues leading to the failure been addressed/resolved?
  - ~ Is the Awardee requesting FA for the same type of activities? If yes, do the projected activity levels coincide with that of the previous award?
- Previous TA Awardees:
  - ~ Did the Awardee expend all the TA funds within the 2-year period? If not, why?
  - ~ Is the Awardee requesting TA funds in this Application for activities previously funded by a TA Award? If yes, identify the activities and state the reasons why?
- If a previous TA award was to assist the Awardee in becoming a certified CDFI, but this objective was not achieved, explain why. If the Applicant is again requesting TA Funds to assist in achieving CDFI certification, explain why the additional assistance is needed and how the Applicant will achieve certification.
- Has the Applicant and/or any Affiliate previously received a Financial Award (includes any awards made under the CDFI Program, Native American Programs, and BEA Program) or

NMTC Allocation from the CDFI Fund? (Yes or No). If yes, please list all of those previous awards and/or allocations:

Previous Awards				
Name of Awardee	EIN of Awardee	Award Control Number	Total Award/Allocation Amount	Award Type

**12. Address areas needing improvement and, if applicable, justify requested TA activities that will help.**

- Acknowledge the areas for improvement needed in the Applicant’s CD Performance and Effective Use capacity by discussing the extent to which the Applicant lacks one of the elements above or is a start up. Include a discussion of how the applicant is trying to improve on those areas.
- If there are requested TA activities that will help to address the CD Performance and Effective Use deficiencies, reference those items from the TA Budget Chart and explain how the requested TA will address the deficiencies or strengthen the Applicant’s capacity in the area of CD Performance and Effective Use.
- **Sample CD Performance and Effective Use TA Response:** Smithtown Loan Fund’s (SLF) CD Performance and Effective Use capacity needs improvement in data collection, operations, and reporting on our outcomes and successes. We have addressed this weakness by conducting a data assessment to identify our information technology needs to collect, manage, and report on our loan portfolio and community development outcomes. SLF has also requested the following TA uses which will help us implement the data collection and CD Performance and Effective Use capacity improvements: The \$20,000 Equipment entry in the TA Budget Chart will help us purchase XYZ software and the \$5,000 Contractual cost entry will allow us to hire a Contractor to compile and consolidate our current data and systems into the new software system. Both of these TA requests will support our ability to collect and report data about our products, services, and impacts. This data is critical for our success in serving our Target Market.

# MANAGEMENT

TA-only Applicants: 20 points; FA Applicants (Core and SECA): 20 points

The Fund will evaluate the Applicant's organizational capacity to achieve the objectives set forth in its Comprehensive Business Plan as well as its ability to use its award successfully and maintain compliance with its Assistance Agreement through an evaluation of: (i) the capacity, skills, size and experience of the Applicant's Governing Board, management team, and key staff; and (ii) the Applicant's management controls and risk mitigation strategies including policies and procedures for portfolio underwriting and review, financial management, risk management, management information systems.

## Charts and Attachments

- Organizational Chart
  - Chart should illustrate all positions as of the date of the Application including (i) Governing Board; (ii) management; (iii) all staff including shared or donated staff from other organizations or Affiliates; and (iii) volunteers and consultants who are an integral part of the Applicant's operations. Show reporting relationships for all positions.
- Up-to-date resumes of all personnel involved in implementing the CBP.

## Narrative Page Limit

- The Narrative response to Part IV. Management must be no more than eight (8) pages.

## Narrative

### **13. Describe the capacity, skills, size and experience of the Applicant's Governing Board.**

- List the members of the Applicant's Governing Board, advisory board, and any key committees that are an integral part of the Applicant's operations (e.g., loan/investment committee, audit committee).
- For each member, provide a brief (one paragraph) description of that individual's capacity, skills, and experience – especially as it relates to his or her position on the board or committee.
- If the Applicant has an Advisory Board, describe its role in advising policies and mission.
- Describe how the Board is accountable to the Target Market.

### **14. Describe the capacity, skills, and experience of the Applicant's management team and key staff.**

- For each member of the management team and any key staff who are integral to implementing the CBP (e.g., loan officers or marketing professional) provide a brief (1-2 paragraph) description of: (i) the position held by the individual including role and responsibilities; (ii) the individual's capacity, skills, and experience as it relates to his or her position; and (iii) the individual's role in carrying out the CBP.
- For any vacancies or new positions, describe the status of filling the position and the strategy for doing so, as well as the expected date of filling the position.

**15. Describe the Applicant's underwriting policies and procedures.**

- Describe the underwriting process and review criteria for each product. Note whether the Applicant has written, board-approved policies in place.
- Discuss how the underwriting policies are responsive to the needs of the Target Market (ex: considerations for low credit scores or blemished credit histories, etc.) Provide an example illustrating these policies in practice.
- **FA Applicants Only:** Address the roles and responsibilities for due diligence, initial recommendation, setting the interest rate, determining the risk level, and making the final loan decision.

**16. Describe the Applicant's portfolio management policies and procedures.**

- Discuss the Applicant's methodology for portfolio review, including the role of staff and/or Governing Board and/or committee members. Describe when and how portfolio review is conducted. Note whether the Applicant has written, board-approved policies in place.
- **FA Applicants Only:** Describe the methodology for Write-Off/Charge-Offs of unrecoverable loans. Explain if Applicant does not Write-Off/Charge-Off loans delinquent greater than 120 days.
- **FA Applicants Only:** Describe how the Applicant addressed delinquencies and defaults in its portfolio. Provide an example where the Applicant addressed problem loans. Describe any Development Services provided to borrowers that are related to portfolio management.
- If the Applicant is requesting an award for a new product, explain if policies and procedures have been developed or the timeframe for doing so.
- If Applicant provides Equity Investments:
  - ~ Describe the Applicant's role in company management and board decisions.
  - ~ Describe the methodology for portfolio valuation. If the Applicant does not revalue its portfolio at least annually, explain why.

**17. Describe the Applicant's financial management policies and procedures.**

- Discuss the Applicant's management of financial accounts. Discuss whether the Applicant conducts annual Audits.
- Discuss the Applicant's systems for tracking and reporting on use of funds from public and private sources.
- Discuss how the Applicant determines liquidity and operating reserves.
- Discuss the degree of oversight provided by the Board. Does the Board set goals or monitor performance measures (such as the measures identified in Part V, Financial Health & Viability?)

**18. Describe the Applicant's Management Information Systems (MIS).**

- BRIEFLY describe the Applicant's MIS including software and other technology used for: underwriting, portfolio monitoring, data and impact tracking, developing internal Financial Statements. For each item, provide the name of the current MIS in use and briefly describe the types of reports that are generated or explain the Applicant's strategy for acquiring and implementing an effective MIS.

- To the extent the Applicant lacks a system or procedure, explain the strategy for acquiring and implementing the appropriate information systems and technology.
- BRIEFLY discuss the Applicant's ability to ensure compliance with a CDFI Fund Assistance Agreement, including ability to report electronically through the Community Investment Impact System (CIIS).

**19. Address areas needing improvement and, if applicable, justify requested TA activities that will help.**

- Acknowledge the areas for improvement needed in the Applicant's Management capacity by discussing the extent to which the Applicant lacks one of the elements above or is a start up. Include a discussion of how the applicant is trying to improve on those areas.
- If there are requested TA activities that will help to address the Management deficiencies, reference those items from the TA Budget Chart and explain how the requested TA will address the deficiencies or strengthen the Applicant's capacity in the area of Management.
- **Sample Management TA Response:** Smithtown Loan Fund's (SLF) Management capacity needs improvement in data collection, operations, and reporting on our outcomes and successes, which are the same areas as discussed in our Community Development Performance and Effective Use section in question 15 above.

# FINANCIAL HEALTH AND VIABILITY

TA-only Applicants: 10 points; FA Applicants (Core and SECA): 20 points

The Fund will evaluate the Applicant's: (i) audited or otherwise prepared Financial Statements; (ii) safety and soundness, including an analysis of the Applicant's financial services industry ratios (capital, liquidity, deployment and self-sufficiency) and ability to sustain positive net revenue; (iii) projected financial health, including its ability to raise operating support from sources other than the Fund and its capitalization strategy; and (iv) portfolio performance including loan delinquency, loan losses, and loan loss reserves.

<b>Financial Ratio Minimum Prudent Standards (MPS)</b>			
<b>Measure</b>	<b>Non-Regulated CDFIs</b>	<b>Insured Credit Unions</b>	<b>IDIs/DIHCs</b>
<b>Capital</b> Measures the underlying financial strength of an Awardee and whether it has sufficient cushion of assets to cover unexpected losses. The capital ratio identifies the percentage of the CDFI's total assets unencumbered by debt.	<b>Net Asset Ratio <math>\geq 20\%</math></b> Net Assets divided by Total Assets	<b>Net Worth Ratio <math>\geq 6\%</math></b> Net Worth divided by Total Assets	<b>Tier 1 Leverage Capital <math>\geq 8\%</math></b>
<b>Asset-Liability Management</b> Is the structure of the Applicant's debt appropriate for its financial products?	<b>Current Ratio = 1.25: 1</b> Current assets divided by current liabilities.	Narrative Only	Narrative Only
<b>Deployment</b> Measures how much of the Applicant's available funds are lent out or invested.	<b>Deployment Ratio <math>\geq 50\%</math></b>	Narrative Only	<b>Net Loans &amp; Leases To Deposits <math>&gt;50\%</math></b>
<b>Self-Sufficiency</b> Measures the percentage of operating costs a CDFI can cover with earned revenue.	<b>Self-Sufficiency Ratio = <math>\geq 40\%</math> (non-profit) <math>\geq 70\%</math> (for-profit)</b>	Narrative Only	Narrative Only
<b>Operating Liquidity</b> Measures whether the Applicant has sufficient cash to cover at least 3 months of operating expenses. The operating ratio reports the availability of cash to cover short-term operating expenses.	<b>Operating Liquidity Ratio = 1: 1</b> Cash and Cash Equivalents that are not restricted in a manner that prevents their use in satisfying obligations represented by operating expenses DIVIDED BY 25% of total operating expenses for the four most recently completed quarters.	Narrative Only	Narrative Only
<b>Earnings</b> Measures whether the Applicant is earning sufficient revenue to cover its expenses.	<b>Net Income = \$0</b> Gross Revenues (including grants or other contributions) less Total Expenses. For-profit Applicants should deduct total pre-tax expenses from Total Revenue.	Break Even (\$0)	Break Even (\$0)

**TIP** Failure to meet any of the historic and/or projected MPS does not necessarily preclude the Applicant from receiving a Financial Assistance and/or Technical Assistance award. However, the Applicant must explain why it believes it is financially sound despite not meeting the MPS.

## **Charts and Attachments**

- Financial Data Input Chart (Chart F1, F2, or F3 in the Application Charts Excel Workbook).
  - Chart F summarizes both the historic and projected financial performance of the Applicant. Complete the chart entering data in the green cells only. Yellow cells are formula calculations.
  - View cell comments in Excel for line item definitions. Applicant will enter historic data using its last three years of financial statements and portfolio data, if necessary. Applicant should develop the three years of projected financial information based on portfolio projections, expected revenue, and other business planning information.
- Submit Financial Statements for the Applicant’s three most recently completed fiscal years (or as many years as are available if the Applicant has been in operation less than three years) as well as Financial Statements for the most recently completed quarter.
  - **Non-Regulated Applicants:** Submit audited or reviewed Financial Statements including any associated Notes to the Financial Statements. If audited or reviewed Financial Statements are not available, submit internally generated balance sheets (statements of financial position) and Income and Expense Statements (statements of activities), and respond to question 25, below. Submit internal financial statements for the most recently completed quarter.
  - **Applicants with Affiliate(s):** If the audited Financial Statements of the Applicant are consolidated with its Affiliate(s) and do not include separate schedules of the Applicant’s financial position and Income and Expense Statements, submit a separate set of internally generated Financial Statements for the Applicant.
  - **ICUs, IDIs, and DIHCs:** In addition to audited Financial Statements, Submit Financial Performance Ratios (FPR) as reported by the Applicant’s appropriate federal regulating agency for the last three completed fiscal years. Regulator reports include the National Credit Union Administration Form 5300, or Uniform Bank Performance Report). Do not submit complete reports, only the financial ratio summary pages.
- Loan Portfolio Quality Chart (Chart G in the Application Charts Excel Workbook).
- Equity Investment Portfolio Valuation Chart (Chart H in the Application Charts Excel Workbook)

## **Narrative Page Limit**

- The Narrative response to Part V. Financial Health & Viability must be no more than five (5) pages.

## **Narrative:**

### **20. Describe the type of Financial Statements included with the Application, audited, reviewed, internally prepared.**

- If applicable, explain why anything less than the most recent three years of audited Financial Statements were not included.
- If applicable, explain measures being taken to address any negative findings reported in the audits.

- Explain any major discrepancies between key financial statement line items and corresponding entries in Chart F. Include information about any transactions (such as off-balance sheet lending, activities undertaken by affiliates, etc.) that remain unclear on Chart F.

**21. Provide key assumptions underlying the projections for the projected three years (FY 2009-FY 2011) identified in the Financial Data Input Chart. Address the following:**

- Explain the basis for the change in outstanding financing during the projected years. For example, is this based on a % increase, if so what percentage. If not based on a percentage increase, what data was used to identify the projection pattern?
- Identify new products or services impacting the outstanding financing figure for the three projected years. These should correspond to products or services on the Activities Level Chart.
- Discuss the Applicant’s operating budget. Discuss costs associated with program activity as opposed to management/administration.
- Discuss the Applicant’s cost of capital.
- Does the Applicant have sufficient financing capital to meet the current and projected level of demand for its Financial Products and/or Financial Services? (When discussing, refer back to discussion of product demand.)

**22. For each Financial Ratio:**

- State the Applicant’s ratio result as calculated on the Financial Data Input chart and whether that result meets the Fund’s minimum prudent standard.
- For all ratios, including those where the Fund has not stated a definitive MPS, explain the organization’s expectation or goal for this ratio and how those expectations were developed, e.g., trade association or regulator standards.
- For regulated Applicants, discuss any regulatory constraints or agreements affecting the MPS.
- If the ratio does not meet the MPS add the following to the narrative:
  - ~ Explain why the Applicant is financially sound although it does not meet the MPS. Include specific information relative to that ratio. For example, a capital ratio statement may address the Sources and terms of the debt that might mitigate the organization’s financial risk, i.e., (20 different EQ2 investments, the earliest of which is due to roll over in 2020); **OR**
  - ~ Explain how the requested FA and/or TA will help increase the Applicant’s ratio.
  - ~ Capital Ratio: Explain why the Applicant’s debts exceed 80% of its total assets and how the organization protects itself from financial risks related to this debt level.
  - ~ Earnings Ratio. Explain such factors as unusual losses, plans for preventing such losses in the future, strategy for increasing earnings, and how the requested FA and/or TA will help the Applicant increase its earning potential. The Fund expects CDFIs to sustain positive net revenue each year but recognizes the nature of CDFI funding sources makes that difficult. The Fund’s MPS is, therefore, based on a three-year time frame.
  - ~ Operating Liquidity [Non-Regulated] or Capital Liquidity [Regulated] Ratio. Address the factors affecting the Applicant’s ability to meet its liabilities with off-balance sheet resources or other strategies.
  - ~ Self-Sufficiency Ratio. (Not applicable for ICUs, IDIs, and DIHCs.) Describe the Applicant’s strategy and timeline for increasing total earned income and/or decreasing expenses. Explain any inflexible impediments to self-sufficiency and why they are considered inflexible (e.g., product mix or market served discussions.)

23. **Portfolio Management Ratios.** Review the chart below, which outlines the MPS for each of three portfolio management ratios: Portfolio-at-Risk (PAR), Annual Net Loan Loss Ratio, and Loan Loss Reserves (LLR) or Provision for Losses.

Loan Portfolio Quality Minimum Prudent Standard (MPS) for Non-Regulated Entities			
Product Grouping	Portfolio-at-Risk (PAR)	Annual Net Loan Loss Ratio	Loan Loss Reserves (LLR) Or Provision for Losses
Affordable Housing-First Lien	≤ 7.00%	≤ 1%	Loan Loss Reserves are expected to be no less than half the actual Portfolio-at-risk and no more than one and a half times the actual portfolio at risk: .5 PAR ≤ LLR ≤ 1.5 PAR
Affordable Housing-Subordinate Lien	≤ 7.00%	≤ 3%	
Business	≤ 10.00%	≤ 5%	
Consumer & Micro-enterprise	≤ 12.00%	≤ 9%	
Overall MPS	≤ 15.00%	Narrative Only	

Loan Portfolio Quality Minimum Prudent Standard (MPS) for Regulated Entities			
Institution Type	Portfolio-at-Risk (PAR)	Annual Net Loan Loss Ratio	Loan Loss Reserves (LLR) Or Provision for Losses
Insured Credit Unions	Delinquent Loans/Total Loans ≤ 3.5%	Net Charge offs/Average Loans ≤ 0.75%.	Comparing the two most recent fiscal years, Applicant's provision for loan losses changed by at least the same percentage and direction as the change in delinquent loans.
IDIs / DIHCs	Non current Loans & Leases/Total Loans & Leases ≤ 2.0%	Net Loss/Avg Total Loans & Leases ≤ 0.5%	Loans & Leases Allowance/Total Loans & Leases ≥ 0.5% PAR

- Applicants will complete the Loan Portfolio Quality Chart (Chart G) and compare their three-year average historical ratios to the MPS above. Use the narrative responses to explain any discrepancies.
- Overall MPS should be based on the product with the largest dollar percentage in your portfolio at the close of your last fiscal year.
- For each portfolio management ratio, the Applicant will address the following results reported in the Loan Portfolio Quality Chart:
  - ~ State whether the Applicant met the MPS. For the Delinquency (PAR) Ratio, the narrative should address each product grouping PAR ratio. For Net Loan Loss (NLL) and Loan Loss Reserve (LLR), address the aggregate portfolio result as they compare to the MPS.
  - ~ Explain the organization's expectation or goal for the portfolio ratio and how it was developed, e.g., trade association or regulator standards.
  - ~ If the Applicant failed the portfolio MPS, further explain why the Applicant believes it has reasonable risk management despite not meeting the MPS or describe the steps being taken to address this failure.

#### 24. Equity Investor Financial Health

- This Chart is applicable for all Equity Investments (including, but not limited to, Venture Capital investments).

- Complete the Equity Investment Portfolio Valuation Chart (Chart H) and briefly answer the following questions:
  - ~ Describe the terms of the Equity Investments made by the Applicant.
  - ~ Explain the Fund's life cycle and where the Applicant is in that life cycle.
  - ~ Describe the Fund's status in meeting both capitalization and investment goals compared to the original plans.
- Provide additional relevant information regarding the Applicant's investment portfolio.

**25. Address areas needing improvement and, if applicable, justify requested TA activities that will help.**

- Acknowledge the areas for improvement needed in the Applicant's financial health and viability capacity by discussing the extent to which the Applicant lacks one of the elements above or is a start up. Include a discussion of how the applicant is trying to improve on those areas.
- If there are requested TA activities that will help to address the financial health and viability deficiencies, reference those items from the TA Budget Chart and explain how the requested TA will address the deficiencies or strengthen the Applicant's capacity in the area of financial health and viability.
- **Sample Financial Health and Viability TA Response:** Smithtown Loan Fund's (SLF) Financial Health and Viability needs improvement in that our capital or net asset ratio does not meet the CDFI Fund's minimum prudent standard, nor does it meet our internal expectations. We are requesting the following TA Use to strengthen this weakness: The \$5,000 Professional Service Cost will allow us to hire a Contractor to help us develop a comprehensive capitalization strategy and plan. The plan will outline the five key markets we should be approaching to build our capital base and the related products and services which will most likely appeal to those markets. The capitalization strategy will serve as the base for building our capital structure which is crucial to continuing our service to our Target Market.

# APPLICATION CHARTS

- The DATA FORM is the first worksheet found in the Excel Workbook. It must be completed in its entirety.
- The charts (A-H) are included in this Application for visual reference only. All Application charts are available – and must be submitted – as an Excel file through the MyCDFI Fund system.
- Applicants will complete each chart and save the completed Workbook.
- Applicants must upload the completed Excel workbook into the online interface via MyCDFI Fund by the application deadline.
- Applicant should print and retain a hard copy of all charts submitted for future reference. Applicant should NOT submit hard copies to BPD.
- **Excel tip:** To print all worksheets in a workbook choose "Print" then in the "Print What" box in the lower left corner select the radio button for "Entire Workbook."



# B1. Retained Earnings Calculator Chart (Non-Regulated Applicants)

**Instructions:** This chart must be completed by any non-regulated (for- or non-profit) Applicant proposing to use retained earnings as a matching funds source.

The Applicant must demonstrate in this chart that the proposed retained earnings meet the following criteria:

- (1) No federal funds are being proposed as part of the retained earnings.
- (2) Applicant is not double-counting match fund sources in Chart A (list of match fund sources).
- (3) Matching Funds meet applicable FY guidelines (see NOFA).

The Applicant's electronic signature on SF-424 attests that all information reported in the Retained Earnings chart is accurate at the time of application. To the extent possible, the Fund will verify the table entries against the financial statements provided with the application. The information reported here is subject to audit; therefore, Applicant must be accurate in reporting Federal income and associated expenses.

Non-regulated Applicants have two options for calculating Retained Earnings:

- (A) The increase in Retained Earnings over the Applicant's most recently completed fiscal year; or
- (B) The annual average increase in Retained Earnings over the Applicant's three most recently completed fiscal years.

Fill out the data for each of the fiscal years.

- Yellow cells automatically calculate based on entries made in the green cells. Complete green cells for each fiscal year using line items from the Applicant's financial statements and historical accounting records.
- The chart assumes the Applicant's most recently completed fiscal year is 2008. If the most recently completed fiscal year is 2009, adjust the fiscal years by changing 2008 to 2009 – the other years will update automatically.
- Rows A and E should be found on the Income Statements. Other rows may need to be calculated or researched from accounting records.
- Itemize income associated with federal sources under Line B. Itemize income that the Applicant is also using as a source of match (as reported on Chart A) on line C. If additional rows are needed for reporting itemized data (Line B and Line C), add rows from middle of the section in order to maintain the sum formula on line B or C.

A positive result in either of line J Col 3 or Line K Col 3 can be proposed as "Retained Earnings" match in Chart A.

	Col 1	Col 2	Col 3	Col 4
Line	Financial Data	2006	2007	2008
A	Total Operating Income/Revenue			
B	LESS Income from Federal Sources (Itemize source and amount in the lines below. Add additional lines as necessary)	0	0	0
C	LESS Income listed as Matching Funds on Chart A (Itemize source and amount in the lines below. Add additional lines as necessary)	0	0	0
D	<b>Subtotal: Adjusted Operating Income/Revenue</b>	0	0	0
E	Total Operating Expenses			
F	LESS Total Expenses Associated with Lines B and C (Itemize source and amount in the lines below. Add additional lines as necessary)	0	0	0
G	LESS Dividends Paid Out (For-profit CDFIs only)			
H	<b>Subtotal: Adjusted Operating Expenses</b>	0	0	0
I	<b>TOTAL RETAINED EARNINGS (D-H)</b>	0	0	0

### Either Result Below Can Be Used for FY 2010 Application

J	Retained Earnings Increase from Most Recent FYEnd		\$0	
K	Three Year Average Retained Earnings Increase		\$0	

**Notes for Line Items**

- (A): Operating income for a nonprofit CDFI is limited to unrestricted revenue. It includes revenue sources available for the day-to-day operating activities of the company, but excludes investment income.
- (C): Deduct the value of any grants, loans, etc., listed as match sources in Chart A and received in the applicable FY.
- (F): Only include those expense items charged against the income sources included on lines B and C.
- (I): "Retained Earnings" is a term used on for-profit balance sheets. For nonprofit CDFIs, the term is most equivalent to the unrestricted portion of Net Assets on the balance sheet.

## B2. Retained Earnings Calculator Chart for Credit Unions

**Overview:** This chart must be completed by any credit union Applicant proposing to use retaining earnings as a source of matching funds. The Applicant's electronic signature provided upon submission of the SF-424 (application form) attests that all information reported in the Retained Earnings chart is accurate at the time of application. To the extent possible, the Fund will verify the table entries against the Applicant's 5300 Report data, including the PCA Net Worth Calculation Worksheet.

**Options:** Credit Unions have three options for calculating Retained Earnings:

- (A) The increase in Retained Earnings over the Applicant's most recently completed fiscal year;
- (B) The annual average increase in Retained Earnings over the Applicant's three most recently completed fiscal years; or
- (C) Retained Earnings accumulated since the Applicant's inception

**Eligibility:** The Applicant must demonstrate in this chart that the proposed retained earnings meet the following criteria:

- (1) No federal funds are being proposed as part of the retained earnings.
- (2) Applicant is not double-counting match fund sources in Chart A (list of match fund sources).
- (3) Matching Funds meet applicable FY guidelines (see NOFA)

**Tips on Filling out the Table**

- The chart assumes the Applicant's most recently completed fiscal year is 2008. If the most recently completed fiscal year is 2009, adjust the fiscal years by changing 2008 to 2009 – the other years will update automatically.
- Complete green cells under each applicable column heading using line items from the Applicant's 5300 Call Reports and other historical accounting records. Yellow cells automatically calculate based on entries made in the green cells.
- For options (A) or (B) fill in all four fiscal years of data (Col 2, 3, 4, and 5). For option (C), the "Since Inception" option, the Applicant need only complete column 5, the most recent FYEnd data to calculate the "Since Inception" amount.
- Lines D and E are provided to help the Applicant back out the items mentioned in the Eligibility section above. Itemize any federal sources on the lines below D. Itemize any funds that are reported on the Chart A Matching Funds request on lines below E. The entries will be totalled above. If additional rows are needed for reporting itemized data for Lines D and E, add rows from the middle of the section in order to maintain the sum formulas within the chart.

**Additional Requirement for Option (C):** For Insured Credit Unions using option (C), the Applicant must ALSO increase its member and/or non-member shares or total loans outstanding by an amount that is equal to the amount of Retained Earnings that is committed as Matching Funds by the end of the Awardee's second performance period, as set forth in its Assistance Agreement. For example, if Retained Earnings since inception is equal to \$50,000 and the Applicant designates the entire amount as match, the Applicant must increase its total member/non-member shares or loans outstanding by \$50,000. Note the following:

- The Fund will assess the likelihood of this increase during the application review process. An award will not be made to any Applicant that has not demonstrated that it has increased shares or loans by at least 25 percent of the requested FA award amount between December 31, 2007 and December 31, 2008, as demonstrated by the corresponding NCUA report.
- An Applicant using option (C) must discuss its strategy for raising the required shares or loans in Question #7 of the Comprehensive Business Plan component of the FY 2009 application.

	Col 1	Col 2	Col 3	Col 4	Col 5
Line	<b>Call Report and other Financial Data</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
A	Total Net Worth (from PCA Net Worth Calculation Worksheet)				
B	LESS Uninsured Secondary Capital (from PCA...)				
C	<b>Subtotal Retained Earnings (A-B)</b>	\$0	\$0	\$0	\$0
	<b>Adjustments</b>				
D	LESS Federal Funds included in line C above. <i>Itemize source and amount in the lines below. Add additional lines as necessary.</i>	\$0	\$0	\$0	\$0
E	LESS Matching Funds on Chart A included in line C above. <i>Itemize source and amount in the lines below. Add additional lines as necessary.</i>	\$0	\$0	\$0	\$0
F	<b>Subtotal of Adjustments (D+E)</b>	\$0	\$0	\$0	\$0
G	<b>Adjusted Retained Earnings (C-F)</b>	\$0	\$0	\$0	\$0
H	<b>Change Over Prior Year</b>	N/A	\$0	\$0	\$0

**Any of the Results Below Can Be Used As Match:**

I	Retained Earnings Increase from Most Recent FYEnd:	\$0
J	Three Year Average Retained Earnings Increase:	\$0
K	Retained Earnings Since Inception:	\$0

## B3: Retained Earnings Calculator Chart for Banks, Thrifts, and Holding Companies

**Instructions:** This chart must be completed by any bank, thrift, holding company Applicant proposing to use retained earnings as a matching funds source.

The Applicant must demonstrate in this chart that the proposed retained earnings meet the following criteria:

- (1) No federal funds are being proposed as part of the retained earnings.
- (2) Applicant is not double-counting match fund sources in Chart A (list of match fund sources).
- (3) Matching Funds meet applicable FY guidelines (see NOFA).

The Applicant's electronic signature on SF-424 attests that all information reported in the Retained Earnings chart is accurate at the time of application. The Fund will verify the table entries against the financial statements provided with the application or data on the FFIEC website. The information reported here is subject to audit; therefore, Applicant must be accurate in reporting Federal income and associated expenses.

Bank, thrift, and holding company Applicants have two options for calculating Retained Earnings:

- (A) The increase in Retained Earnings over the Applicant's most recently completed fiscal year; or
- (B) The annual average increase in Retained Earnings over the Applicant's three most recently completed fiscal years.

Fill out the data for each of the fiscal years.

Yellow cells automatically calculate based on entries made in the green cells. Complete green cells for each fiscal year using line items from the Applicant's financial statements and historical accounting records.

The chart assumes the Applicant's most recently completed fiscal year is 2008. If the most recently completed fiscal year is 2009, adjust the fiscal years by changing 2008 to 2009 – the other years will update automatically.

Rows A and E should be found on the Income Statements. Other rows may need to be calculated or researched from accounting records.

Itemize income and expenses associated with federal sources under Line B. Itemize income that the Applicant is also using as a source of match (as reported on Chart A) on line A. If additional rows are needed for reporting itemized data (Line B and Line C), add rows from middle of the section in order to maintain the sum formula on line B or C.

A positive result in either of line J Col 3 or Line K Col 3 can be proposed as "Retained Earnings" match in Chart A.

	Col 1	Col 2	Col 3	Col 4	Col 5
Line	Call Report Data	2005	2006	2007	2008
A	<b>Retained earnings</b> (Line 16c from Holding Company report FR Y-9SP; line 20d from FR Y-9LP; Schedule RC, line 26a from Bank Call Report)				
B	<b>Accumulated other comprehensive income</b> (Line 16d from Holding Company report FR Y-9SP; line 20e from TFR Y-9LP; Schedule RC, line 26b from Bank Call Report)				
C	<b>Other noninterest income</b> (Schedule RI, TFR, line 5l from Call Report)				
D	<b>LESS Income from Federal Sources</b> (Itemize source and amount in the lines below. Add additional lines as necessary)				
E	<b>LESS Income listed as Matching Funds on Chart A</b> (Itemize source and amount in the lines below. Add additional lines as necessary)				
F	<b>Eligible Retained earnings for purposes of CDFI Program matching funds calculation</b>	\$0	\$0	\$0	\$0
<b>Either Result Below Can Be Used for FY 2010 Application</b>					
G	<b>Retained Earnings Increase from Most Recent Fiscal Year</b>		\$0		
H	<b>Three Year Average Retained Earnings Increase</b>		\$0		

## D. Activities Level Chart

**Instructions:** Use this chart to identify up to five primary Financial Products and/or Financial Services provided by the Applicant. Select activity from the options in the "Activity" column dropdown menu. For each activity, identify total # and % of total provided to Target Market. Report actual figures for the 3 most recently completed fiscal years. Report projected activity for the current fiscal year and the next three fiscal years. If the Applicant is a start-up, enter information on its parent or its own activities (if it has applicable activities), or N/A if it has not yet started to provide financial products or services. Provide details about each activity in the CBP, Business Strategy, question #4 narrative.

**Total # and % of Total to TM:** Under the # sign enter the total number of transactions closed (or customers served in the case of Financial Services). Under the % enter percent of those total transactions or customers that would be credited to the Applicant's Target Market.

**Total \$ and % of Total to TM:** Under the \$ sign indicate the total dollar amount of transactions (as applicable) closed for that year. Under the % enter percentage of total \$ amount that can be credited to the Applicant's Target Market.

The chart assumes the Applicant's most recently completed fiscal year was 2008. If the most recently completed fiscal year was 2009, adjust the fiscal years by editing only the entry in cell G7 to 2009 and the other years will update automatically.

Activity	Historic Activity						Projected Activity							
	2006		2007		2008		2009		2010		2011		2012	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%



# F1. Financial Data Input Chart – Non-Regulated Applicant

Non-Regulated Applicant Financial Data Input Chart		2006	2007	2008		2009	2010	2011	2012	
<b>Assets</b>					Credit Unions and Banks, Thrifts, and Holding Companies should NOT use this chart. See Charts F2 and F3.					
a	Total cash and cash equivalents									
b	Unrestricted cash and cash equivalents									
c	Current: Gross Loans Receivables									
d	Total Commitments									
e	Total Current Assets									
f	Noncurrent: Gross Loans Receivables									
g	Less: Loan Loss Reserve									
h	Total Outstanding Equity Investment Portfolio									
I	Less: Net Unrealized Loss									
j	Total Gross Loans Receivables and/or Equity Investment Portfolio	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
k	Total Assets									
<b>Liabilities</b>										
l	Total Current Liabilities									
m	Total Notes Payable									
n	Total Adjusted Notes Payable									
o	Total Off-Balance Sheet Resources									
p	Total Liabilities									
<b>Net Assets</b>										
q	Total Net Assets Available for Financing									
r	Total Net Assets									
<b>Income and Expenses</b>										
s	Interest Payments from Financial Products									
t	Fee Income from Financial Products, Financial Services, and other activities									
u	Total Earned Income									
v	Total Grants and Contributions									
w	Total Income									
x	Total pre-tax Expenses									
<b>Financial Health and Viability - MPS Ratios</b>					<b>3-Year Historic Ratios</b>					<b>3-Year Projected Ratios</b>
y	<b>Net Asset Ratio</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
z	Total Financing Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
aa	<b>Deployment Ratio</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
bb	Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
cc	<b>Self-Sufficiency Ratio</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
dd	<b>Operating Liquidity Ratio</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ee	Current Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## F2: Financial Data Input Chart – Credit Union Applicants

Credit Union Applicant Financial Data Input Chart		2005	2006	2007	2008	2009	2010	2011	2012
<b>Assets</b>									
a	Cash on Hand		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b	Cash on Deposit		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c	Cash Equivalents		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d	Investments w/ Maturity or repricing period of less than 1 year		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e	Total Investments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f	Total Loans and Leases		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g	Less: Allowance for Loan & Lease Losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h	Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Liabilities</b>									
i	Total Borrowings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
j	Accrued Dividends & Interest Payable in Shares and Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
k	Accounts Payable and Other Liabilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
l	Total Liabilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Shares/Deposits</b>									
m	Total Member Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n	Total Non-Member Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
o	Total Shares and Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Equity</b>									
p	Undivided Earnings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
q	Regular Reserves		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
r	Appropriation for Non-Conforming Investments (state-chartered credit unions)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
s	Other Reserves		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
t	Uninsured Secondary Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
u	Net Income (unless this amount is already included in Undivided Earnings)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
v	Total Net Worth		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Income and Expenses</b>									
w	Total Interest Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
x	Total Interest Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
y	Provision for Loan and Lease Losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
z	Total Non-Interest Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
aa	Total Non-Interest Expense		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
bb	Net Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

  

Financial Health and Viability - MPS Ratios		2006	2007	2008	3-Year Historic	2009	2010	2011	2012	3-Year Projected Ratios
cc	Net Worth Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
dd	Deployment Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ee	Earnings	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ff	Asset Liability Management	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



## G. Loan Portfolio Quality Chart

**Instructions:** Provide data for the overall total loan portfolio in the first table. Delinquency is defined as 90+ days past due. The other two tables are optional and allow the Applicant to provide portfolio data for up to two products within the portfolio. Applicants may choose to use these tables to demonstrate how a particular product's delinquency figures impact the overall portfolio. For example in one table the Applicant could summarize the business portfolio and in the 2nd the microenterprise portfolio. Enter information in the green shaded cells only.

Aggregate Portfolio		2008		2007		2006		2005		Weighted Average PAR:
		#	\$	#	\$	#	\$	#	\$	
A	Portfolio Outstanding									
B	Delinquent Portfolio									
C	Total Portfolio-at-Risk (b / a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	#DIV/0!
Optional Product:		2008		2007		2006		2005		Weighted Average PAR:
		#	\$	#	\$	#	\$	#	\$	
A	Portfolio Outstanding									
B	Delinquent Portfolio									
C	Total Portfolio-at-Risk (b / a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	#DIV/0!
Optional Product:		2008		2007		2006		2005		Weighted Average PAR:
		#	\$	#	\$	#	\$	#	\$	
A	Portfolio Outstanding									
B	Delinquent Portfolio									
C	Total Portfolio-at-Risk (b / a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	#DIV/0!

Loan Loss and Loan Reserve History for Aggregate Portfolio		2008	2007	2006	2005	Historic
A	Total Outstanding Loan Portfolio					
B	Net Write-Offs or Net Charge-Offs					
C	Annual Net Loan Loss Ratio (B/A)	0.0%	0.0%	0.0%	0.0%	0.0%
D	Loan Loss Reserve (cash)					
E	Loan Loss Reserve (accrual)					
F	Loan Loss Reserve Ratio ((D + E) / A)	0.0%	0.0%	0.0%	0.0%	0.0%

## H. Equity Investment Portfolio Valuation Chart

**Instructions:** This table should be completed for all Equity Investments. Complete the green-shaded cells only. Enter information on your Equity Investment portfolio as of the last day of your organization's fiscal year for the last three years (if applicable), and the current year to date. Follow-on investments into the same company should be counted as unique investments.

Investment Portfolio Measures		2005		2006		2007		2008	
		Number	Dollars gained (lost)						
A	Total number of Equity Investments and combined value of investments		\$ -		\$ -		\$ -		\$ -
B	Equity Investments exited during the year		\$ -		\$ -		\$ -		\$ -
C	Equity Investments written-off during the year		\$ -		\$ -		\$ -		\$ -
D	Unrealized Gains (losses)		\$ -		\$ -		\$ -		\$ -
E	Realized Gains (losses)		\$ -		\$ -		\$ -		\$ -
F	Target Rate of Return								
G	Actual Rate of Return (During period shown on chart).								

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# PART II: EMERGING CDFI ELIGIBILITY QUESTIONNAIRE

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## WHO MUST COMPLETE THIS SECTION?

- An Applicant requesting TA Only that has not been certified as a CDFI by the Fund.
  - An Emerging CDFI is an entity proposing to become a certified CDFI by December 31, 2012. An Emerging CDFI may seek TA Only and must complete and submit the Emerging CDFI Eligibility Questionnaire.
  - A Certifiable CDFI is an entity that meets all of the Certification criteria. A Certifiable CDFI seeking TA Only may either submit the Emerging CDFI Eligibility Questionnaire and/or a CDFI Certification Application. It is highly recommended that Certifiable CDFIs submit the Emerging CDFI Eligibility Questionnaire in addition to the CDFI Certification Application in the event the organization is not deemed Certified.

## THINGS TO NOTE:

- To be considered for FA, an Applicant must:
  - Be certified by the Fund as a CDFI, or
  - Have a CDFI Certification Application pending with the Fund – such application having been submitted to the Fund on or before Wednesday, October 14, 2009.
- The CDFI Certification Application is a separate document and is available on the Certification page of the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).
- If an Applicant has a CDFI Certification Application pending before the Fund and is found ineligible for certification, the Applicant will be ineligible for an FA award. However, should the Applicant demonstrate in the CDFI Eligibility Questionnaire a reasonable plan to become certified within two years of receiving a TA grant, the Applicant will be considered eligible for a TA grant.

## INSTRUCTIONS

The Applicant will use the MS Word template provided in the application documents available from MyCDFI Fund to address each certification requirement. The narrative responses must demonstrate that the Applicant currently meets or has a viable plan to meet (including any requested TA) each certification requirement by December 31, 2012. The Fund will assess the reasonableness of the plan to become certified – taking into account any requested TA. For example, if the Applicant does not meet the Financing Entity requirement because it has yet to start lending, it might describe using TA to hire a Consultant to develop underwriting policies and procedures to support its ability to start lending.

The Fund will not provide an opportunity for an Applicant to submit information not included in the questionnaire. The Fund will not consider attachments other than the Governing Board list requested in the Accountability section. Do not submit copies of annual reports, articles of incorporation, or other documents to support this eligibility section, as they will not be reviewed.

## **CDFI Certification Requirements**

To be certified as a CDFI, an organization must be a legal entity, and must meet the following certification requirements, as detailed in the CDFI Program Regulations:

1. The organization has a Primary Mission of promoting community development;
2. The organization is a Financing Entity;
3. The organization principally serves one or more Target Market;
4. The organization provides Development Services in conjunction with its financing activities;
5. The organization maintains Accountability to its defined Target Market; and
6. The organization is a Non-Governmental Entity, and is not controlled by one or more governmental entities.

To complete this section of the application, the Applicant will use the MS Word template to write a narrative that addresses each certification requirement.

The following pages contain guidance on the contents of the narratives according to whether the Applicant meets the requirement ("Meet the --- Requirement") or not ("Does Not Meet the --- Requirement"). Each narrative must demonstrate that the Applicant either currently meets or has a reasonable plan to meet (including any requested TA) each certification requirement by December 31, 2012. The Fund will assess the reasonableness of the plan to become certified – taking into account any requested TA. The CDFI Certification Eligibility narrative(s) must be entirely self-supporting. In determining whether the narrative(s) demonstrate(s) a reasonable plan to be certified by December 31, 2012, the Fund reviewers will not:

- Consider materials or information contained in other sections of this application such as the Comprehensive Business Plan or Application Charts;
- Provide an opportunity for an Applicant to subsequently submit information;
- Contact an Applicant for clarification of its responses; or
- Consider attachments (e.g., copies of annual reports, articles of incorporation) other than the Governing Board list requested in the Accountability section.

For details on the requirements to become a CDFI refer to the CDFI Program Regulation and CDFI Certification Application available from the Fund’s website.

**CDFI Certification Eligibility Checklist:** An Applicant may use the checklist below to identify which certification requirements it currently meets. If the Applicant cannot answer affirmatively in either column, then it is not considered eligible and should not proceed with the Application.

<b>CDFI Certification Eligibility Checklist</b>	<b>Currently Meets</b>	<b>Will Meet by 12/31/11</b>
<b>Primary Mission:</b> The Applicant’s activities are purposefully directed toward improving the social or economic conditions of underserved people or residents of distressed communities.		
<b>Financing Entity:</b> The Applicant’s predominant business activity is the provision, in arms-length transactions, of Financial Products, and/or other similar financing.		
<b>Target Market:</b> The Applicant has identified and serves an eligible Target Market. At least 60 percent of the Applicant’s activities are provided to its designated Target Market(s).		
<b>Development Services:</b> The Applicant provides Development Services (e.g., training to customers) in conjunction with its Financial Products.		

<b>Accountability:</b> The Applicant maintains accountability to its Target Market through representation on its Governing Board or otherwise.		
<b>Non-Government Entity:</b> The Applicant is not an agency or instrumentality of the United States, or any State or political subdivision thereof. The Applicant demonstrates that it is not Controlled by any governmental entity.		

**Special Requirement for IDIs, DIHCs, and Affiliates:** Insured Depository Institutions (IDIs), Depository Institution Holding Companies (DIHCs), and Subsidiaries or Affiliates of IDIs or DIHCs must demonstrate that they individually and collectively with any Affiliates and Subsidiaries meet each of the certification requirements.

## Primary Mission Requirement

A CDFI must have a primary mission of promoting community development. The Fund will consider whether the activities of the Applicant are purposefully directed toward improving the social and/or economic conditions of underserved people and/or residents of economically distressed communities. Generally, the Fund will consider an entity to meet the Primary Mission requirement if its mission or purpose specifically reference "distressed communities," "low-income" individuals, "underserved" individuals, or similar statement that clearly indicates that the organization primarily serves distressed or underserved communities and/or populations.

### Does Not Meet the Primary Mission Requirement

If the Applicant's organizational documents do not reference a primary mission of community development, provide a narrative describing the Applicant's plan (including any requested TA) and timeframe for meeting this requirement. Make sure that the timeline addresses whether the Governing Board or other body must approve any changes or amendments to an entity's organizing documents.

### Meets the Primary Mission Requirement

Provide a narrative summarizing the Applicant's primary purpose or mission as stated in its signed, Governing Board-approved incorporating documents, bylaws, annual reports, or other organizational documents. Identify the exact document(s) and date of filing, if applicable, of the document(s) cited.

- ✓ Example: ABC Loan Fund's Articles of Incorporation were filed with the State of Delaware on 9/2/98. The articles include a "Purpose" section that states "The Corporation's purpose is to provide micro loans to low-income residents of Delaware." That same mission is included on our marketing materials and most recent annual report.

**Special Provision for Credit Unions.** The Fund will consider a credit union that has been designated by the National Credit Union Administration to be a Low-Income Credit Union to meet the Primary Mission requirement.

## **Financing Entity Requirement**

A CDFI's predominant business activity must be the provision, in Arms-Length Transactions, of Financial Products and/or other similar financing. Due to their status as regulated financial institutions, IDIs, DIHCs and Insured Credit Unions will automatically be determined to meet the Financing Entity requirement. Non-Regulated Applicants must, at a minimum, demonstrate four things to meet the Financing Entity requirement:

- The Applicant uses its own funds to provide Financial Products to non-Affiliates;
- The majority or plurality of its assets are dedicated to providing Financial Products and/or other similar financing;
- The majority or plurality of its staff time is dedicated to providing Financial Products, Development Services, and/or other similar financing; and
- The Applicant maintains sufficient capital to support its financing activities for at least three months.

### **Does Not Meet the Financing Entity Requirement**

Provide a narrative explaining the Applicant's plan (including any requested TA) to meet each requirement by December 31, 2012. Describe the specific requirement(s) the Applicant currently does not meet, specific actions to be taken, and a projected timeline for completion.

- ✓ Example: Our 2008 Financial Statements demonstrate that less than 50 percent of assets are dedicated to financing activities. We plan to raise \$500,000 in loan capital by January 2011. This new infusion of cash would increase our total eligible assets to meet the 50 percent rule. In addition, our staff resources are currently predominantly dedicated to our real estate activities, not our financing activities. We expect to transfer the real estate assets and activities to our subsidiary within the next six months. We would then have 100 percent of staff time dedicated to providing Financial Products and Development Services.

### **Meets the Financing Entity Requirement**

IDIs, DIHCs, and ICUs must identify themselves as such. Other Applicants must provide brief statements addressing the four areas below:

1. **Providing Financing to Non-Affiliated Parties.** Briefly describe the Financial Products the Applicant provides and the users of such products. The intent of this section is to determine that the Applicant's transactions are Arms-Length, not to evaluate the affordability of the Financial Products, so details about the financing terms are not needed here.
  - ✓ Example: Ace CDC provides microenterprise loans to individual entrepreneurs who have no affiliation with the Applicant.
2. **Assets Dedicated to Financing Activity.** Based on the Applicant's most recent Financial Statements, state the percentage of Total Assets that Financial Products (or other similar financing) represent and the percentage dedicated to the provision of Development Services. For example:

Balance Sheet Line Item	Total Amount	Eligible Amount	Eligible %	Explanation
Cash & Cash equivalents	\$80,000	\$20,000	25%	Total cash (\$80,000) less three months operating reserves (\$60,000) can be used for lending.
Loans Outstanding	\$500,000	\$350,000	70%	\$500,000 consists of loans to small businesses (\$350,000 / 70%) and loans to subsidiaries (\$150,000 / 30%), which are not eligible.
Total Eligible Assets	\$580,000	\$370,000	64%	Eligible assets equal 64% (\$370,000) of total assets (\$580,000) appearing on our FY2007 balance sheet.

3. **Staff Dedicated to CDFI Financing Activity.** List staff and describe their responsibilities related to providing Financial Products (and other financing) and Development Services. If the Applicant does not have its own staff or relies on Consultants to supplement its staff resources, list these individuals in the table, identify them as non-staff, and explain their relationship (e.g., Affiliate staff or Consultant). Include the percentage of staff time devoted to providing financing activities for the Applicant. For example:

Name and Title	CDFI Activity	Job Description and Time Commitment
John Daniels, Executive Director	Financing and DS	Spends 50 percent of staff time on non-financing activity and 50 percent on financing activity oversight, management and fundraising.
John Doe, Loan Manager	Financing	Spends 100 percent of time on financing including Financial Product development and marketing, supervising loan officers, and underwriting and closing loans.
Jane Smith, Business Development Manager	DS	Spends 50 percent of staff time on non-financing activity and 50 percent on DS as follows: counseling to clients and teaching small business workshops.
Loan officers: Ann Lee, John Taylor, Susan Jones	Financing	Three staff spend 100 percent of time on financing activity marketing loan products, underwriting and closing loans.
Andrew Johnson, Real Estate Analyst	N / A	Spends 100 percent of his staff time on the organization's non-financing activity: real estate development.

Of the 7 full-time staff listed above, five full-time equivalents or 71 percent are dedicated to the Applicant's financing entity related activity.

4. **Sufficient Capital.** To demonstrate that the Applicant maintains adequate funds to support its financing activities for at least three months (one quarter):
- State the average three-month number and dollar amount of financing transactions provided by the Applicant based on its most recent fiscal year (e.g., annual activity ÷ 4 months).
  - State the amount of liquid assets available for financing activities based on the Applicant's most recent Financial Statement. Liquid assets include cash and cash equivalents appearing on the balance sheet or amounts available to draw from a line of credit. For example:

The following entries from our balance sheet make up our liquid assets:	
Cash and cash equivalents:	\$20,000
Money Market Accounts:	\$60,000

Total Liquid Assets:	\$70,000
----------------------	----------

In FY 2008 our loan closings averaged \$50,000 per quarter and our operating expenses averaged \$40,000 per quarter. Based on these FY 2008 figures, we needed \$90,000 in liquid funds to cover both financing and operating expenses for the first three months of FY 2009. While the balance sheet assets were \$20,000 short of our needs, we do have ready access to additional funds. In November 2008 we partnered with ABC Bank to establish an \$800,000 line of credit. This line of credit is restricted to CDFI eligible financing activity.

## Target Market Requirement

A CDFI must principally serve an eligible Target Market. The Target Market(s) must meet the Fund's eligibility criteria and the Applicant must demonstrate that it directs at least 60 percent of its activities to its Target Market(s). A CDFI may serve a combination of one or more eligible Investment Areas, Low-Income Targeted Populations, or Other Targeted Populations.

### Does Not Meet the Target Market Requirement

Provide a narrative explaining the strategy (including any requested TA) for meeting the Target Market requirement within the required timeframe. Also, identify each Target Market the Applicant plans to designate and describe the Applicant's strategy for directing at least 60 percent of its activities to the qualifying Target Market within the required timeframe. Include a timeline and specific action items.

### Meets the Target Market Requirement

For each designated Target Market address the following:

- Investment Areas: Use the Fund's online mapping system (CIMS) to identify eligible Investment Areas. Provide a narrative description of the identified Investment Areas. Please save these Investment Areas to the Applicant's MyCDFI Fund account as the Fund may ask to verify this information.
  - ✓ Example: ABC Loan Fund serves a Target Market made up of 55 Investment Areas in New York City.
- Low-Income Targeted Population (LITP): Identify geographic service area from which the LITP is drawn (i.e., city, county, or state).
  - ✓ Example: ABC Loan Fund's Target Market consists of an LITP in Johnson County, Georgia.
- Other Targeted Population (OTP): Identify each designated OTP and geographic service area from which the OTP is drawn (i.e., city, county, or state). Describe how the designated OTP lacks access to credit or capital in the designated geographic service area because of reasons unrelated to their investment or credit-worthiness. Applicants may reference recent (within five years) studies, surveys, etc. conducted by non-affiliated entities as long as the study, survey, etc. was performed for the designated OTP in the designated service area.
  - ✓ Example: ABC Loan Fund is serving a Target Market consisting of women living in Ohio. A June 2005 study by the Ohio Women's Business Center described how only 20 percent of female loan Applicants with qualifying credit scores were approved for business loans at traditional lending institutions while 50 percent of their male counterparts, with the same or similar credit scores, were approved for business loans.

The "lacks access to credit" description is not required for the following OTPs: African-Americans (Blacks), Alaska Natives residing in Alaska, Hispanics (Latinos), Native Americans, Native Hawaiians residing in Hawaii, Other Pacific Islanders residing in the Pacific Islands.
- Using the Applicant's most recently completed fiscal year of activity, identify the percentage of the Financial Products and Development Services provided to each component of the identified Target.
  - ✓ Example: ABC Loan Fund made 100 loans in FY 2007, 70 of those were to women borrowers, and therefore 70 percent of our activity was provided to our Target Market.

## **Development Services Requirement**

The Applicant must provide Development Services in conjunction with its Financial Products. Development Services are training or technical assistance that help borrowers/investees access a CDFI's Financial Products, and may include: individual credit counseling; homebuyer education classes; business mentoring services; or construction financing advisory services. Development Services may be provided by the CDFI directly, through an Affiliate, or through a contract with another provider.

### **Does Not Meet the Development Services Requirement**

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Development Services requirement within the required time. Include a timeline and specific action items.

### **Meets the Development Services Requirement**

Describe the Development Services that the Applicant provides. Explain the relationship between the Development Services and the Financial Products the Applicant provides (e.g., are borrowers required to receive Development Services prior to receiving the Applicant's loans?).

- ✓ Example: ABC Loan Fund's monthly class called "How to Get a Loan for Your Small Business" educates participants about the underwriting process used by banks and the process used by ABC Loan Fund. Attendees who submit a loan application receive one hour of one-on-one financial and credit counseling ending in a written plan for meeting the ABC Loan Fund financial soundness criteria.

## **Accountability Requirement**

An Applicant must be accountable to its Target Market. An Applicant can demonstrate accountability through membership composition of its Governing Board or through other methods, such as advisory boards, focus groups, and community meetings. If the Applicant's designated Target Market consists of multiple segments (i.e., Investment Areas, LITP, and OTP), it must demonstrate that it maintains accountability to each segment. For example, if an Applicant designated as its Target Market an Investment Area consisting of a county in New York and an OTP of Hispanics drawn from the entire state, the Applicant must demonstrate accountability to both the Investment Area and an OTP of Hispanics. An individual board member may represent more than one segment of a Target Market.

### **Does Not Meet the Accountability Requirement**

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Accountability requirement within the required time. Include a timeline and specific action items.

### **Meets the Accountability Requirement**

- **Governing or Advisory Board.** State whether accountability is met through a Governing or an advisory board. List the members who represent the Target Market. For each member:
  - Identify the Target Market he/she represents, and
  - Explain how he/she meets either or both of the following: (a) he/she is a member of the Target Market (e.g., resident of the Investment Area, or a member of the LITP or OTP); or (b) he/she is a staff or board member of an organization serving the Target Market.
- ~ Example: ABC Loan Fund's Governing Board has six members, two of whom are Low-Income residents of the LITP service area. Another director is the President of Jobs for Georgia, a non-

profit that trains Low-Income workers for entry-level jobs. Jobs for Georgia serves residents of the LITP service area.

- **Other Method of Accountability.** Identify what method(s) the Applicant uses to maintain accountability (e.g., focus groups, community group meetings, customer survey, etc.) and explain how this method provides for representation from the designated Target Market. Also explain the frequency with which the Applicant collects information through this method(s) and how such information is used by the Governing Board to affect the Financial Products, Financial Services, Development Services, and other activities of the Applicant.
  - ✓ Example: ABC Loan Fund is a member of the Neighborhood Advisory Council for each community identified in our Target Market. Through these councils we attend meetings with our LITP community members no less than quarterly. After each meeting, management makes a presentation and makes recommendations to the board based on the input of residents represented at the Neighborhood Advisory Council meetings.

## **Non-Government Entity Requirement**

A CDFI cannot be or be Controlled by any governmental entity (i.e., an agency or instrumentality of the United States, or any State or political subdivision thereof). A Tribal government is not considered an agency or instrumentality of the United States or any State or any political subdivision thereof. Thus, an entity that is operated or controlled by a Tribal government may meet this requirement.

### **Does Not Meet the Non-Government Entity Requirement**

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Non-Government Entity requirement within the required time. Include a timeline and specific action items.

### **Meets the Non-Government Entity Requirement**

Provide an explanation if any of the situations listed below exist for the Applicant. Provide an explanation for each applicable situation.

- ✓ Example: Our bylaws require that one of the 12 seats on our Governing Board be filled by a representative from the county office of economic development, and that the remaining board seats are filled by four neighborhood residents and seven community organizations. Therefore the decision-making for the organization is not concentrated with any government entity or representative.
- Does one or more government entities or officials control the election or appointment of a majority of the members of the Applicant's Board of Directors?
- Do the articles of incorporation or bylaws of the Applicant require that a certain number of the Applicant's Governing Board members be government employees or elected or appointed government officials?
- Are the majority of the Applicant's Board members themselves elected or government officials?
- Do one or more government entities select or have veto power over the selection of the executive director, chief executive officer, or comparable official of the Applicant?
- Do one or more government entities control or have veto power over the financing decisions of the Applicant?
- Does any government entity provide more than 50 percent of the Applicant's operating budget or financing capital?
- Does any government entity manage any aspects of the Applicant's operation?
- If the Applicant organization is controlled by another entity, is that entity controlled by one or more government entities?

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# **PART III: MATCHING FUNDS**

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## **WHO MUST COMPLETE THIS SECTION:**

- OPTIONAL FOR ALL FA APPLICANTS

## **IS THERE ANYTHING IN THIS SECTION THAT MAY CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?**

- Matching Funds documentation is optional at the time of submission.
- The Fund may require documentation during its review process.
- Applicants will be provided 30 days to submit matching fund documentation, otherwise the FA request may be denied.

## **THINGS TO NOTE:**

- Matching Fund requirements are different for SECA and Core Applicants. TA Grants do not require Matching Funds.

# MATCHING FUNDS (FA APPLICANTS ONLY)

Matching Funds are required for all FA awards. Matching Funds are not required for TA grants.

- **Potential Waiver of Matching Funds:** Congress waived the matching funds requirements for the FY 2009 funding round, and it is possible that the matching funds requirements may be waived for the FY 2010 Funding Round as well. As of the publication date of this NOFA, however, such a waiver has not been enacted into law. Accordingly, the Fund encourages Applicants to include matching funds documentation as instructed in the application; if the matching funds waiver is enacted, the Fund will not consider matching funds documentation. However, matching funds documentation is optional in the FY 2009 application. The Fund **will review** applications which do not submit matching funds documentation.
- **Opportunity to Provide Matching Funds Documentation at a Later Period:** Should the matching funds requirement **not** be waived, Applicants that have not included matching funds documentation will be provided a **30-day window** to submit this information. The Fund will provide additional information about this process at the time that it opens the 30-day window. Applicants who do not supply matching funds documentation run the risk of being determined ineligible for funding under the FY 2010 Funding Round if the matching funds waiver is not enacted.
- **Matching Funds Window:** Matching Funds In-Hand (received), or Firmly Committed, on or after January 1, 2008, and on or before March 14, 2011, will be considered when determining Matching Funds eligibility.
- **Applicants that do not obtain the projected Matching Funds:** The Fund reserves the right to: (1) rescind all or a portion of a FA award and re-allocate the rescinded award amount to other qualified Applicant(s) if an Applicant fails to obtain the required Matching Funds In-Hand by March 14, 2011 (with documentation of such receipt to be received by the CDFI Fund not later than March 31, 2011); or (2) to grant an extension of such Matching Funds deadline, if the Fund deems it appropriate.
- **Comparable Form:** Matching Funds must be at least comparable in form and value to the FA award provided by the Fund. For example, if an Applicant seeks a FA grant from the Fund, the Applicant must obtain Matching Funds through grants from non-Federal sources that are at least equal to the amount requested from the Fund. For loans or Deposits, the terms will be matched by the Fund to the extent possible and in the sole discretion of the Fund. Thus, if a 10-year loan at 2 percent interest, with interest only payments is requested from the Fund, the Applicant must match the request with a loan with the same terms. If several loans with different terms and rates are used as Matching Funds for a loan, the Fund will calculate a blended term and rate of the loan portion of the Fund's FA award.
- **Non-Federal Source:** Matching Funds must come from sources other than the Federal government and, regardless of the source, consist of non-Federal funds. Community Development Block Grant Program and other funds provided pursuant to the Housing and Community Development Act of 1974, as amended, are considered Federal government funds and cannot be used as Matching Funds.
- **Previously Used Matching Funds:** Funds used by an Applicant as Matching Funds for a prior award under the CDFI Program or under another Federal grant or award program cannot be used to satisfy the Matching Funds requirement for this FA request. If an Applicant seeks to use as Matching Funds, monies received from an organization that was a prior Awardee under the CDFI Program, the Fund will deem such funds to be Federal funds, unless the funding entity establishes, to the reasonable satisfaction of the Fund, that such funds do not consist, in whole or in part, of CDFI Program funds or other Federal funds. An Applicant using Matching Funds from an Affiliate

entity must be able to demonstrate that the Affiliate entity received the same amount from an eligible, non-Affiliate source within the eligible Matching Funds window, described above.

## Matching Funds Data Chart

The Matching Funds Data Chart captures information, as of the submission date of the Application, on Matching Funds In-Hand, Firmly Committed, and To Be Raised. The Matching Funds Data Chart is Chart A in the Application Charts Excel Workbook. Before completing the chart, it is highly recommended that the Applicant:

- Carefully read the chart instructions below and the Sample Completed Chart.
- Read the Matching Funds guidance available on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).
- Gather all documentation so that dates, amounts, and other data are readily available.

All FA Applicants must complete the chart. Only a Category I/SECA Applicant may identify Matching Funds To Be Raised. A Category II/Core Applicant must have all funds In Hand or Committed.

## Documentation of Matching Funds

- **Matching Funds In-Hand:** For each Matching Funds In-Hand transaction provide copies of executed documentation evidencing both the form of Matching Funds and that the Matching Funds were disbursed.

Acceptable documentation of the form of Matching Funds is as follows:

- ✓ **Grant:**
  - **Grants \$50,000 or greater:** Applicants are required to submit supporting documentation for grants greater than or equal to \$50,000. This includes signed copies of grant transmittal letters; grant agreements; a letter from the match source indicating the grant amount and the purpose of the grant.
  - **Grants less than \$50,000:** For each grant contribution less than \$50,000, the Applicant should list the grant source, amount, date, and source contact data in the Matching Funds Data Chart A.
  - **Small Grant Contributions \$5,000 or less:** If an Applicant has identified several small grant contributions (each \$5,000 or less) as Matching Funds, record the total sum of these small contributions as a single entry in the Matching Funds Data Chart A. Type "Small Contributions" in the "Name of Source" column. Applicants must also provide a separate list with the donors/contributors names, date, and amount for each individual donor/contributor.
- ✓ **Loan:** signed copies of promissory notes, loan agreements.
- ✓ **Equity Investment:** signed copies of stock certificates, subscription agreements and private placement memoranda.
- ✓ **Deposit/Shares:** signed copies of certificates of deposit or share certificates.
- ✓ **Secondary Capital:** signed copies of secondary capital agreement and the Disclosure and Acknowledgement Statement.
- ✓ **Retained Earnings:** see special section below describing using Retained Earnings as match.

Acceptable evidence that the Matching Funds were disbursed to the Applicant includes:

- (1) a copy of the check;
- (2) a copy of wire transfer transaction; or
- (3) other disbursement document deemed acceptable by the Fund.

- ❑ **Matching Funds Firmly Committed:** For each source of Matching Funds Firmly Committed, provide written documentation evidencing that the Applicant has entered into or received a legally binding commitment from the Matching Funds source that the Matching Funds have been committed, and are to be disbursed to the Applicant (such as a loan agreement, promissory note, or grant agreement). Matching Funds Firmly Committed documents must be in writing, signed and dated by the funder, indicate that the Matching Funds are for the Applicant, correspond in form to the FA requested (i.e., grant for grant, loan for loan), and provide a date by which the Matching Funds will be disbursed to the Applicant. Commitments may be contingent upon receipt of a Fund FA award, and other contingencies deemed reasonable by the Fund, in its sole discretion.
- ❑ **To Be Raised (Category 1/SECA Applicants):** Submit letters of interest from potential funders or documentation demonstrating the likelihood of raising Matching Funds by March 14, 2011.

**TIP – Applicant should observe the following in organizing Matching Funds documents:**

- All Matching Funds documentation must now be submitted electronically, through MyCDFI Fund. You may need to scan your original documents and upload the scanned files.
- All Matching Funds should be submitted as a single attachment.
- The Matching Funds documentation should be clearly labeled as “Match Doc” or a similar file name.
- A cover sheet should be provided, listing each Matching Funds source, date, and amount
- All Matching Funds documentation should be separated by source with page breaks/dividers and numbered in accordance with the cover sheet
- Matching Funds letters and agreements should be attached to related disbursement checks or wire transfer documentation.
- Matching Funds with multiple disbursements should be identified with a notation such as: “Disbursement 3 of 4, original letter or agreement dated June 13, 2008.”
- Applicants are only required to submit grant letters and checks for grants greater than or equal to \$50,000.
- For each grant contribution less than \$50,000, the Applicant should list the grant source, amount, date, and source contact data in Matching Funds Data Chart A.
- A list should be provided of small grants (\$5,000 or less), which includes the grantor name, date, and amount.

**Using Retained Earnings To Satisfy Matching Funds Requirement**

An Applicant may use its Retained Earnings to match a request for a grant from the Fund. An Applicant that proposes to meet all or a portion of its Matching Funds requirements by committing available earnings retained from its operations shall be subject to the restrictions described in this section. Retained Earnings shall be calculated as directed by the Fund in the NOFA, Application, and/or related guidance materials. Retained Earnings accumulated after the end of the Applicant's most recent fiscal year ending prior to the appropriate Application deadline may not be used as Matching Funds.

If using Retained Earnings as Matching Funds, the Applicant must complete the Retained Earnings Chart appropriate for its organization type. The Matching Funds Retained Earnings Calculators are labeled as worksheets B1, B2, and B3 in the Excel Charts Workbook. In addition, the Applicant must list Retained Earnings as a Matching Funds source in Chart A. Enter "Retained Earnings" in the "Name of Source" column and select "Grant" from the drop down list under the "Type" column.

**Eligible Retained Earnings for All Applicants Other Than ICUs.** For an Applicant other than an Insured Credit Union (ICU), Retained Earnings that may be used for Matching Funds purposes shall consist of:

- The increase in Retained Earnings (meaning, operating income minus operating expenses less any dividend payments) that has occurred over the Applicant's most recent fiscal year (e.g., Retained Earnings at the end of FY 2008 less Retained Earnings at the end of FY 2007); or
- The annual average of such increases that occurred over the Applicant's three most recent fiscal years.

- Chart for a For-Profit Applicant:** Complete Chart B1 or B3, as appropriate, using the Applicant's unconsolidated audited Financial Statements.
- Chart for a Non-Profit Applicant (other than an ICU):** Complete Chart B1 using the Applicant's Financial Statements.

**Eligible Retained Earnings for ICU Applicants.** In the case of an Applicant that is an ICU (including a State-Insured Credit Union), Retained Earnings that may be used for Matching Funds purposes shall consist of:

- Option 1: The increase in Retained Earnings that has occurred over the Applicant's most recent fiscal year;
- Option 2: The annual average of such increases that has occurred over the Applicant's three most recent fiscal years; or
- Option 3: The entire Retained Earnings that have been accumulated since the inception of the Applicant, provided that the Applicant increases its Member and/or Non-Member Shares or total loans outstanding by an amount that is equal to the amount of Retained Earnings that is committed as Matching Funds by the end of the Awardee's second performance period, as set forth in its Assistance Agreement.

Please note that the Fund will assess the likelihood of this increase during its review process. An award will not be obligated to any applicant that has not demonstrated that they have increased shares or loans by at least 25 percent of the requested FA award amount between December 31, 2008 and December 31, 2009 as demonstrated by its corresponding NCUA report.

- Chart for an ICU Applicant:** Complete Chart B2 using the Applicant's NCUA 5300 Call Report.

If using Option 3, complete the chart, including the narrative explaining the Applicant's methodology for increasing its total shares or loans. The Fund will verify the amounts entered in the data portion of the chart using the Applicant's NCUA 5300 Call Report. If the Applicant is chosen to receive an

award, the Fund will confirm the projected increase in Total Member And/Or Non-Member Shares or total loans using the Applicant's NCUA 5300 Call Report for the appropriate fiscal year. The baseline level of member/non-member shares or loans outstanding will be calculated as of December 31, 2008.

### **Instructions for filling out the Matching Funds Data Chart**

The Applicant will identify the Matching Funds by entering one Matching Fund transaction on each row. One transaction is any payment or expected payment. Therefore, if one grant is being distributed in three different installments, the chart should include three different rows – one corresponding to each payment date. If Retained Earnings are being proposed as a source, the Retained Earnings Calculator must be completed and submitted with the Excel Workbook linked to the Application. Follow the instructions below for information on what to enter in each column.

- Name of Source**: Name or other identifier for each unique match source.
- Type**: Select an option from the dropdown list in the table. See more information about each type (Loan, Grant, etc.) in the Matching Funds Q&A document.
- Amount** [3 columns]: Enter the amount under the column corresponding to the status of the match: In-Hand, Committed, or To Be Raised.
- Date**: Enter a date corresponding to the status of the match as follows: In-Hand = Final Disbursement Date; Committed = Date on Commitment Letter; To Be Raised = Expected Date of Final Disbursement. All dates must be on or after January 1, 2008, and on or before March 14, 2011.
- Comments & Contact Data**: If the Matching Funds are from a state and/or local government agency, the Applicant is required to provide the contact name, title, and phone number of the Matching Funds source in the Comments/Contact column. Use same column for any additional comments relevant to the Matching Funds.

**SAMPLE CHART TO BE COMPLETED IN ONLINE APPLICATION**

<b>A: Matching Funds Data Chart</b>						
<b>Name of Source</b>	<b>Type</b>	<b>Amount In-Hand</b>	<b>Amount Committed</b>	<b>Amount to be Raised</b>	<b>Date</b>	<b>Comments &amp; Contact Data</b>
Small Contributions: Fall Fundraiser	Grant	50,000			9/12/2008	123 donations, each less than \$1,000.
ABC Foundation	Grant	100,000			8/7/2008	ACH transfer, payment #1 of 2 on \$1.5 million commitment.
ABC Foundation	Grant		1,400,000		12/31/2008	ACH transfer, payment #2 of 2 on \$1.5 million commitment.
VLL Foundation	Grant			90,000	10/1/2010	
Small Contributions: Spring Fundraiser	Grant			154,689	4/1/2010	
Mars Foundation	Grant		10,000		12/31/2008	
McKay Foundation	Loan		50,000		12/1/2008	
Nat'l CU Foundation	Secondary Capital	50,000			8/1/2009	
Baltimore County Gov't	Grant	85,000			12/20/2008	John Doe, Director; 401-222-2222.
Bank One	Deposits/Shares	1,000,000			4/12/2008	
Retained Earnings	Grant	50,000			12/31/2008	See Matching Funds Calculator
<b>Totals</b>		<b>1,335,000</b>	<b>1,460,000</b>	<b>244,689</b>		

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# **PART IV: ENVIRONMENTAL AND LEGAL CERTIFICATIONS**

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**WHO MUST COMPLETE THIS SECTION:**

- ALL APPLICANTS

**IS THERE ANYTHING IN THIS SECTION THAT MAY CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?**

- Failure to submit required forms.

**THINGS TO NOTE:**

- In certain cases, the Fund will allow a limited window of two (2) business days to submit some piece of missing documentation including a missing Environmental Review Form.

# ENVIRONMENTAL REVIEW FORM

Applicant Name: \_\_\_\_\_

The Fund’s environmental review requirements are set forth in 12 CFR Part 1815. The Applicant should review such regulations carefully before completing this section. In order to assure compliance with those regulations and other requirements related to the environment, the Applicant shall provide the following information:

	YES	NO
1. Are there any actions proposed in the Application that do not constitute a “categorical exclusion” as defined in 12 CFR 1815.110? If YES, would any of these actions normally require an environmental impact statement (see 12 CFR 1815.109)?	_____	_____
2. Are there any activities proposed in the Application that involve:		
(a) Historical or archeological sites listed on the National Register of Historic Places or that may be eligible for such listing?	_____	_____
(b) Wilderness areas designated or proposed under the Wilderness Act?	_____	_____
(c) Wild or scenic rivers proposed or listed under the Wild and Scenic Rivers Act?	_____	_____
(d) Critical habitats of endangered or threatened species?	_____	_____
(e) Natural landmarks listed on the National Registry of Natural Landmarks?	_____	_____
(f) Coastal barrier resource systems?	_____	_____
(g) Coastal Zone Management Areas?	_____	_____
(h) Sole Source Aquifer Recharge Areas designated by EPA?	_____	_____
(i) Wetlands?	_____	_____
(j) Flood plains?	_____	_____
(k) Prime and unique farmland?	_____	_____
(l) Properties listed or under consideration for listing on the Environmental Protection Agency’s List of Violating Facilities?	_____	_____

If YES to any of the above questions, attach a detailed description of each action, clearly identifying the category in which the action falls.

**NOTIFICATION**

As stated in 12 CFR 1815.105, if the Fund determines that the Application proposes actions which require an environmental assessment or an environmental impact statement, any approval and funding of the Application will be contingent upon:

1. The Applicant supplying to the Fund all information necessary for the Fund to perform or have performed any required environmental review;
2. The Applicant not using any Fund Financial Assistance to perform any of the proposed actions in the Application requiring an environmental review until approval is received from the Fund; and
3. The outcome of the required environmental review.

In addition, as stated in 12 CFR 1815.106, if the Fund determines that an Application, or any part thereof, is not sufficiently definite to perform a meaningful environmental review prior to approval of the Application, final approval and funding of the Application shall require supplemental environmental review prior to the taking of any action directly using Fund Financial Assistance for any action that is not a categorical exclusion.

# ASSURANCES AND CERTIFICATIONS

Signing the certification on SF 424 certifies that the Applicant will comply with the Assurances and Certifications listed below if an award is made. Certain of these Assurances and Certifications may not be applicable to the Applicant. An Applicant may not modify any of the Assurances and Certifications.

## A. Standard Form 424B: Assurances -- Non-Construction Programs

As the duly authorized representative of the Applicant, I certify that the Applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this Application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work (activities in Application) within the applicable timeframe after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
6. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as

amended, relating to non-discrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which Application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statutes which may apply to the Application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply with the provisions of the Hatch Act (5 U.S.C. 1501-1509 & 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act

- of 1972 (16 U.S.C. 1451et seq.); (f) conformity of Federal actions to State Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

## B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

1. It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this Application;
2. Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this Application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this Application and to provide such additional information as may be required;
3. It will comply with all applicable requirements of the Community Development Banking and Financial Institutions Act of 1994 (the Act) [12 U.S.C. 4701 et seq.], regulations implementing the Act and all other applicable Department of the Treasury regulations and implementing procedures (and any regulations or procedures which are later promulgated to supplement or replace them);
4. It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;
5. It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this Application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
6. The information in this Application, and in these assurances and certifications in support of the Application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this Application has been duly authorized.

## C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions: Instructions for Certification

1. By signing and submitting this Application, the prospective primary participant (the Applicant) is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction

- (approval and funding of the Application). However, failure of the Applicant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
  4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
  5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal", and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
  6. The Applicant agrees by submitting this Application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
  7. The Applicant further agrees by submitting this Application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
  8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
  9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
  10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
- D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions**
1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
    - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - (b) have not within a three-year period preceding this Application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
    - (d) Have not within a three-year period preceding this Application had one or more public transactions (Federal, State or local) terminated for cause or default.
  2. Where the Applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.
- E. Certification Regarding Drug-Free Workplace Requirements**
1. The Applicant certifies that it will provide a drug-free workplace by:
    - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;
    - (b) establishing a drug-free awareness program to inform employees about:
      - (i) the dangers of drug abuse in the workplace;
      - (ii) the Applicant's policy of maintaining a drug-free workplace;
      - (iii) any available drug counseling, rehabilitation, and employee assistance program;
      - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
    - (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
    - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
      - (i) abide by the terms of the statement; and
      - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
    - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;
    - (f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
      - (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
      - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
    - (g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).
  2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award (Place of Performance (Street Address, City, County, State and zip Code)):  
  
Not Applicable
- F. Certification Regarding Lobbying**
1. The Applicant certifies, to the best of its knowledge and belief, that:
    - (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
    - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
    - (c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
  2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

# 501(C)(4) QUESTIONNAIRE

This questionnaire is necessary for the Fund to determine whether an Applicant with a 501(c)(4) designation from the IRS is eligible to receive an award from the Fund (see 12 C.F.R. § 1805.200(a)(3)). Please read all definitions before responding to the questions and continue to refer to such definitions in responding to this questionnaire. If the answer to any question is yes, please describe in detail the facts and circumstances, subject matter, date(s), names and titles of all individuals and their employers and their organizations on a separate sheet(s) of paper. The Fund reserves the right to seek follow-up responses from an Applicant. Failure to complete this questionnaire and, if applicable, respond timely to follow-up questions, will delay the Fund's processing of the Application, and may result in the disqualification of the Application from further consideration. After submitting responses to this questionnaire, the Applicant is under a continuing obligation to: (1) supplement its responses upon a change in circumstances; and (2) revise or modify its responses within 10 business days of having actual or constructive knowledge that the responses previously submitted and certified are no longer complete, accurate, or true. You may call the Fund's Office of Legal Counsel at (202) 622-8662 if you have any questions about this form.

Scope: The scope of this questionnaire is limited to activities on or after January 1, 1996.

## Questions

1. Has any officer, employee, director, partner, proprietor, or board member contacted <sup>1</sup> a Covered Executive Branch Official <sup>2</sup> with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has any officer, employee, director, partner, proprietor, or board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration or a Federal contract, grant, loan, permit, or license)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a Covered Executive Branch Official including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 1-4?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Has any officer employee, director, partner, proprietor, or Board member contacted a Covered	<input type="checkbox"/> Yes <input type="checkbox"/> No

Executive Branch Official with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license)?	
9. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a Covered Legislative Branch Official <sup>3</sup> including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 6-9?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Signature**

Signing the certification on SF 424 certifies that the answers to the 501(c)(4) Questionnaire and the written explanations attached thereto are true, accurate, and complete to the best of its information, knowledge, and belief and that, since January 1, 1996, the Applicant has not engaged in Lobbying Activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

<sup>1</sup> "Contacted" means any oral or written communication including an electronic communication.

<sup>2</sup> "Covered executive branch official" means: (a) the President; (b) the Vice President; (c) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President; (d) any officer or employee serving in an Executive Level I-V position, a "Schedule C" position, or any official in a Senior Executive Service position; (e) any member of the uniformed services serving at grade 0-7 or above; or (f) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character.

<sup>3</sup> "Covered legislative branch official" means: (a) a member of Congress; (b) an elected officer of either House of Congress; and (c) any employee of the House or Senate, including employees of Members, committees, leadership and working groups or caucuses organized to provide legislative services or other assistance to Members of Congress.

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# **PART V: ADDITIONAL INFORMATION**

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**WHO MUST COMPLETE THIS SECTION:**

- ALL APPLICANTS

**IS THERE ANYTHING IN THIS SECTION THAT MAY CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?**

- No; this section contains additional information of interest to Applicants.

**THINGS TO NOTE:**

- In certain cases, the Fund will allow a limited window of two (2) business days to submit some piece of missing documentation including a missing Environmental Review Form.

## **Application Review and Awardee Selection Process**

After an Application is submitted, the Fund will determine whether it was submitted by the deadline and is complete. If the Application is determined to be complete, the Fund will then determine whether it meets the basic eligibility requirements described above. If the Application is found to be eligible, it will receive a two-part substantive review in accordance with the criteria and procedures described in the NOFA and this Application.

### **Application Scoring**

The Fund will evaluate the CBP on a 100-point scale with certain points assigned for each of the five sections. An Applicant must receive a minimum score in each section to be considered for an award.

In the case of an Applicant that has previously received funding from the Fund through any Fund program, after the readers establish the base score, the Fund will deduct points for:

- The Applicant's non-compliance with any active award or award that terminated in calendar year 2009 in meeting its performance goals, financial soundness covenants (if applicable), reporting deadlines, and other requirements set forth in the assistance or award agreement(s) with the Fund during the Applicant's two complete fiscal years prior to the Application deadline, generally FY 2007 and FY 2008;
- The Applicant's failure to make timely loan payments to the Fund during the Applicant's two complete fiscal years prior to the Application deadline (if applicable);
- Performance on any prior Assistance Agreement as part of the overall assessment of the Applicant's ability to carry out its Comprehensive Business Plan; and
- FA deobligated from a FY 2006, FY 2007 or FY 2008 award (for FA Applicants) if:
  - The amount of deobligated funds is at least \$200,000; and
  - The deobligation occurred subsequent to the expiration of the period of funds availability (generally, after September 30th following the year in which the award was made).

As part of the review process, the Fund may contact the Applicant by telephone, e-mail, or through an on-site visit for the purpose of obtaining clarifying or confirming Application information. The Applicant may be required to submit additional information to assist the Fund in its evaluation process. Such requests must be responded to within the time parameters set by the Fund. Further information on the review process is detailed in the NOFA.

### **Application Ranking and Awardee Selection**

Once the follow-up review is completed, the Fund will rank Applications by their scores, from highest to lowest. The Fund will make its final award selections based on the rank order of Applicants by their scores and the amount of funds available. TA-only Applicants, Category I/ SECA and Category II/Core Applicants will be ranked separately. In addition, the Fund may consider the institutional and geographic diversity, including geographic areas of distress, of Applicants when making its funding decisions.

### **Awardee Notification**

For the FY 2010 funding round, the Fund will notify Applicants selected to receive an award by late September 2010. The Fund notifies Applicants of award decisions (positive or negative) via e-mail to the designated Authorized Representative. An Applicant selected for an award will access the Notice of Award through its MyCDFI Fund account (see more information below). By logging into the

organization account the Awardee will be able to download (and print) a Notice of Award, which contains the general terms and conditions underlying the Fund's provision of assistance, including the signing of an Assistance Agreement. Only the Applicant's MyCDFI Fund Account Administrator can access a Notice of Award.

## **MyCDFI Fund Accounts**

MyCDFI Fund is the primary vehicle through which the CDFI Fund communicates with its constituent awardees and applicants. It allows users to update contact information, including address and e-mails as staff changes occur. Data submitted through MyCDFI Fund do not automatically create a MyCDFI Fund account for applicants. Applicants must establish a personal and organization account by clicking on the link that reads "Log onto MyCDFI Fund" from the Fund's website, [www.cdfifund.gov](http://www.cdfifund.gov). All application decisions are communicated through e-mails established in the MyCDFI Fund accounts.

Because an Applicant will be notified via e-mail, it is essential that the e-mail addresses identified in the SF 424 and Signature page documents are the same as the ones provided in the MyCDFI Fund account. If an Applicant's e-mail system has a spam blocker function, please ensure that the Fund's main e-mail addresses ([cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), [cme@cdfi.treas.gov](mailto:cme@cdfi.treas.gov)) are listed as acceptable sources. **Otherwise, the award notification e-mail may not be received.**

## **Organizations Not Selected for Funding**

The Fund generally rejects or declines an Application at one of three phases. First, at the Application deadline phase, the Fund will reject an Application if it is received late. Second, at the completeness and eligibility review phase, the Fund will reject an Application received on time – if it is found to be incomplete or ineligible. The Fund will notify an Applicant declined for one or both of these reasons via e-mail usually within a month of the Application deadline. Third, at the Application review stage, the Fund may decline an Applicant that satisfies the eligibility and completeness requirements for substantive reasons (i.e., low position on the ranking list relative to available funds or a low score resulting from a poorly presented CBP). The Fund will notify an Applicant declined for substantive reasons via e-mail shortly after awards are announced (usually by late September 2010).

## **Award Closing and Reporting**

Upon notification, all Awardees must print, sign, and return the Notice of Award. Within several months, the Fund will contact the Awardee to begin the closing process, which includes entering into an Assistance Agreement. FA Awardees will enter into a three-year Assistance Agreement and TA Awardees will enter into a two-year Assistance Agreement. The Assistance Agreement is a contract that outlines the terms of the award including expectations for the Awardee to provide reports and remain in compliance. Once the Assistance Agreement has been signed, the Fund will authorize the award disbursement. The Fund disburses FA awards based on the Matching Funds documentation in hand at the time of award closing. The Fund disburses TA awards in one lump sum upon closing.

The Fund will collect information, on at least an annual basis, from all Awardees, including: (i) annual reports related to, among other matters, Awardee compliance with the performance goals and measures as set forth in the Assistance Agreement; (ii) audited or reviewed Financial Statements; (iii) uses of FA and Matching Funds; and (iv) such other information as the Fund may require, including transaction level data. The Fund reserves the right, in its sole discretion, to modify these reporting requirements if it determines it to be appropriate and necessary; however, such reporting requirements will be modified only after due notice to the Awardee.

## **Additional Information To Be Found in NOFA**

Please be aware that the FY 2010 CDFI Program NOFA contains additional information not contained in this Combined Application. The CDFI Fund strongly encourages all potential applicants to thoroughly review the NOFA before beginning their Application. The NOFA contains detailed guidance on compliance and eligibility factors that are of particular interest to prior Awardees and Allocatees. Additional Award Administration information is also available in the NOFA.