



Community Development Financial Institutions (CDFI) Fund

FY 2011 CDFI Program Application Training Technical Assistance (TA) Program

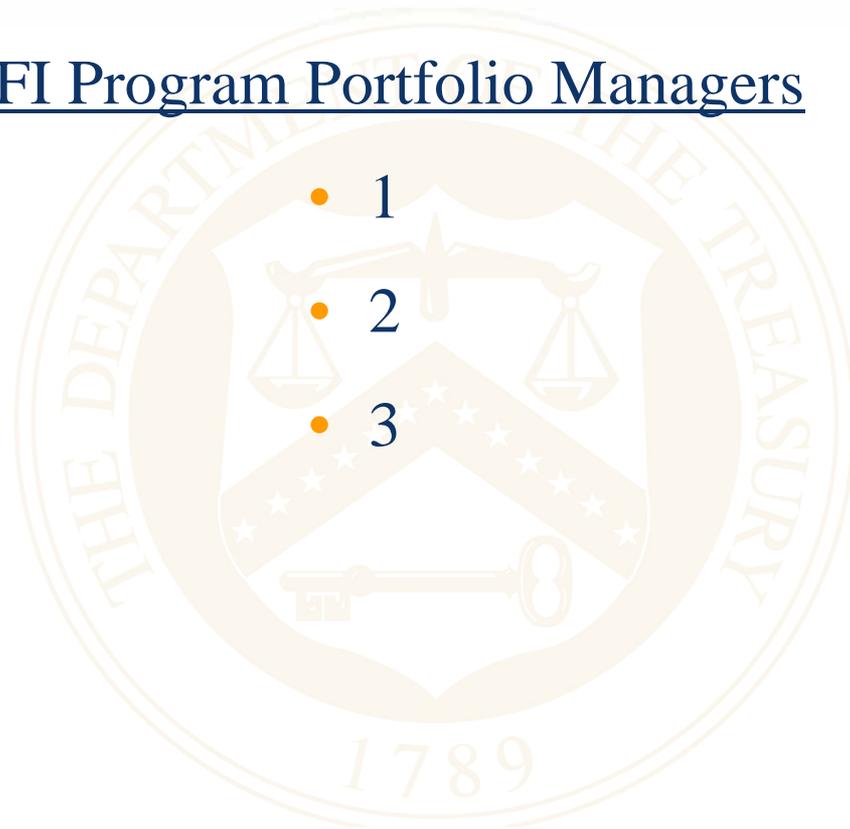




Your Presenters

CDFI Program Portfolio Managers

- 1
- 2
- 3





Presentation Agenda

CDFI Fund Overview

FY2011 CDFI Program

Comprehensive Business Plan (TA)

Application Review Process &
Awardee Selection

Reminders



CDFI Fund Overview

Mission

- ❖ The CDFI Fund's mission is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States.

Vision

- ❖ Economically empower America's underserved and distressed communities.





CDFI Fund Overview

CDFI Fund invests in and support CDFIs, CDEs, and other financial institutions through:

- ❖ **CDFI Program**
 - Financial Assistance (FA) Awards
 - Technical Assistance (TA) Grants
- ❖ **Native American CDFI Assistance (NACA) Program**
- ❖ **Bank Enterprise Award (BEA) Program**
- ❖ **New Markets Tax Credit (NMTC) Program**
- ❖ **Capital Magnet Fund (CMF) Program**
- ❖ **Financial Education & Counseling (FEC) Program**



CDFI Fund Overview

Accomplishments since inception in 1994:

- ❖ Invested over \$1.2 billion to community development organizations and financial institutions (CDFI/Native/BEA)
- ❖ Allocated \$26 billion (NMTC)





CDFI Fund Overview

Types of certified CDFIs:

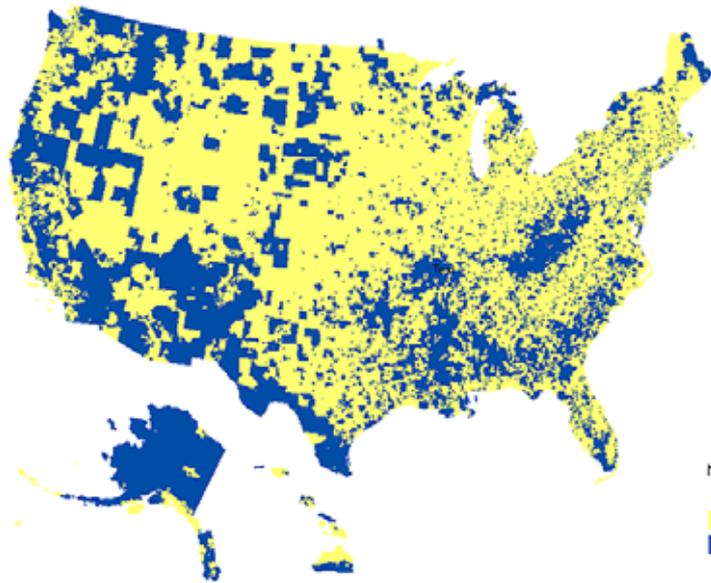
- ❖ Loan Funds
- ❖ Credit Unions
- ❖ FDIC-Insured Community Banks
- ❖ Bank Holding Companies
- ❖ Community Development Venture Capital Funds

CDFI Depository Institutions - Average asset size is \$32M

CDFI Non-depository Institutions - Average asset size is \$21M



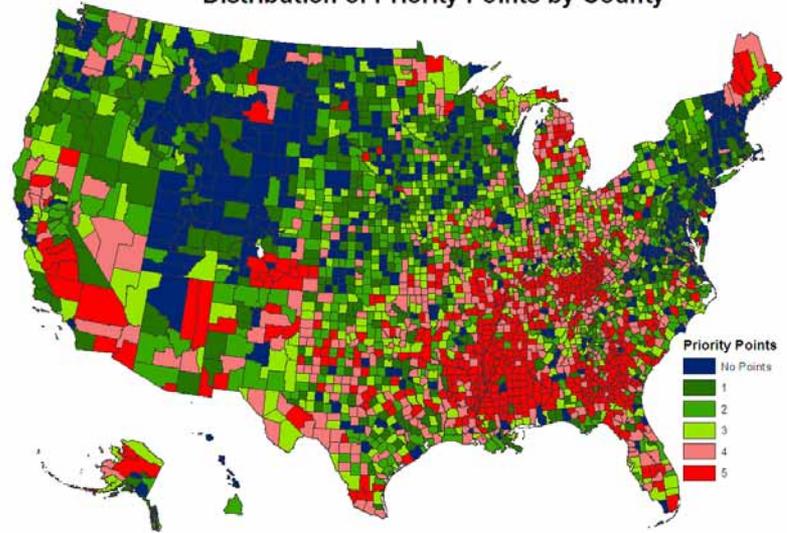
CDFI Fund Overview - Areas of Need & Distress



Number of Census Tracts
in parentheses

- Not Qualified (41,639)
- Qualified (24,795)

Distribution of Priority Points by County



Priority Points

- No Points
- 1
- 2
- 3
- 4
- 5

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CDFI Fund Overview

CDFI Program Purpose

- ❖ Promote economic revitalization and community development
- ❖ Help build the capacity of CDFIs to serve eligible Target Markets
- ❖ Leverage CDFI Fund resources





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FY 2011 CDFI Program

- ❖ Technical Assistance (TA)
- ❖ Financial Assistance (FA) - separate presentation
- ❖ Healthy Food Financing Initiative (HFFI-FA) – separate presentation

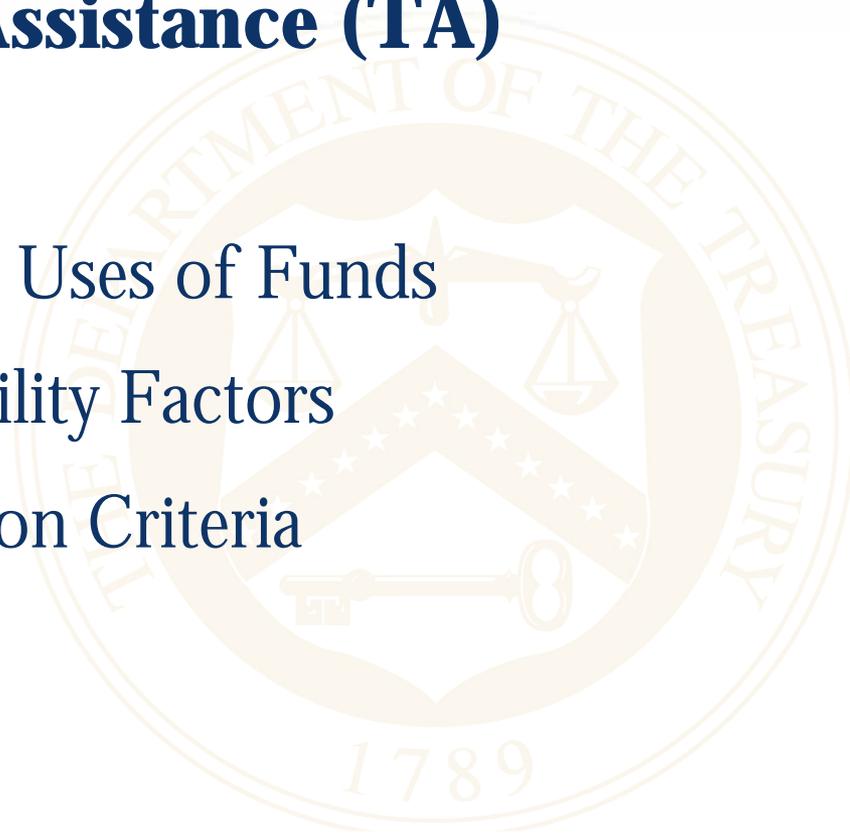




FY 2011 CDFI Program

❖ **Technical Assistance (TA)**

- ❖ Purpose
- ❖ Allowable Uses of Funds
- ❖ TA Eligibility Factors
- ❖ Certification Criteria



Please See the NOFA for the FY 2011 TA Application Deadline



TA Program - Purpose

- Capacity Building award
- TA Grants can help an entity become a certified CDFI
- No Matching Funds required for TA grants
- TA Award Ceiling: \$100,000
- Two year reporting requirements



TA Program – Allowable Uses of Funds

Technical Assistance Award Uses

- ❖ Personnel (Salary)
- ❖ Personnel (Fringe Benefits)
- ❖ Training
- ❖ Travel
- ❖ Professional Services
- ❖ Materials / Supplies
- ❖ Equipment and Other Capital Expenditures
- ❖ Other Costs





TA Program - Eligibility Factors

TA awards are available to:

- ❖ **Certified CDFIs**
- ❖ **Certifiable CDFIs:** entities that are not certified, but currently meet all seven certification requirements.
 - ❖ Must submit Certification Application by the deadline stated in the NOFA and be certified before entering into an Assistance Agreement.
 - ❖ Contact the Fund with questions about the Certification Application by the deadline stated in the NOFA
- ❖ **Emerging CDFIs:** Entities that do not currently meet all seven certification requirements, but demonstrate a reasonable plan to become certified.
 - ❖ A parent entity CANNOT apply or submit the Questionnaire on behalf of its subsidiary. The Applicant must be the Emerging CDFI itself.



Certification Requirements

An entity **must meet all** of the following requirements to be certified as a CDFI:

1. Be a **Legally Existing Entity**;
2. Have a **Primary Mission** of promoting community development;
3. Be a **Financing Entity**;
4. Primarily serve an eligible **Target Market**;
5. Provide **Development Services** in conjunction with its financing activities;
6. Maintain **Accountability** to its defined Target Market; and
7. Be a **Non-Governmental Entity**, and not be controlled by any governmental entities.



Presentation Agenda

CDFI Fund Overview

FY2011 CDFI Program

**Comprehensive Business
Plan (TA)**

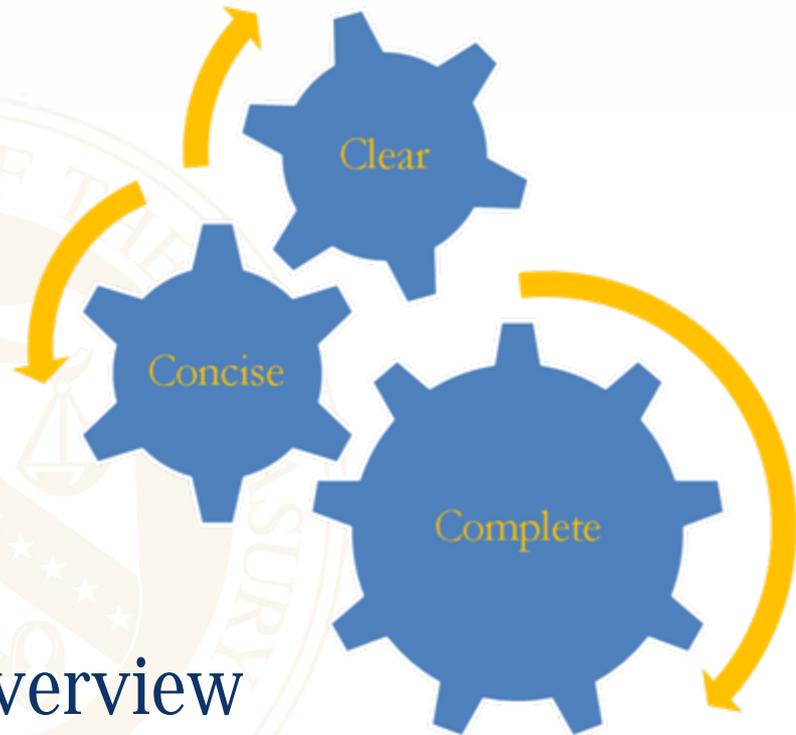
Application Review Process &
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Comprehensive Business Plan (TA)

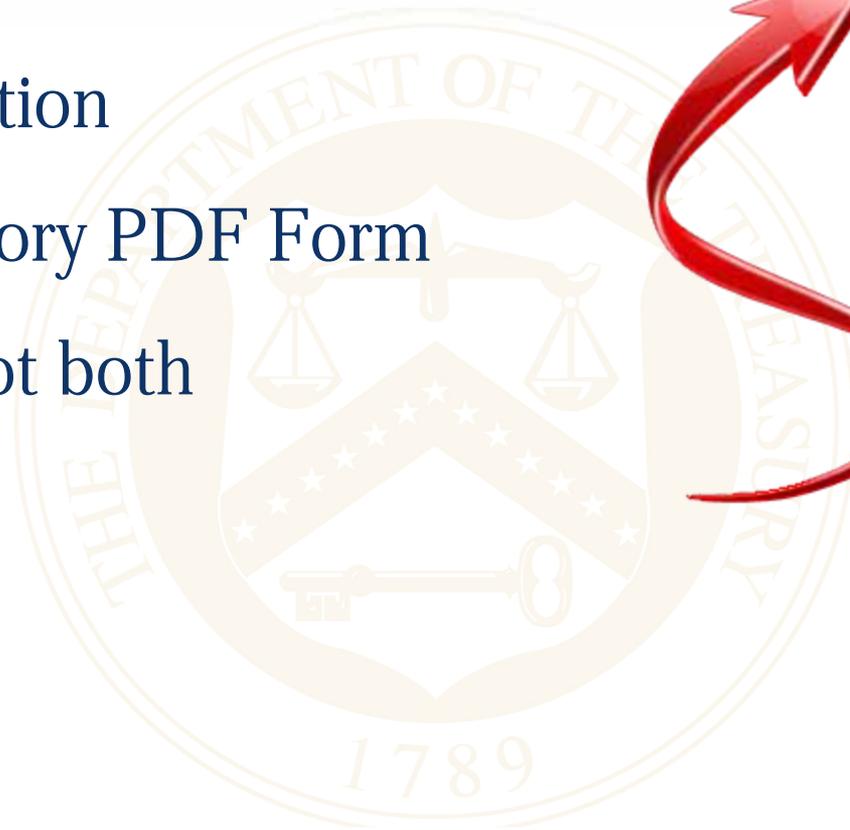
- ❖ Changes for FY 2011
- ❖ Scoring Summary
- ❖ Part I (Mandatory Forms)
- ❖ Part III (TA Application)
- ❖ Grants.gov Submission Overview





Changes for FY 2011

- ❖ Grants.gov
- ❖ New Application
- ❖ New Mandatory PDF Form
- ❖ FA or TA, not both





CBP – Scoring Summary

CBP Section	TA Only Applicants	Category I/SECA	Category II/Core
Executive Summary	Not Scored	Not Scored	Not Scored
High Impact Narrative	N/A	10 points	10 points
Target Market Needs	10 points*	10 points*	10 points*
Responsiveness to Target Market Needs	35 points	40 points	40 points
Delivery Capacity	35 points	40 points	40 points
Performance on Past Awards (if applicable)	Not Scored	Not Scored	Not Scored
Technical Assistance Proposal	20 points	N/A	N/A

* Includes up to 5 points based on distressed criteria

**FA Applicants must complete Part II of CBP



Mandatory Forms (Part I)

- ❖ **All Applicants Complete Part I, Mandatory Forms**
- ❖ **Complete SF-424 first!**
 - ❖ **Fields in Yellow are mandatory**
 - ❖ **SF-424 links to the Application Information form**
- ❖ **Applicant Information form replaces Signature Page in myCDFI Fund**
- ❖ **Non-certified Applicants must complete the Certification Checklist on the Applicant Information form**
- ❖ **Applicant Information Form contains all required Assurances and Certifications**



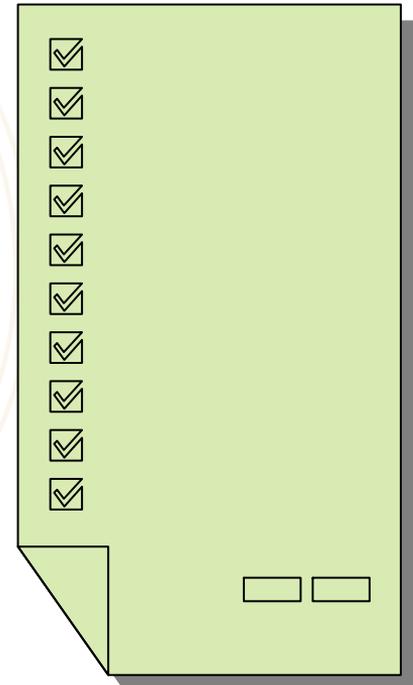
Mandatory Forms (Part I)

- ❖ **Organizational Profile** (not scored)
 - ❖ Use sample template provided in Application instructions
- ❖ **Target Market Profile** (not scored)
 - Describe the Target Market and its demographic, economic, and/or household characteristics
 - Discuss the end-users of the Applicant's financial products and services
 - If serving a national Target Market, provide the geographic areas served in the past five years (county level or census tracts)



Comprehensive Business Plan - TA (Part III)

✓ **Please Take Out Your FY 2011 TA Application Guidance and Ask Any Questions!**



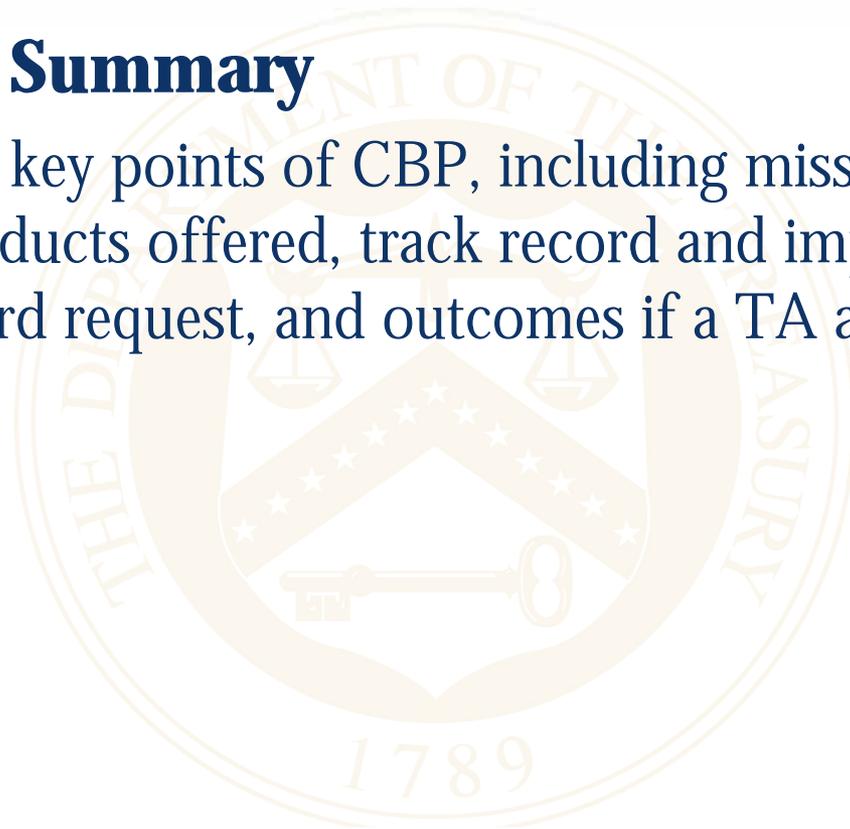


CBP - Executive Summary (Part III)

Narrative (not scored):

1. Executive Summary

- ❖ Describe key points of CBP, including mission statement, main products offered, track record and impact, amount of total award request, and outcomes if a TA award is received





CBP – Technical Assistance Proposal (Part III)

2. TAP – Narrative & Justification for each Requested Use of Funds:

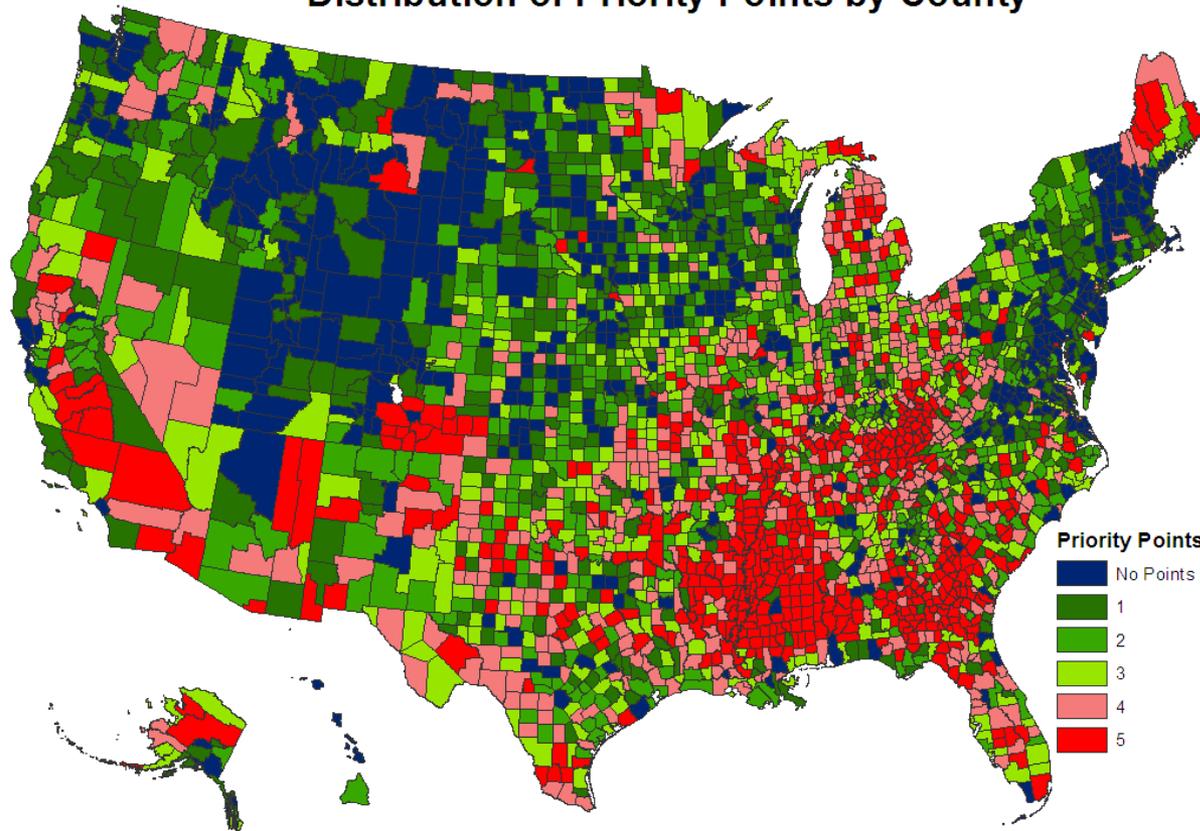
- ❖ Brief overall summary
- ❖ Distinct narrative for each requested TA item in **Chart C**
- ❖ Applicants requesting TA items that were funded in the past must show how the items further build capacity & are still necessary. Complete CDFI Certification checklist
- ❖ *Remember - TA items cannot be expensed prior to Notice of Award*



Target Market Needs

Target Market Needs

Distribution of Priority Points by County





Target Market Needs

Narrative:

3. Economic Distress and Priority Points

- ❖ Discuss the extent of economic distress within the Applicant's Target Market
- ❖ Review the CDFI Fund's Distress Indicator index to identify the distress rankings of counties the Applicant is proposing to serve (optional)
- ❖ Discuss the need in the distressed communities for credit, capital, and financial services



Target Market Needs

Charts and Attachments:

- **Customer Profile Chart (Chart D)**

Microsoft Excel - 2011 FA-TA Data Tables v4

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D. Customer Profile										
Instructions: Use this chart to identify the Customer Profile for the Applicant's Aggregate Activities (Aggregate is Mandatory) and up to three primary Financial Products and/or Financial Services provided by the Applicant. Select Fiscal Year from the dropdown menu. Select each Optional Product from the options in the "Activity" column dropdown menu. For each activity, identify percentages within Location, Income Characteristics, Gender, Racial/Ethnic Characteristics; Use "Other" category for any information particular to your activity. Provide actual characteristics of clients served, not goals or targets.										
Fiscal Year	Location	Income Characteristics				Gender	Racial/Ethnic Characteristics			Other
Activity	Certified Investment Area	Moderate Income (120% AMI)	Low Income (80% AMI)	Very Low Income (50% AMI)	Extremely Low Income (30% AMI)	Female-Headed Households (or Businesses)	African-American	Hispanic	Native American	(Describe)
Aggregate Activities										
Optional Product										
Optional Product										
Optional Product										

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Responsiveness to Target Market Needs





Responsiveness to Target Market Needs

Narrative:

4. Financial Products and Financial Services

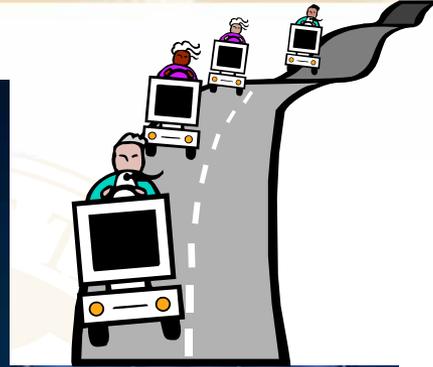
- ❖ Discuss the Applicant's financial products and services listed in Chart E and F
- ❖ Describe how each product or service addresses the needs of the Target Market

5. Service to the Target Market

- ❖ Describe the Applicant's development services



Delivery Capacity





Delivery Capacity

Narrative:

6. Market Demand

- ❖ Describe the demand for the Applicant's financial products, development services, and/or financial services within the Target Market





Delivery Capacity

Narrative:

7. Organizational Capacity

- ❖ Describe the Applicant's track record of providing financial products, development services, and/or financial services
- ❖ Describe the Applicant's management team & key staff
- ❖ Describe the Applicant's systems, policies, & procedures
- ❖ Describe the Applicant's financial capacity



Delivery Capacity

Charts and Attachments:

- **Financial Activities Level Chart (Chart G)**

Microsoft Excel - 2011 FA-TA Data Tables v4

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G. Financial Activities Level Chart

Instructions: Use this chart to identify up to five primary Financial Products and/or Financial Services provided or proposed to be provided by the Applicant. Select activity from the options in the "Activity" column dropdown menu. For each activity, identify total # and \$. Also for each activity # and \$ identify % of total provided to the 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 Application Narrative.

The chart assumes the Applicant's most recently completed fiscal year was 2009. If the most recently completed fiscal year was 2010, adjust the fiscal years as appropriate.

Activity	Dropdown	Historic Activity						Current Year		Projected Activity					
		2007		2008		2009		2010		2011		2012		2013	
		Amount	% to TM	Amount	% to TM	Amount	% to TM	Amount	% to TM	Amount	% to TM	Amount	% to TM	Amount	% to TM
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Delivery Capacity

Narrative:

7. Organizational Capacity

- Describe the Applicant's management team & key staff

Table FA1 - Board Summary Information			
Name	Title	Years On Board	Role in Implementing Comprehensive Business Plan



Delivery Capacity

Narrative:

7. Organizational Capacity

- ❖ Describe the Applicant's systems, policies, & procedures
 - Underwriting Process
 - Portfolio Review
 - Management of Financial Accounts
 - Management Information System (MIS)



Delivery Capacity

Narrative:

7. Organizational Capacity

- ❖ Describe the Applicant's financial capacity
 - Type of Financial Statements included
 - Explain major discrepancies between Financial Statement line items and corresponding entries in Chart H.
 - Sufficient capital to meet current & projected demand?
 - Discuss cost of capital, operating budget
 - Discuss each Financial Ratio from Chart H
 - Discuss loan and/or equity investment performance



Delivery Capacity

Charts and Attachments:

- Financial Data Input Chart (Chart H)

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1		H1. Financial Data Input Chart (Non-Regulated Entities)								
2		<p>Filling in the Chart: The historic section of the Financial Data Input Chart requires actual financial data from audited or reviewed financial statements for the last three completed fiscal years (or less, depending on length of time in operation). The projected activities should include the next three fiscal years, in addition to the current fiscal year. Applicant's should assume receipt of CDFI Funding in FY 2011, and include any Matching Funds (if applicable) in the projections. The top portion of the chart does not include any formulas. All formulas are yellow.</p>								
3		<p>Ratio Results: Based on the data entered into the <u>Financial Data Input Chart</u>, specific performance ratios are automatically calculated in the MPS Ratios Table at the bottom. The MPS Ratios will calculate the Applicant's historic and projected ratios.</p>								
4		Historic Activity			Current	Projected Activity				
5		2007	2008	2009	2010	2011	2012	2013		
6		Assets								
7	a	Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
8	b	Unrestricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
9	c	Current: Gross Loans Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
10	d	Total Commitments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
11	e	Total Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
12	f	Noncurrent: Gross Loans Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
13	g	Less: Loan Loss Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
14	h	Total Outstanding Equity Investment Portfolio	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
15	i	Less: Net Unrealized Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
16	j	Total Net Loans Receivables and/or Equity Investment Portfolio	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
17	k	Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
18		Liabilities								
19	l	Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
20	m	Total Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
21	n	Total Adjusted Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
22	o	Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
23		Net Assets								
24	p	Unrestricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
25	q	Total Net Assets Available for Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
26	r	Total Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
27		Off-Balance Sheet Activity								
28		Total Off-Balance Sheet Assets Available for								

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Delivery Capacity

Financial Ratio Minimum Prudent Standards (MPS)	
Measure	Non-Regulated CDFIs
<p>Capital Measures the underlying financial strength of an Applicant 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.</p> <p>Deployment Measures how much of the Applicant's available funds is lent out or invested.</p> <p>Earnings Measures whether the Applicant is earning sufficient revenue to cover its expenses.</p>	<p>Net Asset Ratio $\geq .20$ Net Assets divided by Total Assets</p> <p>Deployment Ratio $\geq .50$</p> <p>Net Income $\geq \\$0$ Gross Revenues (including grants or other contributions) less Total Expenses. For-profit Applicants should deduct total pre-tax expenses from Total Revenue.</p>
<p>Earnings Measures whether the Applicant is earning sufficient revenue to cover its expenses.</p>	<p>Earnings Ratio There is no MPS for this measure; explain the ratio in the narrative.</p>
<p>Self-Sufficiency Measures the percentage of operating costs a CDFI can cover with earned revenue.</p>	<p>Self-Sufficiency Ratio = $\geq .40$ (non-profit) $\geq .70$ (for-profit)</p>
<p>Operating Liquidity Measures whether the Applicant has sufficient cash to cover at least three months of operating expenses. The operating ratio reports the availability of cash to cover short-term operating expenses.</p> <p>Asset-Liability Management Measures whether the structure of the Applicant's debt is appropriate for its financial products.</p>	<p>Operating Liquidity Ratio= 1.00 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.</p> <p>Current Ratio = 1.25 Current assets divided by current liabilities.</p>

Failing to Meet MPS Does Not Preclude An Applicant From Receiving an Award

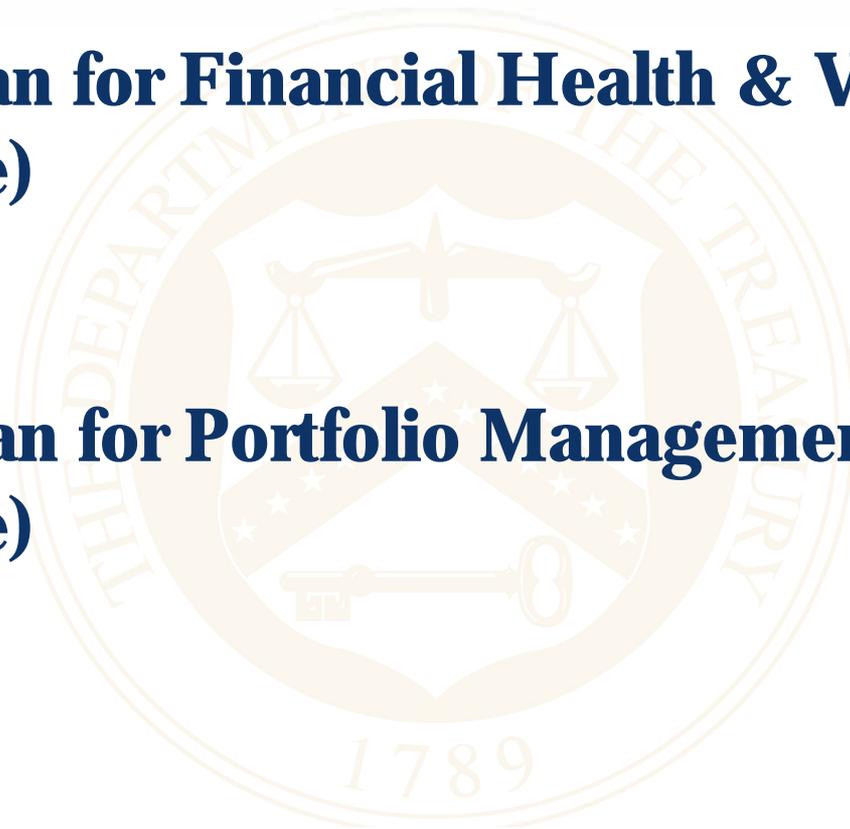


Delivery Capacity

Narrative:

7a. Action Plan for Financial Health & Viability (if applicable)

7b. Action Plan for Portfolio Management (if applicable)



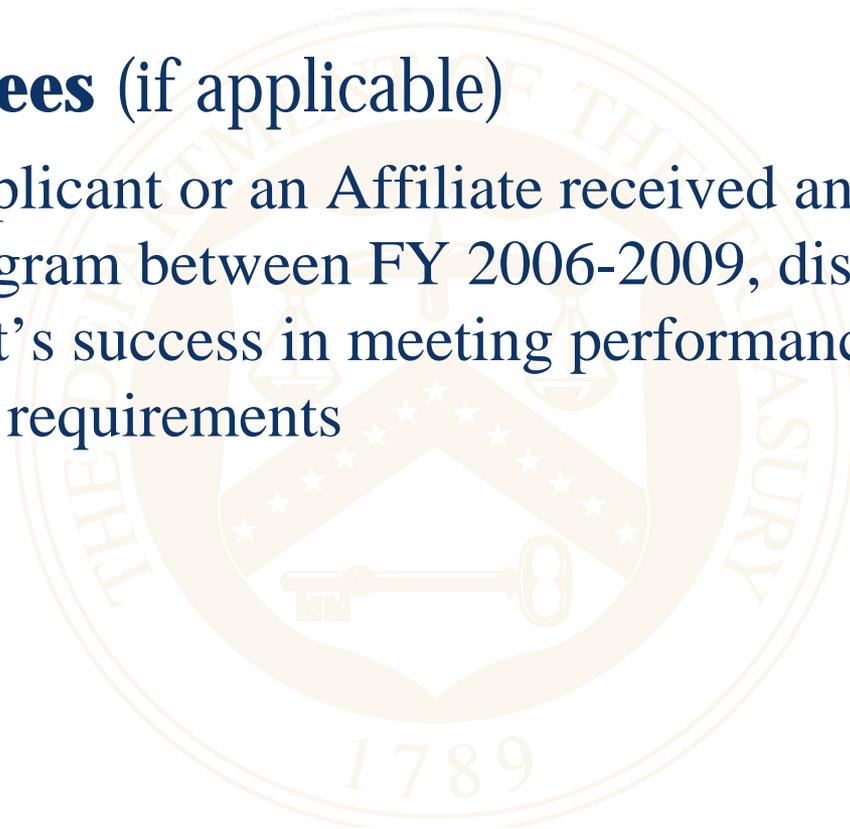


Performance on Past Awards

Narrative:

8. Prior Awardees (if applicable)

- ❖ If the Applicant or an Affiliate received an award under any Fund program between FY 2006-2009, discuss the Applicant's success in meeting performance goals and reporting requirements





CBP – Application Charts Summary

- A. Matching Funds Summary**
- B. Retained Earnings Calculators (3 versions)**
- C. TA Request Summary Chart**
- D. Customer Profile Chart**
- E. Financial Products Rate Sheet**
- F. Financial Services Rate Sheet**
- G. Financial Activities Level Chart**
- H. Financial Data Input Chart (3 versions)**
- I. Loan Portfolio Quality Chart**
- J. Equity Investment Portfolio Valuation**



Grants.gov Submission Process

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What's New at Grants.gov

New Opportunities This Week

.....

New Self-Service iPortal - Get help 24 hours a day



Grants.gov Submission Process

- ❖ New Grants.gov users should register ASAP and existing users should verify their account is current and active
- ❖ Application materials can be found on both Grants.gov and the CDFI Fund website

A screenshot of the Grants.gov website's "Get Registered" page. The browser window shows the URL "http://grants.gov/registration/get_registered.jsp". The page features a navigation menu with links like "Search", "Contact Us", "Site Map", "Help", "RSS", and "Home". A sidebar on the left lists options for applicants and grantors. The main content area is titled "GET REGISTERED" and includes a paragraph explaining the registration process, a "Please choose one of the options below:" prompt, and two registration options: "Organization Registration" and "Individual Registration". Each option includes a brief description and links to "User Guide" and "Checklist" documents. A "Please Note" section at the bottom clarifies the distinction between organization and individual registration. A right sidebar contains a "Sign-up for our 'Success' Quarterly Newsletter" and "Quick Links" to various site features.



Grants.gov Submission Process

- ❖ SF-424 needs to be filled out first and will populate information into Applicant Information form
- ❖ Applicants **MUST** submit their application and all required attachments through Grants.gov
- ❖ Application submission questions should be directed to Grants.gov staff



Please note: MyCDFI Fund is the CDFI Fund's primary source of communication with Applicants and should be kept updated



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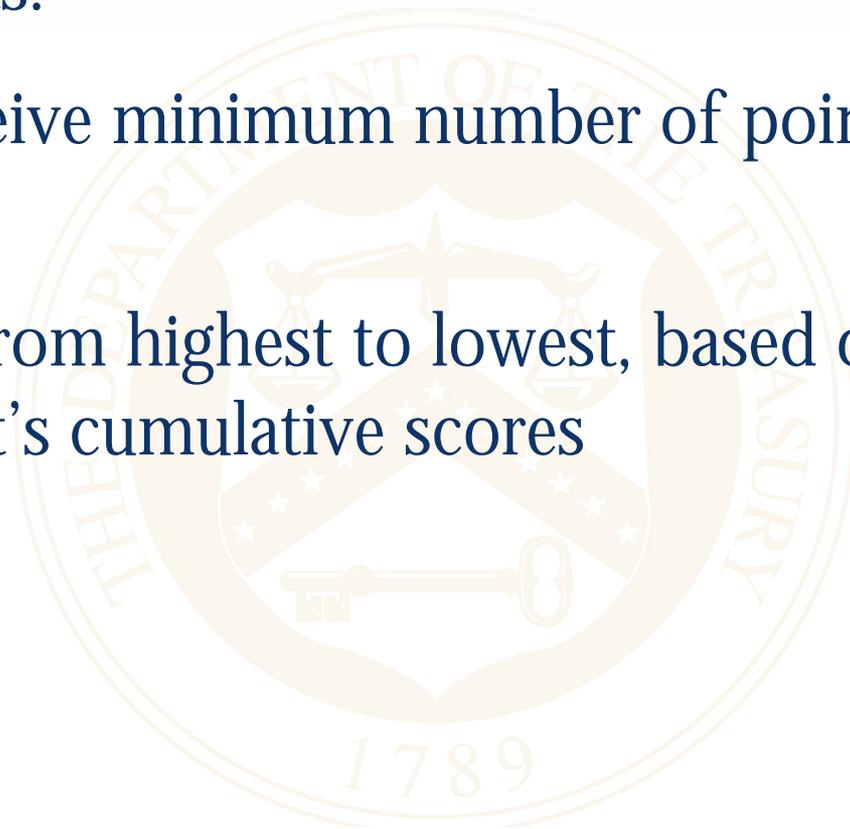
- ❖ Completeness Review
- ❖ Eligibility Review
- ❖ Substantive Review
 - Reader Reviews
 - Staff Reviews
- ❖ Award Decisions
- ❖ Financial Management Award Obligation
- ❖ Award Notifications



Application Review Process & Awardee Selection

❖ All Applicants:

- Must receive minimum number of points in each category
- Ranked from highest to lowest, based on each Applicant's cumulative scores





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Important Deadlines

Please see the NOFA for deadline dates for:

- Certification of Material Event Form
- CDFI Certification Application
- Last day for Certification Questions
- Last day for Applicant Questions
- FA/TA Applications





Contacting the Fund

- ❖ **Programmatic Support:**
 - ❖ cdfihelp@cdfi.treas.gov or 202.622.6355; option #2
- ❖ **Compliance Support:**
 - ❖ ccme@cdfi.treas.gov or 202.622.6330
- ❖ **Technical Support:**
 - ❖ ithelpdesk@cdfi.treas.gov or 202.622.2455
- ❖ **Legal Counsel Support:**
 - ❖ See “How to Request a Legal Review” at www.cdfifund.gov



Thank You For Attending the Training!

Questions?

