



Community Development  
Financial Institutions Program

**Technical Assistance  
Component**

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**FY 2005 Application**

**Application Approval Number is pending from the Office of Management and Budget. Application is considered DRAFT until this number is assigned.**

OMB Approval No. \_\_\_\_\_

CDFI-0006

**Paperwork Reduction Act Notice.**

This submission requirements package is provided to *Applicants* for awards under the Community Development Financial Institutions Program. *Applicants* are not required to respond to this collection of information unless it displays a currently valid OMB number. The estimated burden associated with this collection of information is 55 hours. 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 13th Street NW, Suite 200 South, Washington, DC 20005.

# Technical Assistance Component

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## FY 2005 *Application*

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# PART I: INTRODUCTION AND INSTRUCTIONS

# PART I: INTRODUCTION AND INSTRUCTIONS

NOTE: Terms in *Capitalized Italic* print are defined in the CDFI Fund Program Glossary, which may be downloaded from its website at [www.cdfifund.gov](http://www.cdfifund.gov).

## CONSIDERING A TA APPLICATION

### What is the Technical Assistance Component?

#### CDFI Fund Mission

The mission of the Community Development Financial Institutions Fund (the Fund) is to expand the capacity of financial institutions to provide credit, capital and *Financial Services* to underserved populations and communities in the United States. It achieves its mission by directly investing and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following programs and initiatives:

1. CDFI Program (includes *Financial Assistance* and *Technical Assistance* Components)
2. Bank Enterprise Award (BEA) Program
3. New Markets Tax Credit (NMTC) Program
4. Native Initiatives

The Technical Assistance Component provides TA grants to CDFIs and entities proposing to become CDFIs in order to build their capacity to better address the community development and capital access needs of their particular *Target Markets*.

Additional information on the other Fund programs and initiatives, can be found on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). From the home page click on "Programs" and then on the link to the program of interest.

### How can TA grant funds be used?

The Fund provides TA grants to support the *Applicant's* ability to serve its *Target Market* as outlined in its *Comprehensive Business Plan*. Generally, the Fund supports expenses for distinct projects or technology enhancements in order for an *Applicant* to achieve this goal. Expenses that are deemed by the Fund to be ongoing operating expenses for established organizations or capital improvements will not be funded. To be considered for funding, an *Applicant* must identify and submit a TA request for items falling into one or more of the five categories of funding described in detail below:

#### 1. Consulting Services

The Fund's intent in providing TA grants for the acquisition of consulting services is to increase an *Applicant's* capacity to serve and benefit its *Target Market* by obtaining external expertise. Requested training and consulting activities should be non-recurring and closely linked to the achievement of an *Applicant's Comprehensive Business Plan*.

Examples of consulting service requests include:

- a) The development of lending policies and procedures
- b) The development of a market analysis
- c) The evaluation of existing or new investment products and training services
- d) Software development and information technology improvements

## 2. Staff Salary Expense

In general, the Fund provides *TA* grants to cover the cost of staff salary to perform non-recurring and eligible activities that would otherwise be performed by a consultant or not at all. *Applicants* may request *TA* for staff salary expense only if it can demonstrate that it has qualified staff available to complete the desired activity. See the examples listed above under Consulting Services for ideas about eligible non-recurring activities.

In certain cases, staff salary support may be approved for recurring, non-discrete activities that enhance the *Applicant's* long-term sustainability if that *Applicant* has been in operation for 24 months or less at the time of *Application*. Approval of such requests will be at the Fund's sole discretion.

Examples of long-term sustainability activity include:

- a) Generating demand for products and services
- b) Developing co-lending partnerships and referral relationships
- c) Designing a strategy for strengthening organizational sustainability

## 3. Technology

The Fund provides *TA* grants to *Applicants* for the purpose of acquiring new technology or enhancing existing technology to better serve their *Target Markets*, including, but not limited to, upgrading their capacity to collect, electronically track, and report community development impact data. Training related to new hardware or software should be included in this category rather than under Training. Use of a consultant for technology related services other than for installation (such as creation of a website or recommendations for purchasing hardware or software) should be included under Consulting Services.

Examples of eligible technology uses include:

- a) The acquisition and installation of computers, laptops, and other hardware and related peripherals
- b) The acquisition and installation of accounting or loan management software, hardware, and related peripherals
- c) The acquisition and installation of a local area network (LAN)
- d) The acquisition of a LCD projector for marketing products and services

## 4. Training

An *Applicant* may request a *TA* grant to acquire training for its staff or *Governing Board* members. This *TA* grant use enables an *Applicant* to increase the effectiveness of existing and future administrative operations and programs by developing its human capital.

Examples of eligible training activities include:

- a) Staff training in loan underwriting or in the provision of *Development Services*
- b) Staff training in the use of technology
- c) New *Governing Board* member training in CDFI operations.

Travel costs associated with attending the training can be included. Travel expenditures related to training must be reasonable and consistent with the *Applicant's* own travel policies. Training may be provided on site or obtained off site. To the extent possible, *Applicants* should try to obtain training services provided in locations that are proximate to their service area to minimize travel costs.

#### 5. Other

The Fund will consider and approve (on a case-by-case basis) uses that do not fit into one of the above categories, but that result in increased capacity to serve the *Applicant's Target Market(s)*. Examples include:

- a) one-time purchase of publications
- b) first financial audit.

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## Who can apply for a *TA* award?

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### **Certified CDFIs**

Any certified CDFI whose certification has not expired and/or that has not been notified by the Fund that its certification has been terminated must submit a "Certification of Material Change Form" to the Fund not later than January 14, 2005, in accordance with the instructions on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). Failure to timely submit said form may result in the funding *Application* being deemed fatally incomplete and rejected without further review.

### **Non-Certified Applicants**

An *Applicant* may choose to submit the Fund's Certification Application available on the Fund's website with the expectation of being certified by the Fund. The Fund must receive such a Certification Application no later than January 14, 2005 and the Certification Application must evidence that the Applicant can be certified as a CDFI at the time the Certification Application is submitted.

Alternatively, an entity that may not yet meet the certification requirements, but can demonstrate to the satisfaction of the Fund that it has a reasonable plan to become a certified CDFI by January 31, 2007, is strongly encouraged to submit the Eligibility section of this *Application* rather than submit the separate Certification Application. Please note, if the *Applicant* submits only the Certification Application, and the Fund finds that the *Applicant* does not currently meet the certification requirements, the *Applicant* will be ineligible for funding. *Applicants* may submit both the Certification Application and the Eligibility section of this *Application*.

### **Entities with Certification Applications Pending with the Fund**

An *Applicant* that has a Certification Application pending with the Fund but has not received notification that it has been certified is encouraged to submit the Eligibility section of this *Application*.

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## Are prior Fund *Awardees* eligible to apply for FY 2005 TA funding?

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Yes, but with some limitations. Your organization may be eligible to apply as long as all of the following requirements are met:

- **Certification:** If not certified since the time your organization received a Notice of Award for a prior funding round, the organization must have submitted a CDFI certification application or been certified as a CDFI. The eligibility section of this application cannot be used by *Applicants* in this situation.
- **\$5 Million Funding Cap:** The Fund is generally prohibited from obligating more than \$5 million in assistance, in the aggregate, to any one organization and its *Subsidiaries* and *Affiliates* during any three-year period. For the purposes of this funding round, the period extends back three years from the date that the Fund signs a Notice of Award issued to an *Awardee*.
- **Failure to Meet Reporting Requirements:** The Fund will not consider an *Application* submitted by an *Applicant* if that *Applicant*, or an entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant*, or shares common management officials with the *Applicant* (as determined by the Fund), is a prior Fund *Awardee* or *Allocatee* under any Fund program and is not current on the reporting requirements set forth in any previously executed *Assistance*, *Allocation* or award *Agreement(s)* with the Fund, as of the *Application* deadline of this funding round. Please note that the Fund only acknowledges the receipt of reports that are complete. As such, incomplete reports or reports that are deficient of required elements will not be recognized as having been received.
  - **Pending Resolution of Noncompliance.** If (i) an *Applicant* is a prior *Awardee* or *Allocatee* under any Fund program and has submitted complete and timely reports to the Fund that demonstrate noncompliance with a previous *Assistance*, award or *Allocation Agreement*, and (ii) the Fund has yet to make a final determination as to whether the entity is in default of its previous *Assistance*, award or *Allocation Agreement*, then the Fund will consider the *Applicant's Application* under this funding round pending final resolution, in the sole determination of the Fund, of the instance of noncompliance. Further, if (i) another entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant*, or shares common management officials with the *Applicant* (as determined by the Fund) is a prior Fund *Awardee* or *Allocatee* and such entity has submitted complete and timely reports to the Fund that demonstrate noncompliance with a previous *Assistance*, award or *Allocation Agreement*, and (ii) the Fund has yet to make a final determination as to whether the entity is in default of its previous *Assistance*, award or *Allocation Agreement*, then the Fund will consider the *Applicant's Application* under this funding round pending final resolution, in the sole determination of the Fund, of the instance of noncompliance. If found not to be in default an award may be made if funds remain available and the *Applicant* is found to merit funding.
  - **Default Status.** The Fund will not consider an *Application* submitted by an *Applicant* that is a prior Fund *Awardee* or *Allocatee* under any Fund program if, as of the *Application* deadline of this funding round, the Fund has made a final determination that such *Applicant* is in default of a previously executed *Assistance*, award or *Allocation Agreement* (s) and the Fund has provided written notification of such determination to such *Applicant*. Further, an entity is not eligible to apply for an award pursuant to this funding round if, as of the *Application* deadline, (i) the Fund has made a final determination that another entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant*, or shares common management officials with the *Applicant* (as determined by the Fund) is a prior Fund *Awardee* or *Allocatee* under any Fund program and that has been determined by the Fund to be in default of a previously executed *Assistance*, award or *Allocation Agreement* (s), and (ii) the Fund has provided written notification of such determination to the defaulting entity.
  - **Termination in Default.** The Fund will not consider an *Application* submitted by an *Applicant* that is a prior Fund *Awardee* or *Allocatee* under any Fund program if, within the 12-month period prior to the *Application* deadline of this funding round, the Fund has made a final determination that such *Applicant's* prior award or allocation terminated in default of the *Assistance*, award or *Allocation Agreement* and the Fund has provided written notification of such determination to such *Applicant*. Further, an entity is not eligible to apply for an award pursuant to this funding round if, within the 12-month period prior to the *Application* deadline of this funding round, (i) the Fund has made a final determination that another entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant*, or shares common management officials with the *Applicant* (as determined by the Fund), is a prior Fund *Awardee* or *Allocatee* under any Fund program whose award or allocation terminated in default of the *Assistance*, award or *Allocation Agreement*, and (ii) the Fund has

provided written notification of such determination to the defaulting entity.

- **Undisbursed Balances.** The Fund will not consider an *Application* submitted by an *Applicant* that is a prior Fund *Awardee* under any Fund program if the *Applicant* has a balance of undisbursed funds under said prior award(s), as of the *Application* deadline of this funding round. Further, an entity is not eligible to apply for an award pursuant to this funding round if another entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant* or shares common management officials with the *Applicant* (as determined by the Fund), is a prior Fund *Awardee* under any Fund program, and has a balance of undisbursed funds under said prior award(s), as of the *Application* deadline of this funding round. In the case where another entity *Controls* the *Applicant*, is *Controlled* by the *Applicant* or shares common management officials with the *Applicant* (as determined by the Fund), is a prior Fund *Awardee* under any Fund program, and has a balance of undisbursed funds under said prior award(s), as of the *Application* deadline of this funding round, the Fund will include the combined awards of the *Applicant* and such *Affiliates* when calculating the amount of undisbursed funds. See *NOFA* for more details on how undisbursed funds are calculated for each prior award type.

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## What size TA award can my organization request?

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The Fund anticipates making awards up to \$50,000 each. Requests exceeding \$50,000 will be considered to the extent that the *Applicant* demonstrates a particularly high level of expected community development impact. The Fund reserves the right to fund, in whole or in part, any, all, or none of the *Applications* submitted. An *Applicant* may request an amount of any size grant appropriate to its organizational capacity and *Comprehensive Business Plan*.

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## If my organization has an *Affiliate*, can the *Affiliate's* activities be included in the *Application*?

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The *Comprehensive Business Plan (CBP)* should be written from the perspective of the *Applicant*. Reference the activities of the *Affiliates* (such as a “parent” organization) to the extent they are relevant to the *Applicant's* ability to carry out its *CBP*.

# SUBMITTING A TA *APPLICATION*

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## What should my organization do first?

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Read the FY 2005 Technical Assistance Component Notice of Funds Availability (*NOFA*). You may also wish to consult Community Development Financial Institutions Program Regulations (12 CFR §§1805, et seq.), and the CDFI Program Glossary (which contains definitions of terms in *Capitalized Italics*). All materials are available on the CDFI Fund website: [www.cdfifund.gov](http://www.cdfifund.gov).

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## How can we ensure our *Application* is complete?

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Consult the *Technical Assistance Applicant Checklist* in this document. This checklist outlines all of the required components that comprise a complete *Application*. Use the *Application Checklist* and follow instructions under each part of the *Application* to ensure that you have included all the required items.

The following items are critical. If they are missing or incomplete, your *Application* will be rejected:

### **Signature Page Generated through a myCDFIFund Account**

The Fund requires each *Applicant* to establish a myCDFIFund organization account. Each *Applicant* must generate an *Application* Signature Page from its myCDFIFund account; the Signature Page must have an original signature of the *Authorized Representative* and be submitted as the first page(s) of the *Application*.

#### **What is myCDFIFund?**

MyCDFIFund is a Web-based, interface for communicating with the Fund. Instructions for registering with myCDFIFund are available on the Fund's website.

### **Proof of EIN**

Each *Applicant* must provide Internal Revenue Service (IRS) documentation as evidence it has been assigned an Employer Identification Number (EIN).

### **Dun and Bradstreet Number**

New Federal guidelines require all *Applicants* for Federal funding to provide, as part of their *Application* submission, Dun and Bradstreet Data Universal Numbering System (DUNS) numbers. Read the following guidance to find out how to obtain a DUNS number: <http://www.cdfifund.gov/docs/DunsNumberRequired.pdf>.

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## When, where and how do I submit my *Application*?

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**When:** *Applications* must be received no later than 5:00 p.m. ET on Tuesday, January 25, 2005. The Fund will not grant exceptions or waivers for late delivery of documents including, but not limited to, late delivery that is caused by third parties such as the United States Postal Service, couriers or overnight delivery services.

**Where:** *Applications* must be sent to: CDFI Fund Grants Manager, TA Component, Bureau of Public Debt, 200 Third Street, Room 10, Parkersburg, WV 26101. The telephone number to be used in conjunction with overnight delivery or mailings to this address is (304) 480-5450. *Applications* sent directly to the CDFI Fund at our Washington, D.C. address will be rejected and returned to the sender. *Applications* sent by facsimile or e-mail will not be accepted.

**How:**

- **Certified CDFI *Applicants*:** Submit one original and one copy of this *Application* if the *Applicant* is already certified as of the date the funding *Application* is submitted.
- **Non-Certified *Applicants*:** Submit one original and two copies of the *Application*.

The original should not be placed in a binder and should not include tabs. Each copy should be placed in a three ring binder, without staples or other forms of binding, but with tabs or colored paper to separate Part I, Part II, Part III, and the appendices to the *Application*. If your organization is attaching supplemental information to clarify or expand upon the contents in the *Application*, the attachments should be referenced in the relevant portion of the *Application*. Supplemental information should be kept to a minimum.

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## What if we have additional questions?

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All outstanding reports, compliance or disbursement questions should be directed to the Grants Manager by e-mail at [gmc@cdfi.treas.gov](mailto:gmc@cdfi.treas.gov); by telephone at (202) 622-8226; by facsimile at (202) 622-6453. The Fund will respond to *Applicants'* reporting, compliance or disbursement questions between the hours of 9:00 a.m. and 5:00 p.m. ET, through January 21, 2005 (two business days before the *Application* deadline). The Fund will not respond to *Applicants'* reporting, compliance or disbursement phone calls or e-mail inquiries that are received after 5:00 p.m. on January 21, 2005, until after the funding *Application* deadline of January 25, 2005.

**Information Technology Support:** Technical support can be obtained by calling (202) 622-2455 or by e-mail at [ithelpdesk@cdfi.treas.gov](mailto:ithelpdesk@cdfi.treas.gov).

**Programmatic Support:** If you have any questions about the programmatic requirements of this *NOFA*, contact the CDFI Program Manager by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), by telephone at (202) 622-6355, or by facsimile at (202) 622-7754.

**Administrative Support:** If you have any questions regarding the administrative requirements of this *NOFA*, including questions regarding submission requirements, contact the Fund's Grants Manager by e-mail at [gmc@cdfi.treas.gov](mailto:gmc@cdfi.treas.gov), by telephone at (202) 622-8226, or by facsimile at (202) 622-6453.

**Legal Counsel Support:** 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 [www.cdfifund.gov](http://www.cdfifund.gov).

These are not toll-free numbers. Contact for any questions may also be made by mail at CDFI Fund, 601 13th Street, NW, Suite 200 South, Washington, DC 20005.

# REVIEW, SELECTION, AND REPORTING

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## What happens after the Application is submitted?

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All *Applications* that are received on time will be reviewed for eligibility and completeness. To be complete, the *Application* must contain, at a minimum, all information described as required in the *Application*. An incomplete *Application* will be rejected as incomplete and returned to the sender with an explanation. The *Application* of an *Applicant* that does not meet the eligibility requirements will be rejected. If determined to be eligible and complete, the Fund will conduct the substantive review of each *Application* in accordance with the criteria and procedures described in the Interim Rule and the *NOFA*.

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## What is the Application review process?

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Each *Application* will be reviewed and scored on a 100-point scale, with a maximum of 25 points allotted to each of the criteria sections of the *CBP*. *Applicants* must score at least 12 points in each criteria section to be considered for funding. The Fund will rank the *Applications* that meet the 12-point per criteria section requirement from highest to lowest total score and will make award decisions in the order of the ranking until all funds available through this funding round have been committed.

As part of the review process, the Fund may contact the *Applicant* by telephone or 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*.

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## How will my organization know if it is selected for funding?

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The Fund will notify your organization either through a Notice of Award posting in your organization's **myCDFIFund** account, if selected for an award, or a declination notification. If your organization receives a declination notification, it will be for reasons of *Application* incompleteness, eligibility, substantive issues, or lack of funding.

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## What happens if my organization is selected for funding?

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Each *Applicant* will be informed of the Fund's award decision via email advising you that your Notice of Award has been posted to the organization's myCDFIFund account. The email(s) will be to the Authorized Representative and Contact addresses entered supplied on the Signature Page. The Notice of Award will contain the general terms and conditions underlying the Fund's provision of assistance including, but not limited to, the

requirement that the *Awardee* and the Fund enter into an *Assistance Agreement*. More information on the Notice of Award and the *Assistance Agreement* may be found in the *NOFA* and the CDFI Program Regulations.

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## **What sort of reporting is required of *Awardees*?**

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The Fund will collect information, on at least an annual basis, from each *Awardee* including, but not limited to, an Annual Report consisting of the following components:

- (i) Financial Report (*Financial Statements* and auditor's/ accountant's review report) (for *Non-Regulated Awardees* only);
- (ii) Institution Level Report;
- (iii) Financial Status Report;
- (iv) Explanation of Noncompliance (as applicable);
- (v) Transaction Level Report (may be required for certain *Awardees*);
- (vi) Such other information as the Fund may require.

The *Awardee* is responsible for the timely and complete submission of Annual Reports.

## SPECIAL GUIDANCE: PLANNING FOR DATA COLLECTION AND IMPACT MEASUREMENT CAPACITY BUILDING

Collection, measurement, and analysis of community development impact are critically important for successful CDFI management. New reporting requirements, from both the Fund and other industry funders, have increased the need for CDFIs to have in place comprehensive electronic data collection and management systems that address all reporting needs. In light of these factors, the Fund encourages *TA Applications* for uses of funds that will help *Applicants* effectively collect performance data and monitor the community impact of their activities. These uses of funds should be identified as Community Development Performance capacity building in section E of the *CBP*. A *TA* request of this type could fall into several different *TA* categories depending on the aspect of assistance needed.

This section of the *Application* provides guidance to help *Applicants* requesting funds for data collection capacity development to 1) assess their current data collection capabilities; 2) identify which, if any, categories of *TA* are needed to support this capacity development; and 3) articulate how a *TA* grant supporting data collection capacity development supports the *Applicant's CBP* and helps it to serve its *Target Market*.

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### Planning for Data Management Capacity Development

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Data collection and analysis are critical components of a CDFI's ability to monitor and assess its financing activities and the impact it makes in its *Target Market*. *Applications* that demonstrate an understanding of how this ability supports the Management component of its *CBP* will be scored favorably. In requesting funds for this area of capacity building, the *Applicant* should consider the following key planning steps needed for establishing an effective data collection and management system.

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#### Step 1. Conduct a Data Needs Assessment

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The first step in establishing an effective data management system is to assess how the currently collected data compares to the actual data needs of the organization. To do this you will need to conduct a detailed review of the data points that the organization needs. This review should include data points the *Applicant* uses to monitor its activities as well as any data points the *Applicant* must collect and manage because of funder or other stakeholder reporting requirements. The *Applicant* should use or develop a system that allows it to look at all of these data needs collectively. The Fund has posted a tool on the *TA* Component page of the Fund's website that can assist in this process.

The information identified in this step will be used to support your request for a *TA* award to assist with data collection and impact measure capacity building. For example, a successful assessment will tell you the number of data points being collected for each stakeholder, the number of data points being duplicated in various systems, and the number of different locations that would have to be accessed in order to create a comprehensive set of reports for the *Applicant* and its various stakeholders. An

*Applicant* will be scored favorably by clearly demonstrating, through qualitative and quantitative information provided in the *Application*, that it has completed a comprehensive data assessment process and analyzed the results.

The Fund recommends that *Applicants* complete this data needs assessment before considering any additional steps.

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## **Step 2. Conduct a Technology Assessment**

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With the information revealed by the data needs assessment, an *Applicant* should have the basic information it needs to conduct, or hire a consultant to conduct, a technology assessment; *TA* funds may be used to cover the expenses of this assessment. This assessment identifies the upgrades or new purchases needed to efficiently capture, manage, and create reports from data. Recommendations may include Internet upgrades, software and/or hardware purchases, network installations, or development of new software. The assessment may also result in a recommendation to reduce the number of software programs being used to collect data – particularly if there is significant data duplication. In its *TA Application*, an *Applicant* should demonstrate the need for the technology assessment by describing things like 1) the extent to which different systems are currently being used to collect the same data; 2) the different audiences for which data needs to be collected; and 3) the extent to which *TA* funds for this assessment will result in more efficient and/or more accurate data capture and reporting.

The scope of work for this step should, at a minimum, require the assessment to address the following areas:

- a. Data that is not currently collected:
  - i. Recommend process and software for future data collection. This may include changes in intake forms.
  - ii. Recommend where the new data will be stored electronically.
- b. Data that is collected, but not electronically captured:
  - i. Recommend process to electronically capture the data
  - ii. Recommend appropriate software/system to store this data
- c. Data that is electronically captured and stored, but not effectively/efficiently managed:
  - i. Recommend new process to electronically capture the data
  - ii. Recommend how current data will be moved (or “migrated”) into more appropriate systems. For example, if “borrower gender” is stored in an Excel spreadsheet but the loan management software has a field that can capture this, it may be better to “migrate” or re-enter that data point into the loan management software.
  - iii. Recommend timeframes for retiring outdated electronic capture systems.
- d. Software and hardware upgrade or purchase recommendations
- e. Recommendations and draft budgets for automated reporting

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## **Step 3. Purchase or Upgrade Technology**

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The software and technology assessment should include a comprehensive list of any new software or hardware needed to achieve the data collection capacity development goals. *Applicants* should support technology *TA* requests with information learned from

the two steps described above. *Applicants* should clearly describe how the requested technology addresses data collection efficiency and/or quality flaws identified during the two assessments. For example, an *Applicant* may state, "Software XYZ has been recommended because it will allow us to store in one place, data that is currently collected in three different software packages and on five different computers." *Applications* must describe how the new technology will lead to better management. For example, "XYZ will provide portfolio delinquency reports that allow for better planning and risk management. The reports currently in use do not provide the details needed for forecasting future delinquencies."

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## Step 4. Automate Data Reporting

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The final step that an *Applicant* may want to consider for a *TA* request is developing a program to automate data reporting. *Applicants* should be able to produce standard electronic reports to meet reporting requirements for internal and external audiences, including the Fund. Each of these audiences may require reports on different platforms. For example, the suggested data submission platform for the Fund Transaction Level Report is through an Extensible Markup Language (XML) transfer. XML is a computer language, and is considered the new standard for electronically transferring data. The technology assessment should result in a recommendation as to which type of platform is most logical for the organization considering its staff capacity and overall data reporting needs. The cost of reporting automation would be identified as part of the technology assessment. A *TA* request for this step in the process would require that the *Applicant* demonstrate that this assessment had been completed.

*Applicants* may request *TA* funds for a consultant or staff salary to write an XML or other type of data automation program. *Applicants* requesting *TA* funds for such uses should clearly describe the extent of the programming work that will be completed. For example, an *Applicant* should explain the extent to which the new program will provide an automated solution that satisfies all of its data reporting requirements. The amount of programming time requested should reflect the work needed to work with the data and systems detailed in the data needs assessment and the technology assessment.

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## Summary

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A *TA* request in support of data collection and impact measurement capacity development may fall into any or all of the *TA* funding categories, consulting, technology, staff salary, training or other. The key to a good *Application* will be how well the organization demonstrates 1) that it has conducted the assessments described above and 2) that data collection and impact measurement capacity development will improve its ability to serve its *Target Market*.

## PART II: ENVIRONMENTAL AND LEGAL CERTIFICATIONS

## A. Environmental Review Form

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 <i>Application</i> 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 § 1815.108)?		
2. Are there any activities proposed in the <i>Application</i> that involve:		
a) Historical or archeological sites listed in 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 National 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 construction for listing on the Environmental Protection Agency's List of Violating Facilities?		
<b>If you responded YES to any of the above questions, attach a detailed description of each action, clearly identifying the category in which the action falls.</b>		

### 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* shall 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.

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

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency.

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 it 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 organizational conflict of interest, or personal gain.
4. Will initiate and complete the work (activities in *Application*) within the applicable time frame 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 specified 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 nondiscrimination. 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, and 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 nondiscrimination 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) §§ 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 provisions in the specific statute(s) 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, as applicable, with the provisions of the Hatch Act (5 U.S.C. 1501-1508 and 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 insurance 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 (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains 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. 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) 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 Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

### C. 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 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 Financing 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.

## D. 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 proposed for debarment under 48 CFR part 9, subpart 9.4, 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 proposed for debarment under 48 CFR part 9, subpart 9.4, 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 List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

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 proposed for debarment under 48 CFR part 9, subpart 9.4, 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.

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**Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions**

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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 Workforce Requirements

By signing and/or submitting this *Application*, the *Applicant* is providing the certification set out below.

The certification set out below is a material representation of fact upon which reliance is placed when the Fund makes its grant awards. If it is later determined that the *Applicant* knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the Fund, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Workplaces need not be identified on the certification. If known, they may be identified in the *Application*. If the *Applicant* does not identify the workplaces at the time of *Application*, or upon award, if there is no *Application*, the *Applicant* must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the *Applicant's* drug-free workplace requirements.

Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant award takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

If the workplace identified to the Fund changes during the performance of the grant award, the *Applicant* shall inform the Fund of the change(s), if it previously identified the workplaces in question (see paragraph five).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule

and Drug-Free Workplace common rule apply to this certification. *Applicants'* attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of an *Applicant* directly engaged in the performance of work under a grant award, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant award; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant award and who are on the *Applicant's* payroll. This definition does not include workers not on the payroll of the *Applicant* (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the *Applicant's* payroll; or employees of subrecipients or subcontractors in covered workplaces).

The *Applicant* certifies that it will or will continue to 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 employees for violation of such prohibition;

- b) Establishing a drug-free awareness program inform employees about:
  - (1) The dangers of drug abuse in the workplace;
  - (2) The *Applicant's* policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) 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 grant 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:
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute 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 under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant

office and/or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
  - (1) 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
  - (2) 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).

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)

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## 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;

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

- b) 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.

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 31 U.S.C.1352. 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.

## G. 501(c)(4) Questionnaire

### Instructions

(To be completed by 501 (c)(4) organizations only)

This questionnaire is necessary for the Fund to determine whether an *Applicant* that has a 501 (c)(4) designation from the Internal Revenue Service 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, the subject matter(s), the date(s), the 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 the submission of 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)?

Yes \_\_\_\_\_ 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?

Yes \_\_\_\_\_ 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)?

Yes \_\_\_\_\_ No \_\_\_\_\_

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

<sup>2</sup> "Covered executive branch official" means –

- (1) the President;
- (2) the Vice President;
- (3) 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;
- (4) 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;
- (5) any member of the uniformed services serving at grade 0-7 or above; or
- (6) any officer or employee serving in a position of a confidential, policy determining, policy-making, or policy-advocating character.

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?

Yes \_\_\_\_\_ 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?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official"<sup>3</sup> with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative 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?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Has any officer employee, director, partner, proprietor, or Board member contacted a "covered legislative 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)?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official" with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?

Yes \_\_\_\_\_ 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," 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?

Yes \_\_\_\_\_ No \_\_\_\_\_

### Signature

By signing this *Application*, the *Applicant* certifies that the *Applicant's* 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.

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<sup>3</sup> "Covered legislative branch official" means—

- 1) a member of Congress;
- 2) an elected officer or either House of Congress; and
- 3) 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.

**PART III:**  
**TECHNICAL ASSISTANCE COMPONENT *APPLICATION***

# Technical Assistance Component

## *Applicant Checklist*

Review this list to ensure a complete *Application*. *Applications* missing the first two items (\*\*) will be deemed fatally incomplete.

✓	<b>Signature Page and Eligibility Material</b>
	** <i>Applicant</i> Signature Page with Original Signature of <i>Authorized Representative</i> and DUNS #
	** Documentation from IRS confirming <i>Applicant's</i> EIN
	CDFI Certification Eligibility (non-certified applicants only, see separate checklist on page 32)
✓	<b>Environmental and Legal Certifications</b>
	Environmental Review Form [A]
	Legal Certifications [B-F]
	501(c)(4) Questionnaire [G] (submitted by 501(c)(4) organizations only)
✓	<b>Comprehensive Business Plan</b>
	<b>Summary</b>
	1. Summary
	2. Technical Assistance (TA) Request Summary Chart (Chart A)
	3. Staff Salary Expense Calculator (Chart B) (required only if "Staff Salary" TA requested)
	<b>Market Need and CDFI Strategy</b>
	1. Market Description
	2. Market Strategy
	3. Market Served Chart (Chart C)
	Product and Services Chart (Chart D)
	Projected Activity Chart (Chart E)
	4. TA Request to Support Market Need and CDFI Strategy (if applicable)
	<b>Management</b>
	1. Policies and Procedures
	2. Management Information Systems
	3. Compliance and Reporting
	4. Staff Vacancies and Additions
	5. Merger, Acquisition or Joint Venture Plans
	6. Portfolio Quality
	7. Management Chart: Key People (Chart F)
	Management Chart: Organizational Summary (Chart G)
	Organizational Chart (Attachment)
	List of members of <i>Governing Board</i> (Attachment)
	Resumes for all individuals profiled on Chart F (Attachment)
	Loan Portfolio Quality and <i>Equity Investment</i> Portfolio Valuation Charts (Charts H, I or Attachments as applicable)
	8. TA Request to Support Management Capacity (if applicable)
	<b>Financial Health and Resources</b>
	1. Financial Performance Ratios (if applicable)
	2. Operating and Capital Support
	3. Projected Resource Chart (Chart J)
	Financial Statements and/or Reports (Attachment)
	4. TA Request to Enhance Financial Health and Resources (if applicable)
	<b>Community Development Performance &amp; Effective Use of TA</b>
	1. Community Development Impact Measurement and Analysis
	2. Community Development Products and Services
	3. Plans for Community Control
	4. Effective Use of Prior Award
	5. TA Request to Enhance Community Development Performance (if applicable)

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# ***Applicant* Signature Page and myCDFIFund Registration Instructions**

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The *Applicant* Signature Page must be generated through the *Applicant's* myCDFIFund account. This document will include key contact information for the *Applicant*.

## **Step 1: Establish an Individual User Account**

1. Go to the Fund's Internet Home Page at [www.cdfifund.gov/](http://www.cdfifund.gov/)
2. Click the "Register New User" button, above the myCDFIFund logon box.
3. Carefully read myCDFIFund Statement of Use and click "Start myCDFIFund User Registration."
4. Enter your e-mail address and click "Continue."
5. Enter the required fields on the "Create User Profile" page and click "Continue."
6. Click "Continue" in the User Registration Verified box.
7. Enter and re-enter your new password for future log-in and click "Update"

## **Step 2: Establish or Access an Organization Account**

1. Log in to myCDFIFund using your e-mail address and password.
2. Enter the 9-digit Employer Identification Number (EIN) of your organization.
3. Read message explaining that the first individual user to establish the organization account becomes the organization's default Account Administrator.\*
4. Click "Continue to register EIN: [your EIN]".
5. Fill in the required fields on the Organization Profile page for your organization and click "Continue".

**\*Note:** The Account Administrator will be contacted to approve any new user who attempts to access the organization account.

## **Step 3: Print and Submit Signed Signature Page**

1. Log in to myCDFIFund using your e-mail address and password.
2. Access your organization's account using the 9-digit EIN.
3. From the Organization Profile Page, click on "Generate an *Application* Signature Page."
4. Fill in the *Application*-specific questions and click "Print Signature Page."
5. Submit Signature Page with original signature of *Authorized Representative* as cover page(s) of *Application*.

## ***Applicant* Signature Page Data Instructions**

Note: *Applicants* are required to log on, or register to create an account, in myCDFIFund to apply for a Technical Assistance award. The *Applicant* will need to update, or complete, the *Applicant* Information section, and submit a signed copy of the page(s) with its *Application*. The following questions will be answered in myCDFIFund.

Information is required for all Applicants unless otherwise specified

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### **Organization Data**

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1. **Organization EIN**: Each *Application* must include a unique, valid and current Employer Identification Number, issued by the Internal Revenue Service and a letter or other documentation from the Internal Revenue Service confirming the *Applicant's* Employer Identification Number.
2. **Congressional District**: Identify the Congressional District of the *Applicant's* main office.
3. **Dun and Bradstreet Number**: Read the following guidance regarding obtaining a DUNS number: <http://www.cdfifund.gov/docs/DunsNumberRequired.pdf>. The *Application* will be rejected if a DUNS number is not included.
4. **Financial Institution Type**: Check the option that best fits the majority of your organization's activities. If you are a CDFI Intermediary, select the option that best fits your organization's activities; that is, if you are an intermediary that primarily provides loans to other CDFIs, then you would select Loan Fund.
  - a. *Insured Depository Institution; Depository Institution Holding Company*
  - b. *Insured Credit Union (includes State Insured Credit Unions)*
  - c. Loan Fund
  - d. *Venture Capital Fund*
  - e. Loan Purchaser
  - f. Loan Guarantor
5. **Organization Structure**: Enter the type of entity that best describes the *Applicant*.
  - a. For-Profit
  - b. Non-Profit
  - c. Non-Profit Tax Exempt Status (if applicable)
    - i. 501(c)(3)
    - ii. 501(c)(4)
    - iii. Credit Union
    - iv. Other (specify)
6. **Incorporation Date**: Enter month/day/year.
7. **First Year Activities**: Enter year *Applicant* began incurring expenses.
8. **Fiscal Year End**: Enter month and day of *Applicant's* fiscal year end (i.e, 12/31).
9. **Charter Number**: Enter for *Regulated* CDFIs only.
10. **FDIC Certification Number**: Enter number for *Insured Depository Institutions*.
11. **Faith Based**: Respond to questions about the *Applicant's* faith-based status and financing.

## Mailing Address

12. Physical address
13. Over-night/shipping address

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## ***Affiliate(s) Data***

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**Name and EIN of all Affiliates:** On the "Affiliates" section provide the organization name and Employer Identification Number of all *Affiliates*, along with any other requested information on that page of the myCDFIFund interface.

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## ***Application Data***

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1. **Application Type:** *Applicant* will indicate *Technical Assistance*
2. **Total Request:** Total *Technical Assistance* request amount from Chart A.
3. **Authorized Representative:** Person that *Applicant's Governing Board* has authorized to sign the *Application* and *Assistance Agreement* on behalf of the *Applicant*. Provide Name, Title, Phone, Fax, and Email address.
4. **Contact Persons:** Person that the *Applicant's* chief executive officer has authorized to respond to questions and provide documentation on behalf of the *Applicant*. The *Applicant* may want to designate someone other than the *Authorized Representative* if the *Authorized Representative* is not available to respond to questions about the *Application*. Provide Name, Title, Phone, Fax, and Email address.
5. **Applicant's Geographic Market(s):** Check all that apply
  - a. Major urban (population more than 1 million)
  - b. Minor urban (population 1 million or less)
  - c. Rural
6. **Primary Market:** Of the markets selected above, check the one geographic market in which the *Applicant* primarily offers its *Financial Products and Financial Services*.
7. **Targeted Area(s):** Check those areas that make up at least 10 percent of your activities. Check all that apply:
  - a. Appalachia
  - b. Colonias
  - c. *Hot Zones*
  - d. Mississippi Delta
8. **State Jurisdictions Served in Prior Year:** Check all states and U.S. territories that the *Applicant* served in its most recently completed fiscal year.
9. **Community Partner:** If *Applicant* is applying for a TA award in collaboration with a *Community Partner* provide the name of the *Community Partner*.

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# CDFI Certification Eligibility

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## Which *Applicants* must complete this section?

According to the *NOFA* on this funding round, an *Applicant* from which the Fund receives a complete CDFI certification application no later than January 14, 2005, evidencing that the *Applicant* can be certified as a CDFI may be eligible for funding. Additionally, an entity that demonstrates to the satisfaction of the Fund that it has a reasonable plan to become a certified CDFI by January 31, 2007 may be eligible. Any organization that is not yet a certified CDFI, must submit either this section of the *Application* or the stand-alone CDFI Certification Application found on the Fund's website. The Fund encourages *Applicants* to submit this section in place of, or in addition to the CDFI Certification Application. Additionally, the Fund encourages *Applicants* that have submitted an application for certification but have not yet been notified that they have been certified to submit this section of the *Application* as well.

*Applicants* under this funding round that are not certified CDFIs must demonstrate a reasonable plan to become certified by January 31, 2007. Each *Applicant* that receives an award under this Component, that is not certified at time of the Notice of Award, must submit an application for certification and be certified by January 31, 2007.

## Instructions

Provide a narrative that addresses each CDFI certification requirement. The narrative for each requirement should be named according to the headings used in the guidance that follows to ensure that all requirements are fully addressed. In order for an *Application* to be considered eligible for certification and *TA* funding, the narrative must demonstrate that the *Applicant* currently meets or has a viable plan to meet, each certification requirement by January 31, 2007.

### Note: *TA* Funds Can be Requested to Address Certification Requirements

The CDFI Certification narrative provides an opportunity for the *Applicant* to explain how the requested *TA* grant will assist the *Applicant* in meeting the certification requirement. The Fund will assess the reasonableness of the plan to become certified by the January 31, 2007 – taking into account the requested *TA*. For example, if the *Applicant* does not currently make loans and therefore does not meet the Financing Entity requirement, it might describe how the *TA* funds will be used to hire a consultant to develop underwriting policies and procedures to support the *Applicant's* ability to start its lending activity.

### Address All Eligibility Criteria and Limit Attachments

*Applicants* will not be given an opportunity to submit information not included in the *Application*. Be sure the narrative addresses each item outlined in the guidance. Additionally, the Fund will not consider attachments other than the *Governing Board* list requested in the Accountability section. **Therefore, 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

In order to be certified as a CDFI, at the time of application, 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.

**Special Requirement for IDIs, DIHCs and their Affiliates:**

The following *Applicant* types must demonstrate that they individually, and the *Applicant* and its *Affiliates* and *Subsidiaries* collectively, meet each of the six certification criteria:

- 1) *Depository Institution Holding Companies (DIHCs)*
- 2) *Subsidiaries or Affiliates of Depository Institution Holding Companies, and*
- 3) *Subsidiaries or Affiliates of Insured Depository Institutions (IDIs)*

<b>CDFI Certification Eligibility Checklist</b>	<b>Currently Meets</b>	<b>Reasonable Plan to Meet by 1/31/07</b>
Use the checklist below to quickly identify whether your organization is eligible to apply for the FY2005 TA Component. If you cannot answer affirmatively either column, then the organization is not considered eligible and you should not proceed with the <i>Application</i> .		
<b>Primary Mission</b>		
The <i>Applicant</i> has a primary mission of promoting community development. The Fund will consider whether the activities of the <i>Applicant</i> are purposefully directed toward improving the social and/or economic conditions of underserved people and/or residents of economically distressed communities. This mission is demonstrated in the <i>Applicant's</i> organizing documents or through other means.		
<b>Financing Entity</b>		
The <i>Applicant's</i> predominant business activity is the provision, in <i>Arms-length</i> transactions, of <i>Financial Products, Development Services, and/or</i> other similar financing. Such activities are demonstrated by the following:		
The Applicant is an <i>IDI, DIHC or ICU, OR</i> meets all of the following:		
The organization has made loans, <i>Equity Investments</i> , or provided other <i>Financial Products</i> to non- <i>Affiliated</i> parties using its own funds.		
A predominance of the organization's assets is dedicated to providing <i>Financial Products, Development Services and/or</i> other similar financing.		
A predominance of the organization's staff time is dedicated to providing <i>Financial Products and Development Services and/or</i> other similar financing.		
The organization maintains sufficient liquid funds to continue its financing activities for at least three months.		

<b>Target Market</b>		
The <i>Applicant</i> has identified and serves an eligible <i>Target Market</i> .		
At least 60% of the <i>Applicant's</i> activities are provided to its designated <i>Target Market(s)</i> .		
<b>Development Services</b>		
The <i>Applicant</i> provides <i>Development Services</i> (e.g., training and/or technical assistance to customers) in conjunction with its <i>Financial Products</i> .		
<b>Accountability</b>		
The <i>Applicant</i> maintains accountability to its <i>Target Market</i> through representation on its <i>Governing Board</i> or otherwise.		
<b>Non-Government Entity</b>		
The <i>Applicant</i> is not an agency or instrumentality of the United States, or any State or political subdivision thereof. The <i>Applicant</i> demonstrates that it is not <i>Controlled</i> by any governmental entity.		

## Primary Mission Requirement

**The organization 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.

### ***Primary Mission Narrative***

[Suggested length: up to ½ page]

#### **1. Mission Requirement**

Summarize 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 September 12, 1998. The articles include a "Purpose" section that states "The purpose of the corporation is to provide microenterprise loans to low-income residents of the state of Delaware." That same mission is included on our organization brochure, website, and most recent annual report.

#### **2. Credit Union Requirement**

The Fund recognizes that many *Insured Credit Unions* do not have the types of documents as described above but have been designated by their regulator to be serving *Low-Income* populations. Therefore, an *Insured Credit Union Applicant* with a Low-Income Credit Union designation conferred by the National Credit Union Administration (NCUA) in 1990 or later will be considered to meet the Primary Mission requirement as long as the *Applicant's Target Market* consists of a *Low-Income Targeted Population* and that at least 60% of the *Applicant's Financial Products* and *Development Services* are directed to that *Target Market*.

#### **3. Plan to Meet Requirement**

If the *Applicant's* organizational documents do not evidence a primary mission of community development at the time the TA *Application* is submitted, describe the *Applicant's* plan 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.

#### **4. TA Support for Primary Mission Requirement**

If the TA requested in this *Application* will help the *Applicant* meet this certification requirement, in the Primary Mission Narrative, the *Applicant* must reference the related entry(ies) from the TA Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement.

## Financing Entity Requirement

**The organization must be a Financing Entity.** The *Applicant's* predominant business activity is the provision, in *Arms-length* transactions, of *Financial Products*, *Development Services*, and/or other similar financing. *Non-Regulated Applicants* must demonstrate four things in order to meet the *Financing Entity* requirement: 1) the *Applicant* uses its own funds to provide *Financial Products* to non-*Affiliated* entities; 2) the majority or predominance of its assets are dedicated to *Financial Products*, *Development Services*, and/or other similar financing; 3) the majority or predominance of its staff time is dedicated to *Financial Products*, *Development Services*, and/or other similar financing; and 4) it maintains sufficient capital to continue its financing for at least three months.

### ***Financing Entity Narrative For Regulated Entities***

[Suggested length: 1 – 3 sentences]

1. *Insured Depository Institutions, Depository Institution Holding Companies and Insured Credit Unions* meet the *Financing Entity* requirement. Write a statement identifying the *Applicant's Appropriate Federal Banking Agency* and its charter number.

### ***Financing Entity Narrative For Non-Regulated Entities***

[Suggested length: up to 3 pages]

#### **1. Providing Activity to *Non-Affiliated* Parties Requirement**

Provide a statement explaining which line item(s) on the *Applicant's* most recent balance sheet reflect its *Financial Products*. Include a description of those financing assets, the number of transactions included in that dollar amount, and the profile of customer to whom they are made. Also, explain any affiliation between the *Applicant* and the recipients of the *Financial Products* offered by the *Applicant*.

Example:

Our microenterprise loans are reflected on our 12/31/03 balance sheet as "Loans Outstanding." This is our sole *Financial Product* at this time. The \$450,000 line item is comprised of 240 loans made to individual entrepreneurs who have no affiliation with the *Applicant*.

#### **2. Assets Dedicated to Financing Activity Requirement**

Ann *Applicant* must demonstrate that the predominance of its assets are dedicated to providing *Financial Products*, *Development Services* and/or other similar financing. Using the *Applicant's* most recent *Financial Statement*, state what percentage of the *Applicant's* total assets represent *Financial Products*, what percentage of total assets are dedicated to the provision of *Development Services*, what percentage of total assets are dedicated to the provision of *other similar financing (if applicable)*. Provide a list of the line items on the balance sheet where such assets are reported. Include a description of those line items to explain how they meet the financing activity criteria.

Example: For FY2003 the assets dedicated to *Financial Products* and *Development Services* included:

Line item from Balance Sheet	Total or Portion Eligible	Eligibility Note
Cash and cash equivalents:	\$20,000	Total cash (\$80,000) less three months operating reserves (\$60,000) can be used for lending.
Loans Outstanding	\$350,000	Of the total \$500,000 portfolio, 70% (\$350,000) is made up of loans to non-affiliated customers. The other 30% (\$150,000) is made up of loans to our subsidiaries and therefore are not counted as eligible assets.
Computers and Other Equipment	\$70,000	This represents 70% of the \$100,000 line item based on the assumption that our computers and other equipment are used for lending activity in the same proportion as reflected in our portfolio.
<b>Total Eligible Assets</b>	<b>\$440,000</b>	<b>This \$440,000 of eligible assets is 70% of the total \$628,000 assets appearing on our FY2003 balance sheet.</b>

### 3. Staff Dedicated to CDFI Financing Activity Requirement

An *Applicant* must demonstrate that a predominance of its staff resources are dedicated to the provision of *Financial Products*, *Development Services* and/or other similar financing. Provide a table similar to the one below listing the *Applicant's* staff and a description of their responsibilities related to providing *Financial Products*, *Development Services*, and/or other similar financing. 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 capacity (e.g., staff of *Affiliate*, or consultant). Include the percentage of staff time devoted to providing such activities for the *Applicant*.

Example:

Name and Title	CDFI Activity	Job Description and Time Commitment
John Daniels, Executive Director	Financing and Dev't Services	Spends 50% of staff time on non-financing activity and 50% on financing activity including oversight, management and fundraising for CDFI financing activity and <i>Development Services</i> .
John Doe, Loan Manager	Financing	Spends 100% of staff time on financing activity including <i>Financial Product</i> development and marketing, supervising loan officers, and underwriting and closing loans.
Jane Smith, Business Development Manager	Dev't Services	Spends 50% of staff time on non-financing activity and 50% on <i>Development Services</i> as follows: providing financial counseling to individual clients, teaching small business workshops, and providing onsite assistance to our nonprofit developer clients.

Ann Lee, John Taylor, Susan Jones	Financing	Three staff spending 100% of time on financing activity marketing loan products, underwriting and closing loans.
Andrew Johnson	Not Applicable	Spends 100% of his staff time on the organization's non-financing activity, including real estate development and tax credit deal structuring.
<b>Summary of Staff Allocation</b>		<b>Of the seven full-time staff listed above, five full-time equivalents or 71% are dedicated to the <i>Applicant's</i> financing entity related activity.</b>

#### 4. Sufficient Capital Requirement

To demonstrate that the *Applicant* maintains adequate funds to support its financing activity(ies) 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 historic activity. If the *Applicant* does not have at least three-months of historic *Financing Activity*, follow the instructions in the "Plan to Meet Requirement" narrative below. Also, 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.

##### 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 FY2003 our loan closings averaged \$50,000 per quarter and our operating expenses averaged \$40,000 per quarter. Based on these FY2003 figures, we needed \$90,000 in liquid funds to cover both financing and operating expenses for the first three months of FY2004. While the balance sheet assets were \$20,000 short of our needs, we do have ready access to additional funds. In November 2003 we partnered with ABC Bank to establish an \$800,000 line of credit. This line of credit is restricted to CDFI eligible financing activity.

#### 5. Plan to Meet Requirement

If the *Applicant* does not currently meet each of the four requirements for this section, provide a narrative explaining its plan to meet each requirement within the required time. The narrative must describe the specific requirement(s) the *Applicant* currently does not meet, specific actions to be taken, and a projected time line for completion.

##### Examples:

1. Our 2003 financial statements do not demonstrate that 50% of assets are dedicated to financing activity. We plan to raise \$50,000 in new lending capital by January 2006. We have outstanding grant proposals totaling \$500,000 and are conservatively anticipating a 10% return on those requests. This new infusion of cash would increase our total eligible assets to meet the 50% rule.
2. Our staff resources are predominantly dedicated to our real estate activities, not our *Financial Product* activities. We expect to transfer the real estate assets and activities to our subsidiary organization within the next six

months. That would leave the *Applicant* organization with staff dedicating 100% of their time to the provision of *Financial Products* and *Development Services*.

#### 6. TA Support for Financing Entity Requirement

If the *TA* requested in this *Application* will help the *Applicant* meet this certification requirement, in the **Financing Entity** Narrative, the *Applicant* must reference the related entry(ies) from the TA Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement.

### **Target Market Requirement**

The organization must principally serve an eligible *Target Market*. An entity must designate an eligible *Target Market* and demonstrate that it directs at least 60% of its activities to that *Target Market*. An eligible *Target Market* may consist of a combination of one or more eligible *Investment Areas*, *Low-Income Targeted Populations*, or *Other Targeted Populations*.

### **Target Market Narrative**

[Suggested length: up to one page.]

#### 1. Target Market Identification Requirement

For each designated *Target Market* address the following:

- a. Investment Area(s): Use the Fund's online mapping system to identify an eligible *Investment Area(s)*. Save these maps in your myCDFIFund account. Provide the name(s) of the saved Investment Area files in your narrative.

Example: ABC Loan Fund serves a *Target Market* made up of the *Investment Areas* saved as follows in our myCDFIFund account, TA05-IA1, TA05-IA2, TA05-IA3.

- b. Low-Income Targeted Population (LITP): Identify the *Applicant's* geographic service area(s) from which the *LITP* is drawn (i.e., city, county, or state).

Example: ABC Loan Fund serves a *Target Market* comprised of the *Low-Income Targeted Population* residing in the following three counties of Georgia: Johnson, Jenkins and Emanuel.

- c. Other Targeted Population(s) (OTP):

1. Identify the designated *OTP(s)* and the *Applicant's* geographic service area(s) from which the *OTP(s)* is(are) drawn (i.e., city, county, or state).
2. Describe how the designated *OTP(s)* lack access to capital in the designated geographic service area(s) because of reasons unrelated to their investment or credit-worthiness. *Applicants* may reference recent (within five years) studies, surveys, etc. conducted by non-*Affiliate* entities as long as the study, survey, etc. was performed for the designated *OTPs* in the service area(s) designated by the *Applicant*.

This 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.

Example: ABC Loan Fund is serving a *Target Market* made up of women in the state of Ohio. A June 2004 study by the Ohio Women's Business Center described how only 20% of female loan applicants with qualifying credit scores were approved for business loans at traditional lending institutions while 50% of their male counterparts, with the same or similar credit scores, were approved for business loans.

## 2. **Target Market Activity Requirement**

Using the most recently completed fiscal year of activity, identify the percentage of the *Applicant's Financial Products, Financial Services* and *Development Services* that was provided to each component of the identified *Target Market*.

Example: ABC Loan Fund made 100 loans in FY2004, 70 of those were to *Low-Income* women borrowers, therefore 70% of our activity was provided to our *Target Market*.

## 3. **Plan to Meet Requirement**

Describe the *Applicant's* strategy for meeting the *Target Market* requirement within the required time by identifying each *Target Market* the *Applicant* plans to designate using the instructions provided in #1 above. Also, describe the *Applicant's* strategy for directing at least 60% of its activities to the qualifying *Target Market* by the required time. Include a timeline and specific action items.

## 4. **TA Support for Target Market Requirement**

If the TA requested in this *Application* will help the *Applicant* meet this certification requirement, in the *Target Market* Narrative, the *Applicant* must reference the related entry(ies) from the TA Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement.

## ***Development Services Requirement***

The organization must provide *Development Services* in conjunction with its *Financial Products*. *Development Services* are those types of training or technical assistance that help to prepare borrowers/investees for a CDFI's *Financial Products*. Common examples of *Development Services* include: one-on-one credit counseling; homebuyer and entrepreneurial education classes; business mentoring or advisory services for *Investees*; and construction financing advisory services for nonprofit borrowers. *Development Services* may be provided by the CDFI directly, through an *Affiliate*, or through a contract with another provider.

## ***Development Services Narrative***

[Suggested length: up to ½ page]

### 1. **Development Services Description Requirement**

Describe the *Development Services* that the *Applicant* provides. Explain the relationship between the *Development Services* and the *Financial Products* the *Applicant* provides. For example, are borrowers required to receive *Development Services* prior to receiving the *Applicant's* loans?

Example:

ABC Loan Fund provides a monthly class called "How to Get a Loan for Your Small Business." This workshop educates the participants about the underwriting process used by traditional banks and the process used by ABC Loan Fund. All attendees who submit a loan application receive approximately one hour of one-on-one financial and credit counseling ending in a written plan for meeting the ABC Loan Fund financial soundness criteria.

**2. Plan to Meet Requirement**

Describe the *Applicant's* strategy for meeting the *Development Services* requirement within the required time. Include a timeline and specific action items.

**3. TA Support for *Development Services* Requirement**

If the *TA* requested in this *Application* will help the *Applicant* meet this certification requirement, in the *Development Services* Narrative, the *Applicant* must reference the related entry(ies) from the *TA* Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement.

## Accountability Requirement

**The organization must maintain Accountability to its designated *Target Market(s)*** through representation on its *Governing Board* or otherwise. An *Applicant* will be found to meet this requirement if it demonstrates that the members of its *Governing Board* are representative of the *Applicant's Target Market(s)*. This requirement may also be satisfied through other methods, such as advisory boards, focus groups, and community meetings.

**NOTE:** If the *Applicant* has designated more than one type of *Target Market* (i.e., *Investment Area(s)*, *Low Income Targeted Population*, and/or *Other Targeted Population(s)*), it must demonstrate that it maintains accountability to each *Target Market*. For example, if an *Applicant* designated as its *Target Market* an *Investment Area* consisting of a county in New York and an *Other Targeted Population* of *African Americans* drawn from the entire state, the *Applicant* must demonstrate accountability to each of these *Target Markets*. An individual board member may represent more than one *Target Market*.

## Accountability Narrative

[Suggested length: up to one page]

**1. Accountability Method Requirement**

Provide information to address the applicable method the *Applicant* uses to ensure accountability to its *Target Market*.

a. *Governing or Advisory Board*

State whether accountability is met through the *Governing* and/or advisory *Board*. List the members of the board(s) that maintain accountability to the designated *Target Market*. For each individual:

1. Identify the *Target Market* he/she represents, and
2. Explain how he/she meets either or both of the following accountability standards: (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 represents an organization that primarily serves the *Target Market* (e.g., is a staff or board member of a community organization that primarily serves the designated *Target Market*).

Example:

The *Governing Board* for ABC Loan Fund has six members, two of whom are *Low-Income* (LI) individuals. Each of the LI individuals resides in one of the three counties designated as our *LITP* service areas. Another director is the Executive Director of "Jobs for Georgia," a nonprofit organization that trains *Low-Income* and displaced workers for entry level jobs. Jobs for Georgia serves residents of the third county designated as our *LITP* service area. The names and affiliations of these board members are listed on the attached list of *Governing Board* members.

b. 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.

2. **Plan to Meet Accountability Requirement**

Describe the *Applicant's* strategy for meeting the **Accountability** requirement within the required time. Include a timeline and specific action items.

3. **TA Support for Accountability Requirement**

If the *TA* requested in this *Application* will help the *Applicant* meet this certification requirement, in the Accountability Narrative, the *Applicant* must reference the related entry(ies) from the *TA* Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement.

## Non-Government Entity Requirement

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.

**NOTE:** For the purposes of meeting this requirement, an organization that is operated or controlled by a Tribal government is not considered an agency or instrumentality of the government of the United States or any State or any political subdivision of a State. Thus, an entity that is a Tribal entity or controlled by a Tribal government entity may be eligible to become a CDFI.

## Non-Government Entity Narrative

[Suggested length: up to one page]

### 1. Non-Government Entity Requirement

If the *Applicant* currently meets this requirement, the Non-Government Entity Narrative must describe and explain the nature of any relationship the *Applicant* has with any Federal, State, or municipal government entity. Make sure to explain any factors that mitigate the government control that may be suggested or assumed by those relationships. Particularly address and explain any of the situations appearing in the bulleted list below.

- Do one or more government entities or officials control the election or appointment of a majority of the members of the *Governing Board* of the *Applicant*?
- 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?
- 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*?
- Are the majority of the *Applicant's Governing Board* members themselves elected or appointed government officials?
- Does any government entity provide more than 50% of the *Applicant's* operating budget or financing capital?
- If the *Applicant* organization is controlled by another entity, is that entity controlled by one or more government entities?

Example:

ABC Loan Fund bylaws require a government representative from our county office of economic development to serve on the *Governing Board*. This position represents only one of the total 12 seats on our *Governing Board*. Our bylaws also dictate that we must have four neighborhood residents and seven community organizations filling the other *Governing Board* seats. Therefore the decision-making for the organization is not concentrated with any government entity or representative.

**2. Plan to Meet Non-Government Entity Requirement**

Describe the *Applicant's* strategy for meeting the Non-Government Entity requirement within the required time. Provide a timeline and specific action items.

**3. TA Support for Non-Government Entity Requirement**

If the TA requested in this *Application* will help the *Applicant* meet this certification requirement, in the Non-Government Entity Narrative, the *Applicant* must reference the related entry(ies) from the TA Request Summary (Chart A) and describe how those funds will help the *Applicant* meet this requirement

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# ***Comprehensive Business Plan***

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The Fund will make funding decisions based on a review of the *Applicant's Comprehensive Business Plan (CBP)*. This section of the *Application* provides the outline and instructions for writing that plan. The plan should be written as a single document using the numbered headings in the instructions as your outline. Following this outline will ensure that you provide complete information. The outline below provides a brief summary of the main sections of the business plan.

- A. **Summary**: An overall introduction for the reader. This summary provides an overview of the *Applicant* and summarizes the *CBP*.
- B. **Market Need and CDFI Strategy**: Includes a review of the Applicant's understanding of the extent of economic distress within the designated Investment Area(s) or the extent of need among the designated *Targeted Population(s)* (including economic distress caused by severe natural disasters in an *Investment Area(s)* that has been declared to be a Major Disaster area by the Federal Emergency Management Agency (see [www.fema.gov](http://www.fema.gov)) or an equivalent state or local agency), the extent of need for the CDFI, the appropriateness of the proposed products, services and delivery strategy to meet the needs in the market.
- C. **Management**: Includes a review of the *Applicant's* current and proposed management team, *Governing Board*, and key staff, its policies and procedures for financial management, and its track record in underwriting and portfolio management and ability to achieve the objectives set forth in its *Application* and track its community development impacts; and to successfully use and track the use of the requested *TA* award and maintain compliance with its *Assistance Agreement(s)*.
- D. **Financial Health and Resources**: Includes a review of the *Applicant's* financial strength, its liquidity, and the likelihood of obtaining resources to sustain operations, and a clear indication that the *Applicant* will not be fiscally dependent on the Fund. Specifically, the *Applicant's* financial ratios are addressed in comparison to the CDFI Fund's *Minimum Prudent Standards (MPS)*.
- E. **Community Development Performance and Effective Use of Technical Assistance**: Includes the projected level of activity within the *Target Market*; the extent to which the proposed activities are expected to promote community development objectives and are likely to create measurable community development impact; the extent to which the *Applicant* needs the *TA* award to achieve the objectives set forth in its *Application*; and the likelihood that the *TA* award will enhance the *Applicant's* ability to effectively serve its *Target Market* and achieve measurable community development impact.

## **Overview and Scoring**

The *CBP* includes a summary and four key sections, each of which includes several subcomponents. Each section is worth a maximum of 25 points and each section must receive at least 12 points to be considered for funding.

## **Charts and Attachments**

Four of the sections of the *CPB* require you to complete at least one of the charts, which can be found in the appendix to this *Application*. Some sections require additional attachments. You can download Excel versions of the charts from the Fund's website under the TA Component

page. Attachments and charts related to each section are detailed within their section of the *CBP*.

### **Justifying the TA Request**

All uses of *TA* funds must support one of the key sections of the *CBP*. The last component of each section is where you will describe and justify how the items included in your *TA* request supports that section of the *CBP*. For example, that narrative may address such issues as how the requested *TA* will allow the organization to provide enhanced services to a larger market without increased staff expenses, improve the quality of services provided to the *Target Market*, or enhance financial management so that more dollars may be directed to loan capital. For certain activities it may help to include a timeline of when the various *TA* activities will be completed to show how you will deploy the *TA* award. Generally, all *TA* funds awarded must be used within 24 months of receipt.

## **A. Summary**

This section is an introduction and overview of the *Applicant* and its *CBP*. It is best to write this summary after all of the sections below have been written.

### 1. **Summary**

Provide an overview of the *CBP* to serve as an introduction to the reader. Include a profile paragraph that briefly summarizes the *Applicant's* mission, *Target Market*, and products and services. Also highlight any of the *Applicant's* key successes to date. (Suggested length: up to 1 page).

### 2. **Technical Assistance (TA) Request Summary (Chart A)**

The *Applicant* must complete this chart to provide a one-page summary of the key items and amounts for which funding is requested. The *Applicant* will reference the items in this chart in the *CBP* narrative.

### 3. **Staff Salary Expense Calculator (Chart B)**: A Staff Salary chart must be submitted for all Staff Salary *TA* request items included on the *TA* Request Summary (Chart A). One chart must be completed for each staff member and task for which funding is requested. The information in this chart is used to assess whether the staff salary expense is an eligible use and whether the proposed staff member is qualified to complete the task.

## **B. Market Need and CDFI Strategy**

This section is used to evaluate the *Applicant's* understanding of the extent of economic distress within the designated *Investment Area(s)* including economic distress caused by severe natural disasters in an *Investment Area(s)* that has been declared to be a Major Disaster area by the Federal Emergency Management Agency (see [www.fema.gov](http://www.fema.gov)) or an equivalent state or local agency) or the extent of need among the designated *Targeted Population(s)*, the extent of need for the CDFI, and the appropriateness of the proposed products, services and delivery strategy to meet the needs in the market.

## 1. **Market Description**

Describe your market's economic distress, which may include economic distress caused by severe natural disasters in *Investment Areas* that have been declared to be a Major Disaster area by the Federal Emergency Management Agency (see [www.fema.gov](http://www.fema.gov)) or an equivalent state or local agency. Describe the need for your CDFI, including whether there are other providers of these *Financial Products*, *Development Services*, and/or *Financial Services* (banks, credit unions, other lenders). Discuss how your *Financial Products*, *Development Services*, and/or *Financial Services* address the needs and demands of the *Target Market*.

For example, how many inquiries do you receive on a monthly, quarterly or annual basis? What kind of a pipeline do you have for your current *Financial Products*? Based on your knowledge of your current borrowers' needs, will you have the ability to create "repeat borrowers"? (Suggested length: up to 2 pages.)

### **Important Instructions for *Target Market* Identification**

The *Applicant* must identify all *Investment Areas* included in its *Target Market* through the CDFI Fund mapping system (CIMS) available within its myCDFIFund account. *Investment Areas* must be named in the following format to be recognized as part of the *Target Market* related to this *Application*: TA05-IA#. For example, TA05-IA1 would be the first saved *Investment Area* and TA05-IA2 would be the second. The *Applicant* can save as many *Investment Areas* as it needs to identify its *Target Market*. *Applicants* are encouraged to read through the mapping system tutorial on the website.

## 2. **Market Strategy**

Describe your strategy for delivering each of the products reported on the Product and Services Description Chart (Chart D). Address such issues as marketing and outreach and use of partner organizations. (Suggested length: up to 1 page).

- a) **Role of *Community Partner***: Has the *Applicant* entered into a *Community Partnership* agreement with another entity to collaboratively provide *Financial Products* or *Development Services* to an *Investment Area(s)* or a *Targeted Population(s)*? If yes, describe the role of the *Community Partner* in delivering products and services to the *Target Market*; 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.
- b) **Coordination with Other Entities**: The Fund encourages *Applicants* to work in partnership with other public and private entities working on similar issues to create greater impact in the specific *Target Market* being served. In this section you will describe how your organization currently coordinates with or plans to coordinate with other Federal government public-private partnership initiatives, *Affiliates*, community organizations, financial institutions, Tribal governments and/or other public and private entities. Describe the nature of the coordination or partnership and the specific activities that are or will be undertaken jointly. (Suggested length: 1 page).
- c) **Consistency with Other Economic Development Plans**: Describe how your strategic plan or vision is consistent with existing economic, community and housing

development plans adopted by, or applicable to your *Target Market* including Federally-sponsored or recognized economic development and housing initiatives, such as minority homeownership partnerships. (Suggested length: 1 paragraph).

### 3. **Charts and Attachments**

1. **Market Served Chart (Chart C)**: Details the level of *Financial Products, Development Services and Financial Services* provided to each of the *Target Markets* over the past three years. If the *Applicant* is a "start-up", the chart can be completed based on the *Affiliate's* activity (if applicable). See the CONSIDERING A TA *APPLICATION* section at the beginning of this *Application* for guidance.
2. **Product and Services Description Chart (Chart D)**: Details the *Applicant's* current and/or proposed *Financial Products, Development Services and Financial Services*.
3. **Projected Activity Chart (Chart E)**: Details the *Applicant's* projected level of *Financial Products, Development Services and Financial Services*.

### 4. **TA Request to Support Market Need and CDFI Strategy**

Add this section only if your TA request includes items to address capacity-building needs related this section of the *CBP*. This may include requests to support gaining a better understanding of your *Target Market* (such as through a market analysis or survey), or to support product development and design. Describe the applicable activities and how they will increase your organizational capacity and ability to achieve community development impact. (Suggested length: up to 1 page)

## C. Management

This section is used to review of the *Applicant's* current and proposed management team, *Governing Board*, and key staff, its policies and procedures for financial management, and its track record in underwriting and portfolio management and ability to achieve the objectives set forth in its *Application* and track its community development impacts; and to successfully use and track the use of the requested *TA* award and maintain compliance with its *Assistance Agreement(s)*.

### 1. **Policies and Procedures**

The Fund expects CDFIs to have written, board-approved policies in place to address each of the items in the list below. Describe how your organization has addressed each of these. For each item, make sure to address whether there are written, *Governing Board*-approved policies in place. Full points cannot be awarded if any applicable items have not been fully addressed. **Note: The Fund may request copies of these policies during the review process.**

- a) Loan underwriting/investment approval
- b) Loan servicing/collections/loan risk rating (if applicable)
- c) Financial management/cash management
- d) Operating reserves
- e) Conflicts of interest
- f) Loss reserves

### 2. **Management Information Systems**

Describe the software and other management information systems (MIS) in place to track loans/investments, payments, and risk rating. Discuss how these systems support

management's ability to report on *Financial Products, Development Services, and Financial Services*. Describe how these systems help management to plan for the future.

3. **Compliance and Reporting**

Discuss any systems and/or any procedures in place that will assist the *Applicant* in maintaining compliance with an *Assistance Agreement*. Specifically address systems and procedures that will assist it in: 1) identifying where and/or to whom its *Financial Products, Development Services and Financial Services* are deployed; and 2) submitting reports to the Fund in a timely manner and for applicable reporting periods. Make sure that the chart F entry for the compliance officer includes the compliance related qualifications and experience of staff who will monitor the *Awardee's* progress in maintaining or obtaining CDFI certification, submitting its required reports via the Community Investment Impact System (CIIS), and monitoring the use of the award.

4. **Staff Vacancies and Additions**

For any vacancies or new positions, use this section of the *CBP* to describe the status of filling the position and the strategy for doing so, as well as the expected date of filling the position.

5. **Merger, Acquisition or Joint Venture Plans**

Describe any plans in place or being developed for the *Applicant* to merge with, acquire, be acquired by, or enter into a joint operational venture with another entity. Identify each entity and whether it is a certified CDFI. Explain the expected timeframe and strategy for the merger, acquisition, and/or operational joint venture and what impact it will have on the *Applicant's* staffing, operations and ability to serve its *Target Market(s)*.

6. **Portfolio Quality**

Review the Fund's portfolio standards below. Describe the *Applicant's* portfolio performance addressing any inconsistencies from the Fund's expected standards. Explain the failures and describe efforts to address weaknesses.

- a) Loan Portfolio: Line D on the Loan Portfolio Quality chart (*Portfolio-at-Risk*) is expected to be no greater than 10%.
- b) Equity Investment Portfolio: The sum of Lines D and E from the *Equity Investment Valuation Chart* for the end of the most recent fiscal year should exceed the sum of lines D and E for the prior fiscal year.

7. **Charts and Attachments**

The charts and other attachments for this section are critical and include the following:

- a) Management Chart: Key People (Chart F): Details the relevant experience of key staff, board, and committee members critical to carrying out the *CBP*.
- b) Resumes for all individuals profiled on the Management Chart. As resumes are often out-of-date the Fund urges *Applicants* to ensure that the Management Chart includes the most current and compelling profiles to demonstrate management capacity.
- c) Management Chart: Organizational Summary (Chart G): Details key facts about the *Applicant's* staffing record, and human resources dedicated to *Financial Products*.
- d) An organizational chart, showing all positions including *Governing Board*, staff, and, if applicable, volunteers and consultants that are in integral part of the *Applicant's* operations. Each staff position should include the staff name, title, and date of hire.
- e) A list of the members of the *Governing Board* indicating any affiliations and key working committees.

- f) If your organization, or its parent entity has an existing loan or investment portfolio, submit the appropriate item for your organization from the list below:
- i) Non-Regulated Loan Funds: Loan Portfolio Quality Chart(s) (Chart H)
  - ii) Venture Capital Funds: Equity Investment Portfolio Valuation Chart (Chart I)
  - iii) Insured Credit Unions: NCUA Financial Performance Ratios
  - iv) IDIs and DIHCs: Uniform Bank Performance Report (UBPR)

8. **TA Request to Support Management Capacity**

Add this section only if your *TA* request includes items to address capacity-building needs related to this section of the *CBP*. This may include items like enhancing risk management policies, obtaining staff training in underwriting, or conducting *Governing Board* development. (Suggested length: up to 1 page)

## D. Financial Health and Resources

This section is used to evaluate the *Applicant's* financial strength, its liquidity, the likelihood of obtaining resources to sustain operations, and if there is a clear indication that the *Applicant* will not be fiscally dependent on the Fund.

1. **Financial Performance Ratios**

Review the tables of key ratios below along with the *Minimum Prudent Standards (MPS)* the Fund has developed for each. Describe the *Applicant's* ratios, addressing any inconsistencies from the Fund's expected standards. For each ratio that does not meet the Fund's standard, explain the failures and describe efforts to address weaknesses.

a) **Financial Performance *MPS* for Non-regulated Applicants**

Ratio	Calculation Method	<i>MPS</i>
Capital	<i>Net Assets</i> / Total Assets	<i>Net Assets Ratio</i> ≥ 15%
Deployment	(Total Loans Outstanding + Total Investments Outstanding / (Total <i>Net Assets Capital Available for Financing</i> + <i>Adjusted Notes Payable</i> ))	Deployment Ratio ≥ 50%
Earnings	<b>Nonprofits:</b> (Total Earned Income + Total Grants and Contributions) - Total Expenses <b>For Profits:</b> Total Revenues - Pre-Tax Expenses	<i>Net Income</i> ≥ \$0
Operating Liquidity	Total Earned Income / Pre-Tax Expenses x .25	<i>Operating Liquidity Ratio</i> ≥ 0

b) **Financial Performance *MPS* for Insured Credit Unions**

Ratio	Calculation Method	<i>MPS</i>
Capital	<i>Net Worth</i> / Total Assets (see FPR Ratios document under the Capital Adequacy heading)	Capital Ratio ≥ 5%
Deployment	Total Loans / Total Shares (see FPR Ratios document under the Asset Liability Management heading)	Deployment Ratio ≥ 50%
Earnings	See Return on Average Assets under the Earnings heading on the FPR Ratios document.	Return on Average Assets ≥ 0.75%
Operating Liquidity	Not Applicable	Not Applicable

c) **Financial Performance MPS for *Insured Depository Institutions and Depository Institution Holding Companies***

<b>Ratio</b>	<b>Calculation Method</b>	<b>MPS</b>
Capital	<i>Tier 1 Capital</i> on the UBPR Summary Page	≥ 7%
Deployment	Total Loans/Total <i>Deposits</i>	≥ 50%
Earnings	Pre-Tax Net Operating Income / Average Assets	≥ 65%
Operating Liquidity	Not Applicable	Not Applicable

2. **Operating and Capital Support**

Describe the likely sources of operational support and capital for the *Applicant's* activities over the next three years. This section is reviewed to understand the financial sustainability of your organization. The Fund will not make an award to an entity if it appears that there will be a dependence on the Fund as a primary source of funding. (Suggested length: up to ½ page)

3. **Charts and Attachments**

a) Projected Resources Chart (Chart J)

b) *Financial Statements* and/or Reports for *Non-Regulated Applicants*: You must submit one of the three sets of financial information listed below.

1. Audited *Financial Statements* (or CPA reviewed *Financial Statements*) for the most recently completed three fiscal years if available **OR**
2. Most recent Annual audited or reviewed *Financial Statements* for the *Applicant's Controlling Affiliate* plus internally generated balance sheet (statement of financial position) and income and expense statements (statement of activities) for the *Applicant* **OR**
3. Most recent internally generated balance sheets (statement of financial position) and income and expense statements (statement of activities) for the *Applicant*.

c) *Financial Statements* and/or Reports for *Insured Credit Unions, Insured Depository Institutions and Depository Institution Holding Companies*. You must submit both items below.

1. *Financial Statements* for the last three completed years that have been reviewed by the *Applicant's Appropriate Federal Banking Agency* (e.g. National Credit Union Administration Form 5300, or Uniform Bank Performance Report) **AND**
2. Financial Performance Ratios (FPR) for the last three completed fiscal years.

**Important Note About *Financial Statements***

*Applicants* that have been in operation for more than 24 months are expected to have audited or reviewed *Financial Statements* (at a minimum, consolidated with an *Affiliate*). If such *Financial Statements* are not included, the *Applicant* should explain why not, and discuss a plan to obtain such *Financial Statements* through its *TA* request.

If the *Applicant's* audited or reviewed *Financial Statements* are consolidated with its *Affiliate(s)* and do not include separate schedules detailing the *Applicant's* financial position and income and expense statements, the *Applicant* must submit a separate set of the *Applicant's* internal *Financial Statements*, which clearly distinguish the *Applicant's* financial information from that of its *Affiliates*.

4. **TA Request to Enhance Financial Health and Resources**

Add this section only if your *TA* request includes items to address capacity-building needs related to this section of the *CBP*. This may include items like developing a capitalization strategy, obtaining accounting software and/or staff training in financial analysis and management. Describe the applicable activities and how they will increase your organizational capacity and ability to achieve community development impact. (Suggested length: Up to 1 page)

## D. Community Development Performance and Effective Use of *Technical Assistance*

This section is used to evaluate the *Applicant's* projected level of activity within the *Target Market*; the extent to which the proposed activities are expected to promote community development objectives and are likely to create measurable community development impact; the extent to which the *Applicant* needs the *TA* award to achieve the objectives set forth in its *Application*; and the likelihood that the *TA* award will enhance the *Applicant's* ability to effectively serve its *Target Market* and achieve measurable community development impact.

1. **Community Development Impact Measurement and Analysis**

Describe the *Applicant's* community development objectives and how the progress toward those objectives is measured. Describe key data the *Applicant* uses to measure impact over time and how that data is captured.

2. **Community Development Products and Services**

Referencing charts D (Product and Services Description) and chart E (Projected Activity) describe any products or services the *Applicant* offers or plans to offer in the near future that it considers to be particularly targeted to distressed communities. Also address activities directed to or benefiting individuals or households at or below 60% of area median income. Briefly discuss how these high impact activities will be accomplished and measured.

3. **Plans for Community Control**

Explain the extent to which the *Applicant* is, or will be, either 1) *Community-Governed*, meaning *Target Market* residents or populations represent greater than 50 percent of the governing body of the *Applicant*, or 2) *Community-Owned*, meaning *Target Market* residents or populations have an ownership interest of *the Applicant* greater than 50 percent. (Suggested length: up to ½ page).

4. **Effective Use of Prior Award**

If the *Applicant* is a prior Fund *Awardee*, describe how it has used prior assistance and explain the need for additional Fund dollars over and above prior assistance. Clearly describe the additional benefits that would accrue to the *Target Market(s)* if the *Applicant* receives another award from the Fund, such as significant plans for expansion of staff, market, or products. In scoring this section, the Fund will consider the extent to which the *Applicant* has complied with performance goals and other requirements of past *Assistance Agreements*. If the *Applicant* had any compliance issues with the use of prior *TA* funds, address issues and resolution. **The Fund will not provide funding for the same activities funded in prior awards.** (Suggested length: up to 1 page).

5. **TA Request to Enhance Community Development Impact**

Add this section only if your *TA* request includes items to address capacity-building needs related to this section of the *CBP*. These may include items like developing a survey or other means of assessing community improvements, or enhancing the *Applicant's* ability to serve more remote markets through use of laptop computers. A *TA* request to support data collection and impact measurement capacity building would also fall in this category. See the Special Guidance: Planning for Data Collection and Impact Measurement Capacity Building section of the *Application* for guidance on making this type of *TA* request. Describe the applicable activities and how they will increase the *Applicant's* capacity and ability to achieve community development impact. (Suggested length: up to 1 page)

### Chart A: *Technical Assistance (TA) Request Summary*

Each item listed below should support one of the four major sections of the *Applicant's Comprehensive Business Plan*. You must provide a detailed description and justification for each item in the chart using the applicable section of the *Comprehensive Business Plan*.

Total Request by Category						
Consulting Services	\$	-				
Technology	\$	-				
Staff Salary	\$	-				
Training	\$	-				
Other	\$	-				
<b>Total TA Request</b>	<b>\$</b>	<b>-</b>				

  

	Consultant	Product/Scope of Work	Expected # of Hours	Date of Completion	Date of Expected Board Approval	Cost
1.)						
2.)						
3.)						
<b>Total Consulting Services:</b>						\$ -

  

	Technology Item	Company Providing Quote	Expected Date of Acquisition	Date of Installation	Cost
1.)					
2.)					
3.)					
<b>Total Technology:</b>					\$ -

  

	Staff Title or Position*	Finished Product to be Developed	Date to Begin	Expected # of Hours	Date of Completion	Annual Salary	Cost
1.)						\$ -	
2.)						\$ -	
3.)						\$ -	
<b>Total Staff:</b>							\$ -

  

	Training Event	Subject	# Attendees	Date	Provider	Cost
1.)						
2.)						
3.)						
<b>Total Training:</b>						\$ -

  

	Other	Provider	Date of Acquisition or Completion	Cost
1.)				
2.)				
3.)				
<b>Total Other :</b>				\$ -

\* Complete a Staff Expense Calculator Chart, for each staff title or position for which you are requesting funding.

## Chart B: Staff Salary Expense Calculator

**Restrictions on Staff Expense TA Request:** Staff expenses are only allowable for discrete capacity building activities in place of a consultant or as noted in the instructions. TA will not cover benefits, overhead expenses or other administrative costs. You must attach the staff person's resume demonstrating his/her capacity to provide the requested activity. The TA may only cover that portion of the staff person's salary that represents the time that person spends on the discrete, capacity building task(s), not his/her ongoing activities. Additionally, in order to ensure that the organization is not dependent on the Fund to meet salary expenses, the Fund will not fund more than 50% of any one person's salary in a 12 month period, and not for a period to exceed 24 months. Staff salary can only be funded for those activities that occur after the date of the Notice of Award.

**Completing the form:** Fill in the requested narrative and data in the spaces below. If you are filling out this form electronically, the "amount of staff salary requested" will be calculated automatically once you fill in cells H22-24. Use a separate form for each staff member and task.

Name of Staff person:	
Title:	
If a new hire, date expected to begin	

Describe the task to be completed in the space below.

Describe the person's qualifications for completing this task in the space below and attach resume.

Explain why staff salary is proposed in lieu of consulting services in the space below.

Number of months to complete task:	
Percentage of time spent on the task during those months:	
Person's salary (DO NOT INCLUDE BENEFITS, OVERHEAD EXPENSES, ETC).	
<b>Automated Calculation of Amount of staff salary requested:</b>	<b>\$ -</b>

## Chart C: Market Served

Instructions: List your *Target Market Financial Products*, *Financial Services*, and *Development Service* activities in the chart below by *Investment Areas*, *Low Income Targeted Population (LITP)* and *Other Targeted Population (OTP)*. Fill in only the type of *Target Market(s)* that you have designated. Provide a description of each applicable *Target Market* type in the space provided. For *Investment Areas*, list the number of census tracts or counties included in the *Investment Area(s)* and its location by city or county and state. For *LITP* and *OTP* list the service area from which the populations are drawn. Be sure to include all of your activities, including those that were not directed to a *Target Market*, in your calculation of total activities.

<b>Activities by Investment Areas</b>				
Describe your Investment Area(s) below:	Entries are based on sum of last three completed fiscal years			
Example: 20 contiguous census tracts in the City of Los Angeles, CA.	Number of Loans or Investments	Dollar Amount of Loans or Investments	Number of Loans or Investments as % of Total Loans or Investments	Dollar Amount of Loans or Investments as % of Total Loans or Investments
	3	\$45,000	24%	21%
<b>Activities by Low Income Targeted Population</b>				
Describe your Low Income Targeted Population below:	Entries are based on sum of last three completed fiscal years			
Example: a Low Income Targeted Population in the State of Michigan	Number of Share or Savings Accounts Opened	Dollar Amount of Deposits from LITP	Number of LITP Accounts Opened as % of Total Like Accounts	Dollar Amount of Deposits from LITP as % of Total Like Deposits.
	250	\$45,000	65%	5%
<b>Activities by Other Targeted Population</b>				
Describe your Other Targeted Population below:	Entries are based on sum of last three completed fiscal years			
Example: African Americans in the City of Chicago, IL.	Number of Customers Completing Business Class Training	Dollar Amount of Loans or Investments	Number of OTP customers as % of Total Customers.	Dollar Amount of Loans or Investments as % of Total Loans or Investments
	3	\$45,000	24%	21%

## Chart D: Product and Services Description

**Instructions:** Describe the key elements of each of your major product lines (current and proposed). Fill in information only for those products that are applicable to you. Use blank rows to add additional products. Identify whether products are current (C) or proposed (P). In the "Expected Annual Closings/Total on Deposit" column, enter the dollar amount for the current fiscal year, for current products. For proposed products, indicate the proposed dollar amount and the fiscal year in which the product will be launched.

Product:	Current or Proposed	Transaction Size Range or Minimum Deposit/Share Size	Product Use	Eligibility Features	Expected Annual Closings/Total on Deposit-Current Products	Expected Annual Closings/Total on Deposit Proposed Products
<i>EXAMPLE: 1. Business Loan</i>	<i>P</i>	<i>\$50,000-\$500,000</i>	<i>working capital, equipment, inventory</i>	<i>small business located in Investment Area</i>	<i>NA</i>	<i>\$1,000,000 FY 2004</i>
<b>Loan Products:</b>						
1. Business						
2. Microenterprise						
3. Commercial Real Estate						
4. Community Facilities						
5. Affordable Housing Development						
6. First Mortgages						
7. Second/Subordinated Mortgages						
8. Home Equity Loans						
9. Consumer Loans						
10. Other (provide name)						
<b>Financial Services:</b>						
Shares/Savings Accounts						
<b>Equity Products:</b>						
1. Equity Investments						
2. Debt w/ Equity features						
<b>Loans Purchased:</b>						
Loans Purchased from other CDFIs						

DEVELOPMENT SERVICES (DS)		Topics/Issues Covered	Eligibility Requirements	Expected Number of Recipients
1. Financial Counseling/Financial Literacy	not applicable			
2. Homeownership Counseling	not applicable			
3. Business Plans Development	not applicable			
4. Other Technical Assistance to businesses or non-profits	not applicable			



## Chart F: Management Chart -- Key People

Use the rows below to provide information about all key staff and board members involved in carrying out the Comprehensive Business Plan. Make sure to include all of the people who serve in the following equivalent capacities: Executive Director, Chief Financial Officer, Director of Lending, Board Chairperson, Treasurer, Chair of Loan/Investment Committee, compliance officer, and all other loan committee members.

Name and Title	Date hired or start of term	Succinctly list the individual's <u>relevant experience and education in community development, community development finance, and/or loan/investment underwriting</u> . Include specific accomplishments and years of experience as much as possible.
<u>Example:</u> Carmen Lanza, Executive Director	10/1/1999	12 Years as Executive Director of an affordable housing CDFI that successfully deployed \$124 million in capital and supported 1800 units of affordable housing during her tenure. Managed 10 staff and assets of \$20 million. 8 years as chief lending officer with XYZ bank in Colorado where she managed an \$8 million portfolio of CRA loans. Raised \$5 million in new capital and initiated three new loan products since serving as Exec. Dir. for Applicant organization. Masters in Urban Planning from Avery University.

## Chart G: Management Chart -- Organizational Summary

Instructions: Enter the information requested below regarding the historical and projected composition of your staff. Estimates are acceptable. If you have been in operation for less than 3 years enter data only as applicable.

Management Measure	Historical (last 3 years)			Current	Projected (next three years)		
	FY _____	FY _____	FY _____	Current Yr	FY _____	FY _____	FY _____
Total number of employees* at the beginning of the year							
Total number of <i>Full-Time Equivalent (FTE)</i> employees at the beginning of the year							
Total number of employees terminated during the year for any reason							
Total number of <i>FTE</i> employees terminated during the year for any reason							
Total number of employees at the end of the year							
Total number of <i>FTE</i> employees at the end of the year							
Total number of <i>FTE</i> employees directly dedicated to financing activities - include loan officers, loan assistants, and similar positions (average during the year)							
Total number of loans, <i>Equity Investments</i> , or other <i>Financial Product</i> transactions closed during the year							

\**Employees* include individuals that are employed by another entity, such as the applicant's parent Affiliate, that are "loaned" or working temporarily for the applicant.

## Chart H: Loan Portfolio Quality

NOTE: *Insured Credit Unions* may submit their NCUA Financial Performance Ratios for the 3 most recent years available in place of this chart.  
*Insured Depository Institutions (IDIs)* and *Depository Institution Holding Companies (DIHCs)* may submit their Uniform Bank Performance Reports for the 3 most recent years available in place of this chart.

Loan Portfolio Aging Schedule			End of FY: _____		End of FY: _____		End of FY: _____		Current FY To Date*		
									End of Period : _____		
	<i>Non-Regulated Institutions</i>	<i>Insured Credit Unions</i>	<i>IDIs and DIHCs</i>	Number	Principal Outstanding						
a.	31 to 60 days	2 to 6 months	30 to 89 days		\$ -		\$ -		\$ -		\$ -
b.	61 to 90 days	6 to 12 months	90+ days		\$ -		\$ -		\$ -		\$ -
c.	90+ days	12+ months	Total non-accrual loans		\$ -		\$ -		\$ -		\$ -
d.	Total Portfolio-at-Risk or Delinquency Ratio ((c divided by e) OR [b divided by e])				#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Loan Loss History			End of FY: _____		End of FY: _____		End of FY: _____		Current FY To Date*		
									End of Period : _____		
e.	Total Outstanding Loan Portfolio										
f.	Net Write-Offs or Net Charge-Offs										
g.	Annual Net Loan Loss Ratio (g divided by h)				#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
h.	Loan Loss Reserve (cash reserves + accrual reserves)										
i.	Loan Loss Reserve Ratio ( h divided by e)				#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

## Chart I: *Equity Investment Portfolio Valuation*

**Instructions:** Complete the yellow-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	End of FY 2002		End of FY 2003		End of FY 2004		Current Year to Date:	
		Number	Dollars gained (lost)	Number	Dollars gained (lost)	Number	Dollars gained (lost)	Number	Dollars gained (lost)
a	Average holding period (# of months) of all investments in portfolio								
b	<i>Equity Investments</i> exited during the year		\$ -		\$ -		\$ -		\$ -
c	<i>Equity Investments</i> written-off during the year		\$ -		\$ -		\$ -		\$ -
d	Unrealized Gains (losses)								
e	Realized Gains (losses)		\$ -		\$ -		\$ -		\$ -
f	Projected Rate of Return Since Inception								
g	Actual Rate of Return Since Inception								

