

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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Bank Enterprise Award Program

FY 2014 Application Webinar

Welcome!



- Welcome to the FY 2014 Bank Enterprise Award Application (BEA) Webinar!
- As a reminder, participants will be muted until we open phone lines for questions at the end of the presentation.

BEA Program Team



- Bob Ibanez, Program Manager
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Agenda



- BEA Program Overview
- BEA Application Overview
- BEA FY 2014 Application Round
- Q&A Session

BEA Program Overview



The Bank Enterprise Award (BEA) Program:

- Was originally initiated through the Bank Enterprise Act of 1991 and subsequently the Community Development Banking and Financial Institutions Act of 1994.
 - The first Notice of Funds Availability (NOFA) was published in 1995.
 - The first award round took place in 1996.
- Provides awards to FDIC-insured depository institutions that demonstrate an increase in investing in Community Development Financial Institutions (CDFIs) or in their own lending, investing, or service-related activities in distressed communities.

BEA Program Overview



Since 1996, the CDFI Fund has granted \$393 million in BEA Program awards over 17 rounds.

BEA Program Award Snapshot: FY 2008 - FY 2013

Year	Number of Awards	Percentage of Applicants Awarded	Number of CDFIs/MDIs	Amount Awarded	Average Award Size
2009	55	95%	37/24	\$22 million	\$406,042
2010	70	92%	34/25	\$25 million	\$357,249
2011	78	89%	41/22	\$22 million	\$281,487
2012	59	83%	34/19	\$18 million	\$304,559
2013	89	88%	38/21	\$17 million	\$200,574

BEA Program Overview



- All Applicants must be FDIC-insured.
 - CDFI and non-CDFI banks may apply.
- Program Awards are based on BEA Program Qualified Activities that have been completed.
- Baseline and Assessment Period.
- Award proceeds must be used for future BEA Program Qualified Activities.

BEA Program Overview



The BEA Program rewards actual increases in the dollar volume of Qualified Activities in three funding categories:

1. **CDFI-Related Activities:** Equity investments, equity-like loans, loans, deposits, or technical assistance to certified CDFIs.
 - A CDFI that receives an Equity Investment (e.g. grants, stock purchase), Equity-like Loan or CDFI Support Activity (e.g. loan, technical assistance, or qualifying deposit) from an Applicant is a CDFI Partner.
 - CDFI Partners must be *Integrally Involved* in a Distressed Community as defined in the FY 2014 NOFA and BEA Interim Rule.
2. **Distressed Community Financing Activities:** Loans or investments for affordable housing, affordable housing development, small businesses, commercial real estate; education loans.
3. **Service Activities:** Deposits, financial services, or community services provided to residents of BEA Distressed Communities.

BEA Program Overview



BEA Program Distressed Communities are census tracts with:

- Geographic requirement:
 - A total population of at least 4,000, if near a MSA with a population of 50,000 or greater;
 - A population of at least 1,000 if no portion is located near a MSA; or
 - Located within an Indian Reservation.
- Economic requirement:
 - At least 30% of population living in poverty, and
 - Unemployment rate at least 1.5 times the national average.

Census tracts may meet these requirements either individually, or collectively, when aggregated with contiguous census tract(s). Use the CDFI Fund's Information Mapping System (CIMS) to identify BEA Distressed Communities. **A CIMS Webinar will be hosted on April 29, 2014 at 2:00pm (ET). Visit www.cdfifund.gov/bea for information.*

BEA Program Application Overview



Estimated BEA Program awards are determined formulaically based on these percentages. Estimated awards for Certified-CDFIs are calculated using a higher percentage. Qualified Activities are funded in this order.

Category	Priority	Estimated Award Percentage
CDFI-Related Activities	First Priority	<ul style="list-style-type: none">Increases in Equity Investments or Grants are multiplied by 15%.Increases in Loans and Deposits are multiplied by 18% for CDFI Applicants and 6% for non-CDFI Applicants.
Distressed Community Financing Activities	Second Priority	Increases in Distressed Community Financing Activities are multiplied by the asset size priority factor then by 9% for CDFIs and 3% for non-CDFIs.
Service Activities	Third Priority	Increases in Service Activities are multiplied by the asset size priority factor then by 9% for CDFIs and 3% for non-CDFIs.

BEA Program Application Overview



Priority Factors applied to Distressed Community Financing and Service Activities are based on the CRA asset size of the applicant, as of the end of the Assessment Period.

CRA Asset Size Classifications	Priority Factor
Small Banks (assets of less than \$300 million as of 12/31/2013)	5.0
Intermediate Banks (assets of at least \$300 million but less than \$1.202 billion as of 12/31/2013)	3.0
Large Banks (assets of \$1.202 billion or greater, as of 12/31/2013)	1.0

BEA Program Application Overview



BEA Application Worksheet

CDFI RELATED ACTIVITIES	Reporting	Baseline Period - 2012	Assessment Period - 2013	Change in Activity	Award Percent	Estimated Award Amount
Equity Investments	No			\$ -	15%	\$ -
CDFI Support Activities	No	\$ -	\$ 100,000	\$ 100,000	6%	\$ 6,000
Estimated Award Amount for CDFI Related Activities - 18% if a CDFI, 6% if not						\$ 6,000
DISTRESSED COMMUNITY FINANCING ACTIVITIES	Reporting	Baseline Period - 2012	Assessment Period - 2013	Change in Activity	Priority Factor	Weighted Value
Affordable Home Mortgage Loans	No			\$ -	3	\$ -
Affordable Housing Development Loans and Project Investments	No			\$ -	3	\$ -
Small Business Loans and Project Investments	No	\$ -	\$ 439,000	\$ 439,000	3	\$ 1,317,000
Home Improvement Loans	No			\$ -	3	\$ -
Education Loans	No			\$ -	3	\$ -
Commercial Real Estate Loans and Project Investments	No	\$ -	\$ 2,855,400	\$ 2,855,400	3	\$ 8,566,200
Total Score:						\$ 9,883,200
Estimated Award Amount for Distressed Community Financing Activities - 9% if a CDFI, 3% if not						3% \$ 296,496
SERVICE ACTIVITIES	Reporting	Baseline Period - 2012	Assessment Period - 2013	Change in Activity	Priority Factor	Weighted Value
Deposits	No	25000	45000	\$ 20,000	3	\$ 60,000
Community Services	No			\$ -	3	\$ -
Financial Services	No			\$ -	3	\$ -
Targeted Financial Services	No			\$ -	3	\$ -
Targeted Retail Savings/Investment Products	No			\$ -	3	\$ -
Total Score:						\$ 60,000
Estimated Award Amount for Service Activities - 9% if a CDFI, 3% if not						3% \$ 1,800
PRIORITY ONE AWARD (CDFI Related)						\$ 6,000
PRIORITY TWO AWARD (Distressed Community Financing)						\$ 296,496
PRIORITY THREE AWARD (Service Activities)						\$ 1,800
TOTAL ESTIMATED AWARD If not a CDFI						\$ 304,296
TOTAL ESTIMATED AWARD If a CDFI						\$ 912,888

BEA Program FY 2014 Application Round



- Approximately \$18 million in appropriations are available for the FY 2014 Application Round.
- Baseline Period: January 1- December 31, 2012
- Assessment Period: January 1- December 31, 2013
- Apply via Grants.gov and submit signature page, maps and supporting documents via myCDFIFund.

BEA Program FY 2014 Application Round



Eligibility:

- Applicants must be FDIC insured.
- Holding companies may **not** apply.
- CDFI and non-CDFI banks may apply.
- CDFI Program Applicants may still apply for BEA. Applicants that receive a FY'14 CDFI Program award are ineligible to receive a FY'14 BEA Program Award.

CDFI Applicants:

- Must be certified by end of Assessment Period (12/31/13); AND
- Maintain its certification at the time BEA Program awards are announced.

BEA Program FY 2014 Application Round



CDFI Partners:

- Must be certified as a CDFI as of 12/31/13 (by the end of the Assessment Period) and be Integrally Involved in a Distressed Community.
 - For CDFI Support Activities: CDFI Partner must attach a map of the Distressed Community in which it is Integrally Involved.
- Must submit a FY 2014 BEA signature page.

Note: Lack of required submissions by a CDFI Partner will result in the respective CDFI-related activity not being considered during the Application review period.

BEA Program FY 2014 Application Round



Part 1 - Grants.gov:

- All applicants must apply via Grants.gov.
 - SF 424 Mandatory
 - Electronic Attachments (MS Word and Excel)
- The MS Word documents and Excel charts must be uploaded to your application and submitted via Grants.gov.
 - Applications submitted without the Excel chart attachments will be deemed incomplete.
- DUNS number listed must match that of the bank Applicant (not the holding company, etc.)
- Deadline – 11:59 pm (ET) on June 2, 2014.

BEA Program FY 2014 Application Round



Part 2 - myCDFIFund:

- Applicants:
 - All are required to register and submit a BEA Signature Page via myCDFIFund.
 - Supporting documentation for transactions must be uploaded via the BEA Signature Page:
 - For all CDFI Related Activities
 - For Distressed Community transactions > \$250K.
- CDFI Partners:
 - All are required to register and submit a BEA Signature Page via myCDFIFund.
 - For CDFI Support Activities: An attached map of the CDFI Partner's Distressed Community must be associated with its signature page.
- Deadline: 5:00 pm ET on June 4, 2014.

BEA Program FY 2014 Application Round



Important Application Deadlines:

Activity	Timeline
Application and NOFA Released	April 23, 2014
Last day for BEA Program Help Desk Questions	May 29, 2014 by 5:00 p.m. ET
Application Due Date (via Grants.gov)	June 2, 2014 by 11:59 p.m. ET
Signature Page and Supporting Documentation Due Date (via myCDFIFund)	June 4, 2014 by 5:00 p.m. ET
Last day for IT Help Desk Questions	June 4, 2014 by 5:00 p.m. ET

- Compliance Period: January 1 – December 31, 2015
- Compliance Report due: June 30, 2016

Q & A Session



QUESTIONS?