



**Community  
Development  
Financial  
Institutions  
Fund**

**CDFI Certification  
Application**

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**Supplemental Guidance  
and Tips**

**(Updated through February 2014)**

# Community Development Financial Institutions Fund

## CDFI Certification Application

### Supplemental Guidance and Tips

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#### PURPOSE OF THIS DOCUMENT

This document is designed to provide the CDFI Certification Applicant with guidance and tips for completing and submitting the CDFI Certification Application.

#### CDFI CERTIFICATION DESIGNATION

CDFI certification is a designation conferred by the CDFI Fund. In order to be certified as a CDFI, a financial institution must meet each of the following seven certification criteria at the time a CDFI Certification Application is submitted to the CDFI Fund:

- Be a **legal entity**;
- Have a **primary mission** of promoting community development;
- Be a **financing entity**;
- Primarily serve one or more **Target Markets**;
- Provide **Development Services** in conjunction with its financing activities;
- Maintain **accountability** to its defined target market; and
- Be a **non-government entity** and not be under control of any government entity (tribal governments typically excluded).

**CDFI Certification does not constitute an opinion by the CDFI Fund as to the effectiveness or financial viability of the Applicant.**

#### APPLICATION PROCESS OVERVIEW

**Note:** Each CDFI Certification Applicant must have its own valid Employer Identification Number (EIN) and be a legal entity at the time it submits the CDFI Certification Application. Failure to include this information for any entity will result in the rejection of the entire application without a substantive review. Additionally, an EIN and a Dun & Bradstreet Number are required in order to establish a “myCDFI Fund” organizational account.

**Additional Questions and Resources:** Please contact the CCME staff if you have questions regarding the CDFI Certification application. CCME staff can be contacted by telephone at (202) 653-0423, and by e-mail at [ccme@cdfi.treas.gov](mailto:ccme@cdfi.treas.gov). Information regarding the CDFI Certification application and process can also be obtained by visiting the CDFI Fund’s CDFI Certification page located at [www.cdfifund.gov](http://www.cdfifund.gov).

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#### Application Completion Steps:

- Carefully review the CDFI Program Revised Interim Regulations, 12 CFR Part 1805, also available on the CDFI Fund's CDFI Certification page located at [www.cdfifund.gov](http://www.cdfifund.gov).
- Consult the Glossary of Terms and the CDFI Program Revised Interim Regulations (12 CFR Part 1805) for clarification of defined and capitalized terms. These documents may be found on the CDFI Fund's CDFI Certification page located at [www.cdfifund.gov](http://www.cdfifund.gov).
- Review the CDFI Certification Application and supplemental CDFI Certification Application guidance documents provided on the CDFI Fund's CDFI Certification page located at [www.cdfifund.gov](http://www.cdfifund.gov).
- Create a (or access your existing) customized web portal "myCDFI Fund" user account located at the CDFI Fund's homepage, [www.cdfifund.gov](http://www.cdfifund.gov).
  - From the CDFI Fund's homepage, click on the link, "Log onto myCDFI Fund".
  - Click the "OK" button to agree to the terms of use on the "Terms of Use and Acceptance" screen.
  - If you do not already have a myCDFI Fund user account, click on the text link "I do not already have a user account with myCDFI" in the "User Registration" section, and complete the "User Registration Steps" to set up your user account.
  - If you do already have a user account, enter your email and password and click the "Login" button to login.
- Create a (or access your existing) customized web portal "myCDFI Fund" organizational account for the Applicant from your myCDFI Fund user account.
  - If the Applicant is not already registered and does not have an organizational account, click the text link "Register an Organization" and follow the "Organization Registration Steps". The user that performs this registration will be designated the account administrator for the organizational account.
  - If the Applicant is already registered and does have an organizational account, a user may request to be added to the organizational account by clicking the text link "Request Access to an Organization" and following the instructions. Once added to the organizational account, to access the organizational account the user should select the organization from the drop-down menu and click the "Access Organization" button, and then enter the organization's EIN - this will bring the user to the organizational account homepage.
  - If the user has already been added to the organizational account, to access the organizational account the user should select the organization from the drop-down menu and click the "Access Organization" button, and then enter the organization's EIN - this will bring the user to the organizational account homepage.

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- Start a new CDFI Certification Signature Page for the Applicant from your “myCDFI Fund” organizational account.
  - Click on the “Applications” option in the menu list on the left-hand side of the screen.
  - Click on the text link “CDFI Certification Signature Page” in the “Open Applications” section.
  - Follow the instructions in the CDFI Certification Signature Page for completion and submission of the CDFI Certification Signature Page.
  - Note – in order to “Save” and “Attach” the Applicant’s electronic maps to the Applicant’s CDFI Certification Signature Page (and thus the Applicant’s CDFI Certification Application), the Applicant must start a new CDFI Certification Signature Page (from the “Applications” section of the Applicant’s myCDFI Fund organizational account), and leave it open, (i.e. unsubmitted.) Only once all components of the Application are completed, including creating and “saving/attaching” electronic maps, will the Applicant submit the CDFI Certification Signature Page.
- Complete the CDFI Certification Application and submit it electronically through the CDFI Certification Signature Page, making sure to answer all required questions and attach all required documents, including the spreadsheet data tables and maps.
  - Note – in the Application the Applicant is directed to “Attach” certain documents to the CDFI Certification Signature Page. The direction to “Attach” documents is the same the direction in the CDFI Signature Page to “Upload” documents.
  - Note – Target Market maps created in the CIMS mapping program are different from other attachments, as they are not “Attached” to the application in the same way as the rest of the attachments. Rather, when a map is being “Saved” in the CIMS mapping program, the Applicant has the option to check a box which will “attach” the map to the Applicant’s already started but not submitted CDFI Certification Signature Page. The Applicant will not see the saved/attached maps in the list of attachments in the CDFI Certification Signature Page, however, if they have been saved properly, they will be transmitted to the CDFI Fund with the rest of the Applicant’s application materials.
  - More specific instructions to guide the Applicant in submitting the CDFI Certification Signature Page are contained within the CDFI Certification Signature Page.

### CDFI CERTIFICATION APPLICATION COMPONENTS

The CDFI Certification Application is comprised of two main components:

- **The CDFI Certification Application** – this is a Word document which contains application questions and text boxes for the Applicant to provide narrative responses; and directions to attach (which mean upload with the Word document) certain other documents.

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- **Attachment A - Application Data** – this is an Excel workbook which contains a number of individual worksheet related to the various sections (criteria) of the Application, (Basic Information, Affiliates, Legal Entity, Primary Mission, Financing Entity, Target Market CY, Target Market FYE, Boards, Accountability, Development Services, Non-Govt Entity).

Additional components include electronic maps and more attachments:

- **Electronic Maps** – in the “Criteria: Target Market (TM)” section of the CDFI Certification Application, the Applicant will be directed to create and save electronic maps that describe the Applicant’s Target Market. These maps are created in the CDFI Fund’s mapping program called the “CDFI Fund Information and Mapping System”, or “CIMS”. Applicant’s access CIMS through their organizational myCDFI Fund accounts, (in the “Mapping” section.)
- **Additional Attachments** – there are a number of documents that the Applicant is required to submit as a part of the CDFI Certification Application. The Applicant is directed to name these attachments as follows:
  - Attachment X – Authorized Representative (**MUST** be signed and dated by Authorized Representative)
  - Attachment B – Stock Summary Reports (as necessary)
  - Attachment C – By-Laws
  - Attachment D – EIN Documentation
  - Attachment E1 – Legal Documentation (for non-regulated entities)
  - Attachment E2 – Legal Documentation (for regulated entities)
  - Attachment F – Primary Mission
  - Attachment G – Affiliate Primary Missions (for Applicant and each Affiliate)
  - Attachment H1 – FYE Financial Statements
  - Attachment H2 – YTD Financial Statements
  - Attachment I – Service Contract-Agreement (as necessary)
  - Attachment J – Gov Contract-Grant Agmt (as necessary)
  - Attachment K – Gov Fin Relationship (as necessary)

### TECHNICAL NOTES OF THE CDFI CERTIFICATION APPLICATION

**Important notes** regarding: “Attachment A – Applicant Data” Excel workbook component of the CDFI Certification Application.

- The “Attachment A – Applicant Data” workbook can be used “as-is” with Microsoft Office versions 2007 and later. Users of Office 2003 or earlier must download and install the free Microsoft Office Compatibility Pack. Please see the Microsoft Support article “How to open new file formats in earlier versions of Microsoft Office” at <http://support.microsoft.com/kb/924074>.
- The “Attachment A – Applicant Data” workbook contains macros. Please select “Enable Content” when opening the workbook.
- The “Basic Information” worksheet, found in the “Attachment A – Applicant Data” workbook **MUST** be printed, signed and dated by the Applicant’s Authorized Representative then uploaded as a separate attachment to the Signature Page. Failure to upload and submit the signed and

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dated "Basic Information" worksheet will result in no review or determination made of the Certification application. The electronic Signature Page DOES NOT need to be signed and/or mailed to the CDFI Fund.

- To maximize the quality of the information being submitted, please note the following:
  - All worksheets are protected. Data can only be entered into specific cells.
  - Additional worksheets can only be inserted or deleted by clicking the appropriate buttons where acceptable.
  - Rows cannot be inserted except by clicking the appropriate buttons where acceptable. Rows cannot be deleted, and columns cannot be inserted or deleted.
  - All fields, except text fields, validate the information entered. For example, currency, numbers, percentages and dates all check to ensure the proper format of the information. Improperly formatted information (e.g., entering letters in a currency field) will result in an error message being displayed and an option for the applicant to retype the information.

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#### Basic Information (BI) Section

##### **BI01 - Enter Name of Applicant**

- Enter the name as it appears on the Applicant's legal organizing/establishing documents. Additionally make sure that the name entered in the Applicant's myCDFI Fund organizational account also matches the name on the Applicant's legal organizing/establishing documents.

##### **BI02 - Enter the information requested in the worksheets "Basic Information" and "Affiliates" in the spreadsheet workbook "Attachment A – Applicant Data":**

- On the worksheet "Basic Information" in the spreadsheet workbook "Attachment A – Applicant Data":

##### **Basic Information**

- Name - enter the name as it appears on the Applicant's legal organizing/establishing documents.
- DUNS# - enter the Applicant's DUNS#. (Note: enter nine digits no dashes.)
- EIN – enter the EIN as it appears on the Applicant's EIN documentation from the IRS. (Note: enter nine digits no dashes.)
- Type of Organization – select the option from the drop-down menu that best describes the Applicant's organizational type.
- Congressional District – enter the Congressional District in which the Applicant's main business address is located.
- FY End Date (mm/dd) – enter the Applicant's fiscal year end date, month and day.
- Mailing Address – no need to enter mailing address here, as the mailing address in the Applicant's myCDFI Fund account will be relied upon.
- Shipping Address – no need to enter shipping address here, as the shipping address in the Applicant's myCDFI Fund account will be relied upon.
- Authorized Representative – Enter the name of the Applicant's CDFI Certification Authorized Representative.
  - TIP – make sure that the name of the Authorized Representative entered in this worksheet is the same as the name of the Authorized Representative entered in the Applicant's CDFI Certification Signature Page, as there is no automatic validation that matches these two data fields.
  - Also note that only those individuals that have their own myCDFI Fund accounts and have been added as a User to the Applicant's organizational myCDFI Fund account can be selected as an Authorized Representative in the Applicant's CDFI Certification Signature Page.

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- No need to enter the Authorized Representative's phone, fax and email here, as the Authorized Representative's phone, fax and email in the Applicant's CDFI Certification Signature Page will be relied upon.
- Application Contact – no need to enter the Application Contact name, phone, fax and email here, as the Application Contact name, phone, fax and email in the Applicant's CDFI Certification Signature Page will be relied upon.
- Is the Applicant a Subsidiary of any Insured Depository Institution (IDI) or a Depository Institution Holding Company (DIHC)? – Enter “Yes” or “No”.
- Does the Applicant want to be designated as a Native American CDFI? – Enter “Yes” or “No”.
- If “Yes”, (that the Applicant wants to be designated as a Native American CDFI), indicate the percentage of activities provided to Native American communities during the most recent fiscal year. – Enter the percentage of activities provided to Native American communities during the most recent fiscal year. A Native American CDFI is one that “Primarily Serves” a “Native Community.” “Primarily Serves” is defined as 50% or more of an Applicant's activities being directed to a Native Community. “Native Community” is defined as “Native American, Alaska Native and Native Hawaiian peoples or communities.”
- Certification of accuracy and completeness check box – check the box to indicate that the Applicant is affirming the accuracy and completeness statement.
- Authorized Representative Signature and Date – once all the necessary information has been entered in to the “Basic Information” worksheet, print the “Basic Information” worksheet. The Authorized Representative must then sign and date the “Basic Information” worksheet, and thereby attest to the certification of accuracy and completeness located above the signature block.
- On the worksheet “Affiliates” in the spreadsheet workbook “Attachment A – Applicant Data”
  - Affiliate Information**
  - In the “Affiliate Name” column, enter the names of all of the Applicant's Affiliates, as those names appear on their organizing/establishing and EIN documents, and as entered in the Applicant's myCDFI Fund account.
  - In the “Affiliate EIN” column, enter the EINs for all of the Applicant's Affiliates, as those EINs appear on their EIN documents from IRS.
  - If additional rows are needed, click on the “Add Affiliate” button to add additional rows.

**BI03 – Attach** a printed copy of the worksheet “Basic Information” from the “Attachment A – Applicant Data” that has been signed and dated by the Applicant's CDFI Certification Authorized Representative, as

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named on the “Basic Information” worksheet. Name the attachment, “Attachment X – Authorized Representative.”

- Make sure that the Authorized Representative has signed and dated this attachment, otherwise the application cannot be considered complete.

**BI04** - If the Applicant issues stock, **provide** a brief narrative indicating the proportion of voting securities held by IDIs or DIHCs and any control that could be exercised by IDIs or DIHCs over the election of a majority of directors of the Applicant.

- A CDFI Certification Applicant that is a Depository Institution Holding Company may qualify as a CDFI only if the Applicant individually and collectively with its Affiliates meet each of the seven (7) certification criteria. An Applicant that is an affiliate of a Depository Institution Holding Company may qualify as a CDFI only if the Applicant individually and collectively with the Depository Institution Holding Company and all of its Affiliates meet each of the seven (7) certification criteria. An Applicant that is a Subsidiary of an Insured Depository Institution may qualify as a CDFI only if the Applicant individually and collectively with the Insured Depository Institution and its Subsidiaries meets each of the seven (7) certification criteria.

**BI05 - Attach** (to the CDFI Certification Signature Page), if the Applicant issues stock, stock certificate summary reports that support the above narrative indicating the proportion of voting securities held by IDIs and DIHCs. Name the attachment, “Attachment B – Stock Summary Reports”.

- Make sure that the reports clearly indicate the proportion of voting securities held by IDIs and DIHCs.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.
- Make sure that the attachment is named “Attachment B – Stock Summary Reports.”

**BI06 - Attach** (to the CDFI Certification Signature Page) a copy of the Applicant’s board-approved by-laws, (by-laws must demonstrate evidence that they are board-approved). Name the attachment, “Attachment C – By-Laws”.

- Make sure that the By-Laws contain evidence that demonstrate that they are board-approved – e.g. they contain a statement indicating that the board approved the By-Laws at a particular meeting on a particular date, and that the appropriate board official(s), such as the board secretary or others, have certified the statement by signing and dating it.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.
- Make sure that the attachment is named “Attachment C – By-Laws.”

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#### Criteria: Legal Entity (LE) Section

**LE01 - Enter** the information requested in the worksheet “Legal Entity” in the spreadsheet workbook “Attachment A – Applicant Data”.

- On the worksheet “Legal Entity” in the spreadsheet workbook “Attachment A – Applicant Data”:

**Evidence of Incorporation/Organization/Establishment**

- Date of Incorporation/Organization/Establishment – enter the Applicant’s date of incorporation/organization/establishment, which is shown on the Applicant’s incorporation/organization/establishment document submitted with the application.
- For Regulated Institutions – Applicant’s primary Federal or State Regulator – select the appropriate option from the drop-down list. If “Other” is selected, enter the name of the other regulator.
- Charter Number – enter the Applicant’s charter number from its charting documentation.
- FDIC Insurance Certificate Number – enter the Applicant’s FDIC Insurance Certificate Number.

**LE02 - Attach** (to the CDFI Certification Signature Page) one of the following, (name the attachment “Attachment D – EIN Documentation”):

- Attach one of the appropriate IRS documents (listed on the application) displaying the Applicant’s EIN.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.
- Make sure that the attachment is named “Attachment D – EIN Documentation.”
- If using the online SS-4 form, make sure that it is completed/submitted, and that a printout of the online confirmation of receipt by the IRS is included in the attachment. Online documentation should have the URL displayed at the bottom of the document.

#### **For Non-Regulated Institutions**

**LE03 - Attach** (to the CDFI Certification Signature Page) a copy of one of the following (documents must be signed, stamped, and filed with the appropriate state agency) – Name the attachment, “Attachment E1 – Legal Documentation”:

- Attach one of the appropriate incorporating/organizing/establishing documents (listed on the application) demonstrating that the Applicant is a legal entity.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.
- Make sure that the attachment is named “Attachment E1 – Legal Documentation.”

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- Make sure that this legal documentation contains evidence that it has been filed and when it was filed with the appropriate government agency. This evidence often takes the form of either a cover page from the government agency that indicates when the Applicant's legal documents were filed and signed by the appropriate agency official, or a stamp of the appropriate government agency containing the date the documents were filed and initialed by the appropriate government official.
- Note – as of the date that the CDFI Certification Application is submitted, the Applicant must be duly organized and validly exist under the laws of the state jurisdiction in which it is incorporated, organized, or established.
- Note – an organization that is not yet a legal entity or does not yet have a valid EIN cannot apply for CDFI Certification.
- Note – a regulated financial institution that does not have a charter issued by the appropriate Federal Banking Agency or State Agency cannot apply for CDFI Certification.

**LE04 - Attach** (to the CDFI Certification Signature Page) any amendments to attached organizing documents, (documents must be signed, stamped, and filed with the appropriate state agency) - Name the attachment(s), "Attachment E2 – Legal Documentation":

- Attach any amendments to the Applicant's incorporating/organizing/establishing documents submitted with the application.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment E2 – Legal Documentation."

#### **For Regulated Institutions**

**LE05 - Attach** (to the CDFI Certification Signature Page) a copy of one of the following issued by the appropriate Federal Banking agency or State agency, (documents must be signed, stamped, and filed with the appropriate agency) - Name the attachment, "Attachment E1 – Legal Documentation":

- Attach one of the appropriate charting documents (listed on the application) demonstrating that the Applicant is a legal entity.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment E1 – Legal Documentation."
- Make sure that this legal documentation contains evidence that it has been filed and when it was filed with the appropriate government agency. This evidence often takes the form of either a cover page from the government agency that indicates when the Applicant's legal documents were filed and signed by the appropriate agency official, or a stamp of the appropriate government agency containing the date the documents were filed and initialed by the appropriate government official.

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- Note – as of the date that the CDFI Certification Application is submitted, the Applicant must be duly organized and validly exist under the laws of the state jurisdiction in which it is incorporated, organized, or established.
- Note – an organization that is not yet a legal entity or does not yet have a valid EIN cannot apply for CDFI Certification.
- Note – a regulated financial institution that does not have a charter issued by the appropriate Federal Banking Agency or State Agency cannot apply for CDFI Certification.

**LE06 - Attach** (to the CDFI Certification Signature Page) copies of any amendments to attached organizing documents, (documents must be signed, stamped, and filed with the appropriate agency) - Name the attachment(s), "Attachment E2 – Legal Documentation".

- Attach any amendments to the Applicant's charting documents submitted with the application.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment E2 – Legal Documentation."

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#### Criteria: Primary Mission (PM) Section

**PM01 - Enter the information requested in the worksheet “Primary Mission” in the spreadsheet workbook “Attachment A – Applicant Data”, which includes the Product Table.**

- On the worksheet “Primary Mission” in the spreadsheet workbook “Attachment A – Applicant Data”:

#### **Applicant**

- Type of board-approved organizational documents – check the boxes “Yes” in the “Y/N” column for those organizational documents for which the Applicant proposes demonstrate that the Applicant has a primary mission of community development, and for which documentation has been submitted with the application.
- The Applicant may check more than one box “Yes”.

#### **Product Table**

- In the column “Product”, enter the names of the Applicant’s financial products, one per row.
- In the column “Product Category”, select from the drop-down menu the options that best categorizes the Applicant’s products. These are the only financial product categories accepted by the CDFI Fund. If the Applicant offers a product that does not fall in one of these categories, (e.g. Grants), the CDFI Fund does not consider it to be a financing product.
- In the column “Product Description”, provide brief descriptions of the Applicant’s products.
- If additional rows are needed, click on the “Add Product” button to add a row.

#### **Affiliate or Subsidiary**

- Complete the information in this table for each of the Applicant Affiliate’s and/or Subsidiaries, (as listed on the “Affiliate Information” table on the “Affiliates” worksheet in the spreadsheet workbook “Attachment A – Applicant Data.”)
- To create additional “Affiliate or Subsidiary” tables, click on the “Create Another Affiliate or Subsidiary” button located below the table.
- TIP: If the Applicant has more than one Affiliate or Subsidiary, create all the “Affiliate or Subsidiary” tables needed before beginning to enter data into the table, (e.g. if the Applicant has 5 Affiliates, create 4 additional tables before entering data into any of the tables), as the “Create Another Affiliate or Subsidiary” button copies the existing table, including any data in the table” when it creates an additional table.
- Enter the EIN for each of the Applicant Affiliates and/or Subsidiaries as entered in the “Affiliate Information” table on the “Affiliates” worksheet in the spreadsheet workbook “Attachment A – Applicant Data.”

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- Enter the Name for each of the Applicant Affiliates and/or Subsidiaries as entered in the “Affiliate Information” table on the “Affiliates” worksheet in the spreadsheet workbook “Attachment A – Applicant Data.”
- Type of board-approved organizational documents – check the boxes “Yes” in the “Yes/No” column for those organizational documents for which the Applicant proposes demonstrate that the Applicant Affiliate or Subsidiary has a primary mission of community development, and for which documentation has been submitted with the application.
- The Applicant may check more than one box “Yes”.

**PM02 - Attach** (to the CDFI Certification Signature Page) a copy of the Applicant’s organizational documents, as indicated in Attachment A, that provide evidence of a primary mission of promoting community development. (Do not submit a second copy of these documents, if they will be submitted in response to an earlier section of the application) – Name the attachment, “Attachment F – Primary Mission”.

- Attach copies of the board-approved organizational document(s) that provide evidence of the Applicant’s primary mission of promoting community development. These documents should be the ones for which the Applicant checked “Yes” in Attachment – A in the “Applicant” Table.
- NOTE: if the Applicant has already attached these documents in the “Legal Entity” section of the application, do not attach another copy in this section. For example, if the Applicant attached a copy of its articles of incorporation in the “Legal Entity” section of the application to demonstrate that it is a legal entity, and the Applicant indicates that its articles of incorporation contain evidence of its primary mission of promoting community development, the Applicant does not need to attach another copy of its articles of incorporation in this section.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.
- Make sure that the attachment is named “Attachment F – Primary Mission.”

**PM03 – Enter** primary mission of Applicant (as stated in the submitted board-approved document(s)):

- Enter the primary mission of the Applicant as stated in the submitted-approved document(s).
- The Applicant must demonstrate that it has a primary mission of community development by providing activities directed towards improving the social or economic conditions of underserved people or residents of distressed communities.
- The Applicant’s primary mission should evidence a mission of serving low-income individuals; individuals that lack adequate access to capital and/or financial services; distressed communities; or underserved people or communities. Also, note that Applicant primary missions that are directed solely toward moderate income, handicapped, single sex, or minority populations must be corroborated by activities in an eligible Target Market.

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- An Applicant that is a Low-Income Credit Union as designated by the National Credit Union Administration (NCUA) is deemed to have a community development primary mission. Such Applicants are not required to make an entry in this narrative box if, (1) the Applicant has checked (in the “Applicant” Table on the “Primary Mission” worksheet in the spreadsheet workbook “Attachment A – Applicant Data”) “Yes” in the “NCUA Low-Income designation letter” checkbox; and (2) the Applicant has attached a copy of its Low-Income Credit Union designation letter from NCUA in “Attachment F – Primary Mission.”

**PM04 - Provide** a narrative describing how Applicant’s primary mission is consistent with the CDFI Certification definition regarding primary mission, as stated above – be sure to include, (1) discussion of how the Applicant’s activities and financial products and services support the Applicant’s primary mission; and (2) a brief profile of the Applicant’s customers/clients:

- Make sure that this narrative addresses the two sub-points regarding its products and services, and its customers/clients.

***For Depository Institution Holding Companies (DIHCs), Affiliates of DIHCs, and Subsidiaries of Insured Depository Institutions – provide the following information for each Affiliate or Subsidiary, repeat as necessary:***

- For each of the Applicant Affiliates and/or Subsidiaries listed on the “Affiliate Information” Table on the “Affiliates” worksheet in the spreadsheet workbook “Attachment A – Applicant Data”, complete the following items below, (PM05 through PM08)
- If the Applicant has more than one Affiliate and/or Subsidiary, use the extra page document “CDFI Cert App Extra Primary Mission – Affiliate Information Sheet XX”. Make as many copies of the document as necessary, one per Affiliate or Subsidiary. Rename each document using the original name, but changing the “XX” at the end of the name to numbers, starting with “01” and incrementing by one for each additional document, e.g. “02”, “03”, “04”...etc.

**PM05 - Enter Affiliate or Subsidiary Name:**

- Enter the Applicant Affiliate’s or Subsidiary’s name as it appears on its organizational documents.

**PM06 - Attach** Applicant Affiliate’s or Subsidiary’s organizational documents, as indicated in Attachment A, that provide evidence of a primary mission of promoting community development. (Do not submit a second copy of these documents, if they will be submitted in response to an earlier section of the application) – Name the attachment, “Attachment G – Affiliate Primary Missions”. If the Applicant has multiple affiliates/subsidiaries, increment the attachment names as “G1”, G2”, “G3”, etc, as necessary.

- Attach copies of the board-approved organizational document(s) that provide evidence of the Applicant Affiliate’s or Subsidiary’s primary mission of promoting community development. These documents should be the ones for which the Applicant checked “Yes” in Attachment – A in the “Applicant” Table.
- Make sure that the document is attached to the Applicant’s CDFI Certification Signature Page.

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- Make sure that the attachment is named “Attachment G – Primary Mission”, or with the appropriate increment of “G#”.

**PM07 - Enter primary mission of Applicant’s Affiliate or Subsidiary (as stated in the submitted board approved document(s)):**

- Enter the primary mission of the Applicant Affiliate or Subsidiary as stated in the submitted-approved document(s).
- The Applicant Affiliate or Subsidiary must demonstrate that it has a primary mission of community development by providing activities directed towards improving the social or economic conditions of underserved people or residents of distressed communities.
- The Applicant Affiliate or Subsidiary primary mission should evidence a mission of serving low-income individuals; individuals that lack adequate access to capital and/or financial services; distressed communities; or underserved people or communities. Also, note that Applicant Affiliate or Subsidiary primary missions that are directed solely toward moderate income, handicapped, single sex, or minority populations must be corroborated by activities in an eligible Target Market.

**PM08 - Provide a narrative describing how Applicant Affiliate’s or Subsidiary’s primary mission is consistent with the CDFI Certification definition of primary mission, as stated above – be sure to include: (1) discussion of how the Applicant Affiliate’s or Subsidiary’s activities and Financial Products and Services support the Applicant Affiliate’s or Subsidiary’s primary mission; and (2) a brief profile of the Applicant Affiliate’s or Subsidiary’s customers/clients:**

- Make sure that this narrative addresses the two sub-points regarding its products and services, and its customers/clients.

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#### Criteria: Financing Entity (FE) Section

##### **For regulated institutions**

- A regulated Insured Depository Institution, Depository Institution Holding Company, and Insured Credit Union is presumed to meet the financing entity certification criterion by virtue of being chartered by an appropriate federal banking agency, which licenses such entities to provide Financial Products. The organization does not have to submit any additional information to demonstrate this certification criterion.

##### **For non-regulated institutions**

- An organization that is not a regulated entity must engage in direct financing activity (e.g., the provision of Financial Products, Financial Services, and Development Services) as reflected on its financial statements and executed notes.
- An organization that is not a regulated entity must dedicate a predominance of its assets to Financial Products, Development Services, and/or other similar financing.
- An organization that is not a regulated entity must demonstrate that it has begun to use its own capital to provide Financial Products to non-affiliated entities. In general, to be deemed to have begun the use of “its own capital,” the organization must have closed an appropriate number of transactions within the specified time period to demonstrate that it is in regular operation. In determining the appropriate number of transactions, the CDFI Fund, in its sole discretion, may consider a variety of factors.
- An organization that is not a regulated entity must dedicate a predominance of its staff-time to the provision of Financial Products, Development Services, and/or other similar financing.
- An organization that is not a regulated entity must maintain sufficient capital to continue financing activities for at least three months.

##### **FE01 - Enter the information requested in the worksheet “Financing Entity” in the spreadsheet workbook “Attachment A – Applicant Data”, which includes the Asset Table and Staff Table.**

- On the worksheet “Financing Entity” in the spreadsheet workbook “Attachment A – Applicant Data”:

##### **Asset Information Table**

- Information entered into this table should be from the Applicant’s most current year-to-date financial statements, which are attached to the application.
- Information entered into this table should be for the Applicant only. Do not enter consolidated information from a parent’s financial statements.
- Enter Balance Sheet Account Names as they appear on the financial statements.

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- Percentages will calculate automatically.
- Totals and subtotals will likely not total to 100%, as not all assets are likely to be entered on the table. However, totals and subtotals should not exceed 100%.
- Click on the “Add Balance Sheets” to add additional rows to the table.
- TIP on “Cash and Cash Equivalent” section – include only amounts that are dedicated as financial product capital or specifically for financing activities – exclude amounts supporting general non-financing operations.
- TIP on “Loans Receivable and/or Equity Investments” – include only those transactions that are “arms-length”, i.e. to non-affiliated entities.
- TIP on “Loans Purchased from CDFIs” – to qualify, these loans must be purchased from a certified CDFI.
- TIP on “Other Financing Assets” – enter loan guarantees in this section.
- TIP on “Financing Related Activities” – note that the CDFI Fund reserves the right to determine the eligibility of any Financing Related Activities not clearly falling into established Financial Product categories.
- TIP on “Development Services Assets” – typical assets in this category include, but are not limited to, pre-paid expenses or cash designated for Development Services activities.
- TIP on “Major Non-Financing Assets” – typical assets in this category include, but are not limited to, real estate in development or held for sale, rental properties managed by the Applicant (for either housing or business), etc.
- TIPs on “Liquid Assets...”, specifically “Other Financing Assets” – Applicant may include expected repayments from financing receivables; and regarding “Off Balance Sheet and Other Sources” – Applicant may include undrawn portions of lines of credit.

#### **Staff Allocation Table**

- Totals and subtotals may not total to 100%, as all staff FTEs may not be entered on the table. However, totals and subtotals should not exceed 100%.
- Click on the “Add Staff Allocation” to add additional rows to the table.
- TIP on “Major Non-Financing Activities” – typical staff activities in this category include, but are not limited to, real estate development or sales, rental property management (for either housing or business), etc.

**FE02 - Attach** (to the CDFI Certification Signature Page) the Applicant’s most recent audited fiscal year-end financial statements) – Name the attachment, “Attachment H1 – FYE Financial Statements”.

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- Attach a copy of the Applicant's most recent audited year-end financial statements – if the Applicant's most recent fiscal year-end financial statement are unaudited, attach the unaudited statements.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment H1 – FYE Financial Statements."

**FE03 - Attach** (to the CDFI Certification Signature Page) the Applicant's most recent year-to-date internal financial statements) – Name the attachment, "Attachment H2 – YTD Financial Statements".

- Attach a copy of the Applicant's most recent year-to-date internal financial statements.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment H2 – YTD Financial Statements."

**Provide** narrative discussions that address the following:

**FE04 - Describe** how the Applicant's activities and financial products and services, as indicated in the primary mission criteria narratives and Product Table, are reflected in the Applicant's financial statements and Asset Table.

- TIP – make sure to explain how the Applicant's financial products are reflected in the Applicant's financial statements and Asset Information table.
- TIP – make sure to explain any rows on the Asset Information table where it is not obvious how information from the financial statements was translated onto the Asset Information table.

**FE05 - Describe** how each FTE position (including significant volunteer positions) supports Financial Product and Development Services activities. Explain how the organization utilizes consultants or Affiliate staff to provide the above-stated activities:

- TIP – no TIP at this time.

**FE06 - Describe** the types and amounts of liquid assets that are available for financing activity and how they meet the demand in the Applicant's pipeline of transactions:

- TIP – make sure it is clear how the Applicant will be able to fund its expected pipeline of transactions, and continue in regular operation, (e.g. not run out of capital, and be able to operate as a financing organization.)

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#### Criteria: Target Market (TM) Section

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##### Types of Target Markets

- **Investment Areas** – meet at least one of the following economic distress criteria and has significant unmet needs for Financial Products and Services, or are wholly located within an Empowerment Zone or Enterprise Community (as designated under section 1391 of the Internal Revenue Code of 1986 (26 U.S.C. 1391)).

##### Economic Distress Criteria

- Poverty Rate greater than 20%
- Median Family Income (MFI) at 80% or below specific MFI benchmarks
- Unemployment Rate 1.5 time the national average

- **Targeted Populations**

- **Low Income Targeted Populations** – for a specified geographic unit, individuals whose family income (adjusted for family size) is:
  - For Metropolitan Areas, 80% of the area median family income; and
  - For non-Metropolitan Areas, the greater of:
    - 80% of the area median family income; or
    - 80% of the statewide non-Metropolitan Area median family income
- **Other Targeted Populations** – for a specified geographic unit:
  - African-American
  - Hispanic
  - Native American
  - Native Alaskan, residing in Alaska
  - Native Hawaiian, residing in Hawaii
  - Other Pacific Islander, residing in Other Pacific Islands
  - Other

- 
- An organization must serve at least one eligible Target Market (either an Investment Area or Targeted Population).
  - An organization must direct at least 60% of all of its Financial Product activities to one or more eligible Target Markets. In general, both the number and dollar amount of the organization's Financial Product activities should be at least 60% of all of its Financial Product activities. If either the number or dollar figure for transactions is less than the 60% benchmark, the organization may still be deemed to meet the Target Market requirement. However, the organization must provide a compelling argument as to why one of the two figures is less than the 60% benchmark. The CDFI Fund reserves the right, in its sole discretion, to accept or reject such explanation.
  - TIP - To meet the 60% benchmark, an organization may serve any combination of eligible Target Markets. However, each transaction may only be counted once (i.e., even though some transactions may fall into more than one Target Market, each transaction may only be counted in

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one Target Market for purposes of calculating the percentage of an organization's total transactions directed to all Target Markets).

- TIP – in order to designate a particular Target Market, the Applicant must already be serving that Target Market.
- For an Investment Area Target Market, an organization must demonstrate that there are significant unmet capital or financial services needs within each Investment Area it proposes to serve. Some examples might include, but not be limited to, the lack of financial institution branches or high loan denial rates in the Investment Area.
- For Other Targeted Populations including African-Americans, Hispanics, Native Americans, Native Hawaiians residing in Hawaii, Native Alaskans residing in Alaska, and Other Pacific Islanders residing in Other Pacific Islands, an organization does not need to provide any additional documentation.
- For Other Targeted Populations other than African-Americans, Hispanics, Native Americans, Native Hawaiians residing in Hawaii, Native Alaskans residing in Alaska, and Other Pacific Islanders residing in Other Pacific Islands, an organization must demonstrate that the specific Other Targeted Population(s) has significant unmet capital or financial services needs. To make this demonstration, the organization, at a minimum, must reference specific studies or surveys (published by credible independent third party sources within five years prior to the submission of the certification application) for the immediate (not national) geographic population service area.
- If an organization serves a Targeted Population (Low-Income or Other Targeted Population) in at least 7 different states and roughly dispersed across the United States (e.g. by quadrant, North, South, East, West), it may be deemed to be serving the corresponding Targeted Population nationally.
- An organization must demonstrate how it verifies that its Financial Products, Financial Services and Development Services are directed toward one or more eligible Target Markets.
- If an organization provides Financial Products, Financial Services or Development Services to other CDFIs, the organization must demonstrate how its Financial Products, Financial Services, and Development Services are directed toward one or more eligible Target Markets.

**TM01 - Provide a brief description of the entire market (including geographic areas and populations) currently served by the Applicant:**

- Given that the Target Market indicates that the Applicant only directs at least 60% of its financing activities to eligible Target Markets, the totality of the Applicant's markets served and its Target Market may not be identical. Moreover, the Applicant may characterize its markets differently than what is captured in the Target Market. This narrative provides the Applicant with the opportunity to describe its entire market expansively. However, within this discussion, indicate what portion of the Applicant's entire market make up its Target Market.
- If the Applicant has significant non-financing activities, for which the Applicant entered data on the Target Market table(s) under the "All Other Activities" column, provide an explanation/description in this narrative.

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**TM02 - Create** Target Market Maps and **Save** them to the Applicant's myCDFI Fund Account and CDFI Certification Signature Page. See the separate guidance on "Designating a Target Market In myCDFI Fund".

- Applicants **must** create and submit Target Market Maps for each of their individual Target Markets. Each distinct Investment Area will need a separate map. Targeted Populations that share the same geographic boundaries may be combined in one map, however, those that do not share the same geographic boundaries will need separate maps.
- Use the separate guidance on "Designating a Target Market In myCDFI Fund" to complete this requirement.

**TM03 - Enter** the information requested in the worksheets "Target Market CY" and "Target Market FYE" in the spreadsheet workbook "Attachment A – Applicant Data", which includes the Target Market Tables.

- On the worksheet "Target Market CY" in the spreadsheet workbook "Attachment A – Applicant Data":
  - Conduct analysis on Applicant's current year-to-date financing activities to determine which transactions have been directed to its Target Market(s) for entry into the Target Market table by individual Target Market and by Product Category. For more detail on how to analyze/verify transactions to particular Target Markets see **TM07** below.
  - For display purposes, this table has been cut in two, with the second half appearing below the first half – thus Target Market labels entered in the first half on top will automatically appear on the second half below.
  - Is the Applicant's primary business activity to provide Financial Products to certified CDFIs and/or emerging CDFIs – enter "Yes" or "No".
  - Estimated Values? – enter "Yes" if the Applicant estimated values on the Target Market table. Make sure to explain the estimation methodologies in the corresponding narrative.
  - In each row on this table the Applicant will enter its financing activities data by product category, and by number of transactions and dollar amount of transactions within each product category. Totals and percentages will calculate automatically.
  - Total Activity – enter the Applicant's total financing activity for the period, (current year-to-date.)
  - For each "TM" row, enter the name of the Target Market (which should be the name of the corresponding Target Market Map created in the CIMS mapping program and attached to the application); enter the Target Market Type from the drop-down menu; and enter the Applicant's financing activity to that Target Market by product category and number and dollar amount of transactions.
  - If additional rows are needed, click on the "Add Target Market for Current Year" button to add rows.

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- Deposits/Shares (\$) – this column is for regulated depositories only. Enter the dollar amount of deposit or share accounts. These data should be as of the end of the period.
- # of Members (for CUs) – this column is for credit unions only. Enter the number of credit union members. These data should be as of the end of the period.
- # of Dev Services – enter the number of actual and potential customers/clients that received Development Services.
- All Other Activities – enter data in these columns only if the Applicant has activities that do not appear to fall into the established Product Categories that the Applicant feels are important to consider. Explain these activities in the narrative response to TM02.
- Note – while some transactions may fall in more than one Target Market, they should not be entered into more than one specific Target Market (or row). Percentages should not exceed 100%.
- On the worksheet “Target Market FYE” in the spreadsheet workbook “Attachment A – Applicant Data”:
  - Conduct analysis on Applicant’s most recently completed fiscal year financing activities to determine which transactions have been directed to its Target Market(s) for entry into the Target Market table by individual Target Market and by Product Category. For more detail on how to analyze/verify transactions to particular Target Markets see **TM07** below.
  - For display purposes, this table has been cut in two, with the second half appearing below the first half – thus Target Market labels entered in the first half on top will automatically appear on the second half below.
  - Is the Applicant’s primary business activity to provide Financial Products to certified CDFIs and/or emerging CDFIs – enter “Yes” or “No”.
  - Estimated Values? – enter “Yes” if the Applicant estimated values on the Target Market table. Make sure to explain the estimation methodologies in the corresponding narrative.
  - In each row on this table the Applicant will enter its financing activities data by product category, and by number of transactions and dollar amount of transactions within each product category. Totals and percentages will calculate automatically.
  - Total Activity – enter the Applicant’s total financing activity for the period, (current year-to-date.)
  - For each “TM” row, enter the name of the Target Market (which should be the name of the corresponding Target Market Map created in the CIMS mapping program and attached to the application; enter the Target Market Type from the drop-down menu; and enter the Applicant’s financing activity to that Target Market by product category and number and dollar amount of transactions.
  - If additional rows are needed, click on the “Add Target Market for Most Recent FYE” button to add rows.

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- Deposits/Shares (\$) – this column is for regulated depositories only. Enter the dollar amount of deposit or share accounts. These data should be as of the end of the period.
- # of Members (for CUs) – this column is for credit unions only. Enter the number of credit union members. These data should be as of the end of the period.
- # of Dev Services – enter the number of actual and potential customers/clients that received Development Services.
- All Other Activities – enter data in these columns only if the Applicant has activities that do not appear to fall into the established Product Categories that the Applicant feels are important to consider. Explain these activities in the narrative response to TM02.
- Note – while some transactions may fall in more than one Target Market, they should not be entered into more than one specific Target Market (or row). Percentages should not exceed 100%.

**TM04** - If the Applicant estimated values entered in the Target Market Table, **provide** a narrative explaining the methodologies used to derive the estimated values:

- TIP – if utilizing a sampling methodology to estimate values on the Target Market tables, (1) make sure to calculate the sample size using a 95% confidence interval and a 5% margin of error; (2) make sure that the sample taken is a random sample, and (3) make sure to provide clear responses in **TM07** (below) as to how the Applicant verified the sampled transactions are directed to the Applicant's identified Target Market(s).

**TM05** - If the Applicant's Target Market(s) include Investment Area(s), **provide** narrative description(s) of the significant unmet capital or financial service needs within each identified Investment Area:

- TIP – be sure to address this question for each identified Investment Area.
- TIP – be sure to specifically explain the lack of access to capital and financial services within the identified Investment Area(s), and not just describe the distress criteria (poverty rate, median family income, unemployment rate) that have made the Investment Area eligible.

**TM06** – If the Applicant's Target Market(s) include OTPs other than African Americans, Alaska Natives residing in Alaska, Hispanics, Native Americans, Native Hawaiians residing in Hawaii, and Other Pacific Islanders living in Other Pacific Islands, **provide** narrative description(s) of the significant unmet capital or financial service needs for each selected OTP:

- For Other Targeted Populations other than African-Americans, Hispanics, Native Americans, Native Hawaiians residing in Hawaii, Native Alaskans residing in Alaska, and Other Pacific Islanders residing in Other Pacific Islands, an Applicant must demonstrate that the specific Other Targeted Population(s) has significant unmet capital or financial services needs. To make this demonstration, the Applicant, at a minimum, must reference specific studies or surveys (published by credible independent third party sources within five years prior to the submission of the certification application) for the immediate (not national) geographic population service area.

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- TIP – if the Applicant is unable to make the required demonstration of lack of access to capital for an Other Targeted Population – Other, the Applicant may find that its borrowers/investees also fall into another Target Market category, for which the Applicant can verify.

**TM07 – Explain** how the Applicant verifies that its financial activities (including all products and services) are directed to its identified Target Markets. Answer separately for each type of Target Market identified.

**TM07.1 – For Investment Areas (if identified):**

- TIP – for example, the Applicant may geocode the addresses all of its transactions in the CDFI Fund mapping system CIMS. The CIMS geocoder function will produce a report showing the census tract in which a transaction address is located and indicate whether or not the census tract qualifies. The Applicant would then compare the census tract to its certified Investment Area Target Market to determine if the census tract, and thus the transaction, falls within the Applicant's Target Market. Make sure to explain this process in detail.

**TM07.2 – For Low Income Targeted Population (if identified):**

- TIP – for example, the Applicant may collect tax returns from potential borrowers/investees during the underwriting process. The Applicant would then compare the potential borrowers'/investees' incomes against 80% of the area median family income to determine if the borrowers/investees are low-income. Make sure to explain this process in detail, including the data source for the area median family income benchmark.

**TM07.3 – For Other Targeted Population(s) (if identified):**

- TIP – for example, the Applicant may collect self-reported demographic information on in-take forms during the underwriting process, and then the Applicant's staff may verify the information during in-person interactions with the potential borrowers/investees. If the Applicant was unable to verify the information from the in-take forms, they would need to find another method of verification.
- TIP – if the Applicant is unable to verify the membership of borrowers/investees in an Other Targeted Population, the Applicant may want to investigate the possibility that these borrowers/investees may fall into another Target Market category, such as Investment Area or Low-Income Targeted Population, for which the Applicant can verify membership.

**TM08 – For Applicants serving other CDFIs (i.e. CDFI Intermediaries), provide** a narrative explaining how the Applicant's products and services serve one or more eligible Target Markets:

- TIP – no TIP at this time.

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#### Criteria: Accountability (AC) Section

- An organization must maintain accountability to its Target Market(s) – the residents of an Investment Area(s) and/or a Targeted Population(s) - through representation on its governing board and/or advisory board(s), and/or through other mechanisms such as focus groups, community meetings, and/or customer surveys.
- TIP - an organization may use multiple methods (as defined above) of creating accountability in any combination to demonstrate its accountability to its Target Market(s).
- If a board member of the certification applicant organization, or any member of his/her family, is a principal or staff member of the organization or its subsidiaries, affiliates or investors, he/she may not provide accountability for that organization, as he/she has a financial conflict of interest. The CDFI Fund defines “principal” as an individual that retains ownership, control, or power to vote twenty five (25) percent or more of the outstanding shares of voting securities of the applicant CDFI.<sup>1</sup>

For governing and advisory boards, the options for how board members may be representative of target markets are as follows:

<b>For Investment Areas</b> Board members may be:	<b>For Low Income Targeted Populations</b> Board members may be:	<b>For Other Targeted Populations</b> Board members may be:
Residents of the Investment Area.	Low-Income individuals who live or work in the area served.	Members of the Other Targeted Population who live or work in the area served:
Business owners located in the Investment Area. (Business should employ residents of the Investment area and/or provide goods and/or services to the Investment Area.)	Individuals who work for (as employee or board member) an organization that primarily provides services to <u>Low-Income</u> people in the area served.	African American; Alaskan Native living in Alaska; Hispanic; Native Hawaiian living in Hawaii; or Other (as described in TARGET MARKET Criteria section).
Elected officials for the Investment Area.		
Individuals who work for (as employee or board member) an organization that primarily provides services to <u>residents</u> of the Investment Area.		

<sup>1</sup> Revised as of February 2014

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#### TIPs for Investment Areas:

- Residents of the Investment Area – geocode the address of the board member to ensure that the board member resides in an eligible census tract in the Applicant's Investment Area.
- Business owners located in the Investment Area - geocode the address of the board member's business to ensure that the business is located in an eligible census tract in the Applicant's Investment Area. Moreover, keep in mind that the Applicant needs to demonstrate how the board member is connected to the Investment Area as a business owner. In general, the Applicant should show how the business is principally providing goods and/or services to the local Investment Area residents where the business is located, and/or principally hiring the local residents of the Investment Area where the business is located.
- Elected officials for the Investment Area – in general, the Applicant should be able to demonstrate that the majority of the elected official's jurisdiction is located in the Applicant's Investment Area. For example, the majority of census tracts in the elected official's jurisdiction are eligible census tracts in the Applicant's Investment Area; or the majority of the residents in the elected official's jurisdiction are the residents of eligible census tracts in the jurisdiction and the Applicant's Investment Area.
- Individuals who work for (as employee or board member) an organization that primarily provides services to residents of the Investment Area – the organizations these board members work for are most typically non-profit and/or mission-driven organizations. If it is not self-evident from the mission of the organization, it is incumbent upon the Applicant to demonstrate how the organization **primarily** serves the **residents** of the Applicant's Investment Area.

#### TIPs for Low Income Targeted Populations:

- Low-Income individuals who live or work in the area served – indicate how the Applicant determined that the board member is low-income.
- Individuals who work for (as employee or board member) an organization that primarily provides services to Low-Income people in the area served - the organizations these board members work for are most typically non-profit and/or mission-driven organizations. If it is not self-evident from the mission of the organization, it is incumbent upon the Applicant to demonstrate how the organization **primarily** serves **low-income people** in the area.
- If an organization that is a credit union can demonstrate that a majority of its members meet the definition of a Low Income Targeted Population and demonstrate that its governing board is elected by the membership, the organization's governing board members will, at the sole discretion of the CDFI Fund, be deemed to be accountable to the Low Income Targeted Population of the organization's Target Market.

#### TIPs for Other Targeted Populations:

- Members of the Other Targeted Population who live or work in the area served – for board members to be accountable to Other Targeted Populations, the board members themselves must be members of the Other Targeted Population served, and in general should reside in the area served.

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**AC01 - Enter** the information requested in the worksheets “Boards” and “Accountability” in the spreadsheet workbook “Attachment A – Applicant Data.” If additional “Boards” worksheets are needed, there is a button in the “Boards” worksheet that will create additional “Boards” worksheets within the “Attachment A – Applicant Data” spreadsheet workbook.

- On the worksheet “Boards” in the spreadsheet workbook “Attachment A – Applicant Data”:
  - TIP – as a first step, try to determine how many additional “Boards” worksheets the Applicant will need, and create those “Boards” worksheets by clicking on the “Add Another Board Worksheet” button. Each additional “Boards” worksheet will be named with an incrementing number, (“Boards (2)”, “Boards (3)”, etc. The reason for creating the additional “Boards” worksheets at the outset is that the “Add Another Board Worksheet” button is essentially a copy function that copies the initial “Boards” worksheet – so if there is data in the initial “Boards” worksheet, it will also be copied into the additional “Boards” worksheets. However, any accidentally copied data, can simply be deleted from the additional “Boards” worksheets.
  - TIP – unwanted additional “Boards” worksheets can be deleted by using the “Delete Boards (#) Sheet” button at the bottom of any of the “Boards” worksheets.

For each “Boards” worksheet:

- Board Type – select the board type from the drop-down menu.
- Date of Board Composition – enter the date the board was composed with its current members.
- Total Target Market Representatives – enter the total number of board members that are representative of the Applicant’s Target Market.
- Total Board Members – enter the total number of members on the board.
- Conflict of Interest Certification – the Applicant must certify that none of the board members proposed as representative of the Applicant’s Target Market have financial conflicts of interest by checking the box next to the certification text.
- The five tables on this worksheet are essentially one table divided into five parts for display purposes.
- First Table – enter the names of each board member and indicate whether or not they are representative of the Applicant’s Target Market. The board member names will appear on all the subsequent parts of the table below. If addition rows are needed, click the “Add a Board Member” button to add additional rows.
- Second Table (Investment Area) – if the Applicant has proposed to serve one or more Investment Area Target Markets, complete this table.
  - In column “IA”, for each board member listed, indicate whether or not the board member is representative of the Applicant’s Investment Area Target Market by selecting “Yes” or “No” from the drop-down menu.

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- In column “Type of Representative”, for those board members proposed to be representative of Investment Areas, indicate the Type of Representative by choosing from the drop-down menu.
- In column “Describe how represents TM” provide additional information explaining how the board member is representative of the Investment Area. At a minimum, include the following respective of “Type of Representative”:
  - If a resident in the Investment Area - enter address, census tract, and indicate if geocoding determined that address was located in an eligible census tract in the Applicant’s Investment Area.
  - If a business owner in the Investment Area - enter business address, census tract, and indicate if geocoding determined that address was located in an eligible census tract in the Applicant’s Investment Area. Also indicate how the business provides goods and services to the Investment Area and/or how the business employs the residents of the Investment Area.
  - If an elected official - provide a description of how a majority of the official’s jurisdiction and/or constituents are in the Applicant’s Investment Area.
  - If an individual who works for organization that primarily provides services to the residents of the Investment Area - provide a description of how the organization primarily provides services to the residents of the Investment Area - (i.e. is the organization a non-profit? Is it mission-driven? Are a majority of its services directed to the Investment Area?)
  - If the Applicant serves multiple Investment Areas - indicate to which ones the board member is representative.
- Third Table (Low Income Targeted Population) – if the Applicant has proposed it serves a Low Income Targeted Population, complete this table.
  - In column “LITP”, for each board member listed, indicate if the board member is representative of the Applicant’s Low Income Targeted Population by selecting “Yes” or “No” from the drop-down menu.
  - In column “Type of Representative”, for those board members proposed to be representative of Low Income Targeted Populations, indicate the Type of Representative by choosing from the drop-down menu.
  - In column “Describe how represents TM”, provide additional information explaining how the board member is representative of the Low Income Targeted Population. At a minimum, include the following respective of “Type of Representative”:

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- If a low-income person - describe how the Applicant determined that the board member is low-income.
- If an individual who works for organization that primarily provides services to Low Income Targeted Populations - provide a description of how the organization primarily provides services to the Low Income Targeted Population – (i.e. is the organization a non-profit? Is it mission-driven? Are a majority of its services directed to the Low Income Targeted Population?)
- TIP – if the Applicant is a credit union and a majority of its members are low-income persons, it may demonstrate accountability to a Low Income Targeted Population by virtue of its majority low income membership.
  - In the column “Type of Representative - for each credit union board member select the “Employees/Board Members of an organization that primarily provides services to low income people in the area served” option.
  - In the column “Describe how represents TM” - for each credit union board member, explain that the majority of the Applicant’s credit union members are low-income persons.
  - Make sure that the Target Market tables in the worksheets, “Target Market CY” and “Target Market FYE” in “Attachment A – Applicant Data” show that a majority of the credit union’s members fall into Low Income Targeted Population (LITP) Target Markets. If some credit union members fall into more than one type of Target Market, consider including those members in a LITP Target Market to ensure that it is clear on the Target Market Tables that a majority of members are from the LITP Target Market(s).
  - Note - on the Target Market tables, if the Applicant’s credit union members are split among one or more LITP type maps, include in the “Describe how represents TM” column an explanation of how the combined credit union members in all LITP type maps total to a majority of the total credit union members.
- In column “LITP Geographies”, list the geographies in which the board member represents Low Income Targeted Populations, (e.g. which counties and/or states.)
- Fourth Table (Other Targeted Population) – if the Applicant has proposed it serves one or more Other Targeted Populations, complete this table.
  - In column “OTP” - for each board member listed, indicate if the board member is representative of an Other Targeted Population by selecting “Yes” or “No” from the drop-down menu.

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- In column “Type of Representative - for those board members proposed to be representative of Other Targeted Populations, indicate the Type of Representative by choosing from the drop-down menu. (Only one option available).
- In column “Describe how represents TM” – no need to make entries in this column.
- In column “OTP Type(s)” - indicate the OTP Type(s) (African American, Hispanic, etc.),
- In column “OTP Geographies” - list the geographies in which the board member represents Other Targeted Populations, (e.g. which counties and/or states.)
- Fifth Table (Government Representation) – complete this table.
  - In column “Gov’t Rep or Official” - for each board member listed indicate if the board member is a government representative or official by selecting “Yes” or “No” from the drop-down menu.
  - In column “Title and Agency” – for those board members that are government representatives or officials, enter the board members’ government title and agency.
  - In column “If special powers or authority, describe” – for those board members that are government representatives or officials, describe any special powers or authority the board members’ may have as board members, (e.g. board president, chair of the investment committee, veto authority, etc.)
- On the worksheet “Accountability” in the spreadsheet workbook “Attachment A – Applicant Data”:
  - TIP – if additional row are needed, click the “Add Target Market” button to add rows.
  - There appear to be two tables in this worksheet, however, they are essentially one table, divided into two parts for display purposes.

#### Accountability Methods

- In the column “Target Market Name” - enter the name of the Applicant’s Target Market maps, which are the same names entered in the Target Market tables.
- In the column “Governing Board” - indicate whether or not the Applicant’s governing board provides accountability for each individual Target Market by selecting “Yes” or “No” from the drop-down menu.
- In the column “Advisory Boards” - indicate whether or not the Applicant’s advisory board(s) (if the Applicant has advisory boards) provides accountability for each Target Market by selecting “Yes” or “No” from the drop-down menu.

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- In the column “Other Mechanism(s)” - indicate whether or not Other Mechanisms provide accountability for each Target Market by entering the names of the Other Mechanisms, (e.g. Focus Groups, Communities Meetings, or Customer Surveys) – enter all that apply.

#### Representative Members

- Target Market Names will automatically populate from the first part of the table.
- In the column “Governing Board Members” – for each Target Market listed, enter the names of all of the governing board members that are representative of that Target Market. Note – governing board members may appear in multiple rows, and they may be representative of multiple Target Markets.
- In the column “Advisory Board Members” – for each Target Market listed, enter the names of all of the advisory board members that are representative of that Target Market. Note – advisory board members may appear in multiple rows, and they may be representative of multiple Target Markets.

If the Applicant uses Other Accountability Methods, **provide** narrative discussions describing those methods and explaining how those methods are incorporated into the Applicant’s governing board decision-making processes.

**AC02 - If an Advisory Board is utilized, **provide** a narrative that, at a minimum, indicates:**

How often the advisory board meets;

How members are selected;

How members obtain input from the Target Market(s);

How the input is communicated to the Applicant’s Governing Board; and

How the input is incorporated into the Applicant’s Governing Board’s decision-making process.

- TIP – at a minimum, make sure to address ALL five points in the Applicant’s Advisory Board narrative response.

**AC03 - If a Focus Group/Community Meeting is utilized, **provide** a narrative that, at a minimum, indicates:**

How often and where are the meetings held;

What are the meeting agenda topics;

What type of attendee input is obtained;

How the input is communicated to the Applicant’s Governing Board; and

How the input is incorporated into the Applicant’s Governing Board’s decision-making process.

- TIP – at a minimum, make sure to address ALL five points in the Applicant’s Focus Group/Community Meeting narrative response.

**AC04 - If a Customer Survey is utilized, **provide** a narrative that, at a minimum, indicates:**

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How the survey instrument is developed;

How the instrument is delivered to the Target Market;

How the survey data is compiled;

How the survey data is communicated to the Applicant's Governing Board; and

How the survey data is incorporated into the Applicant's Governing Board's decision-making process.

- TIP – at a minimum, make sure to address ALL five points in the Applicant's Customer Survey narrative response.

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#### Criteria: Development Services (DS) Section

- An organization must provide at least one Development Services activity in conjunction with the Financial Products it provides.
- An organization's Development Services must be clearly linked to Financial Products offered by the organization (e.g., offering first-time home buyer counseling to applicants for down-payment assistance loans).
- An organization must exercise significant control in directing the provision of its Development Services through its own staff, an Affiliate (defined in the CDFI Program regulations at 12 C.F.R. 1805.201), or a contract with another provider. It is not acceptable for an organization to simply refer its customers or potential customers to a non-affiliated provider.

**DS01 - Enter** the information requested in the worksheet "Development Services" in the spreadsheet workbook "Attachment A – Applicant Data", which includes the Development Services Table.

- On the worksheet "Development Services" in the spreadsheet workbook "Attachment A – Applicant Data":
  - If additional rows are needed, click the "Add Development Service Activity" button to add rows.
  - Development Services Activities – enter the name of each of the Applicant's Development Services activities in a separate row.
  - Related Products – enter the names of the Applicant's Financial Products that are supported by the Applicant's Development Services. Enter the same names that are entered in the "Products" column in the "Product Table" on the "Primary Mission" worksheet in the spreadsheet "Attachment A – Applicant Data."
  - Format – enter the formats of the Development Services activities, (e.g. one-on-one, classroom, etc.)
  - Provider – select the type of provider delivering the Development Services from the drop-down menu.
    - Organization Name – if the Provider is not the Applicant itself, enter the name of the organization providing the Development Services activities.
  - Est. Clients Per Year (#) – enter the estimated annual number of clients receiving the Applicant's Development Services.
  - Est. % of Dev Service Clients Receiving Applicant's Financing – enter the estimated annual percentage of clients who are both receiving Applicant Development Services and Applicant Financial Products of the total number of clients receiving Applicant Development Services.

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- Est. % of Dev Service Clients Receiving Applicant's Financing in the Target Market – enter the estimated annual percentage of clients receiving Applicant Development Services and Applicant Financial Products and is in, or is a part of, the Applicant's Target Market of the total number of clients receiving Applicant Development Services.
- Description of how Development Services Activity is provided in conjunction with Applicant's products – Make sure the links between the Applicant Development Services activities and the Applicant Financial Products listed in each row are clearly identified and described. Some links will be fairly obvious, while others may be more nuanced and require more clarification.

**For Applicants that have any contractual or financial relationship(s) with another affiliate or non-affiliate entity to provide Development Services to the Applicant's Target Market**

**DS02 - Identify and describe the nature of the contractual relationship with Affiliate or non-Affiliate entities:**

- TIP – no TIP at this time.

**DS03 - Specify how the Applicant maintains control over the provider's service provision:**

- TIP – no TIP at this time.

**DS04 - Attach (to the CDFI Certification Signature Page) a copy of the services contract(s)/agreement(s) for any non-Affiliate entity that provides Development Services on behalf of the Applicant. Name the attachment, "Attachment I – Service Contract-Agreement". If the Applicant has multiple service contracts/agreements, increment the attachment names as "I1", "I2", "I3", etc, as necessary.**

- Attach a copy of the services contract(s)/agreement(s) for any non-Affiliate entity that provides Development Services on behalf of the Applicant.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment I1 – Service Contract-Agreement" – attach as many as necessary, incrementing the numbering in the name, e.g. "I1", "I2", "I3", etc.

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#### Criteria: Non-Governmental Entity (NG) Section

**NG01 - Enter the information requested in the worksheet “Non-Govt Entity” in the spreadsheet workbook “Attachment A – Applicant Data”.**

- On the worksheet “Non-Govt Entity” in the spreadsheet workbook “Attachment A – Applicant Data”:
  - “Non-Government Entity” table – for each of the questions select “Yes” or “No” from the drop-down menu.
  - For any question where the response is “Yes”, a narrative description and explanation is required in the “Criteria: NON-GOVERNMENTAL ENTITY (NG)” section of the Application.

*Do one or more government entities or officials control the election or appointment of a majority of the members of the Applicant's board of directors, or control a substantial minority of such directors?*

**NG02 - If you answered “Yes” to this question in “Attachment A – Application Data”, provide narrative description and explanation:**

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

*Does a majority or substantial minority of the Applicant's board of directors consist of government officials (elected, appointed, employees, etc.)?*

**NG03 - If you answered “Yes” to this question in “Attachment A – Application Data”, provide narrative description and explanation:**

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

*Does the Applicant's organizing/establishing documents or by-laws require that a certain number of the Applicant's board of directors be government employee's or elected/appointed government officials?*

**NG04 - If you answered “Yes” to this question in “Attachment A – Application Data”, provide narrative description and explanation:**

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

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Do one or more government entities have veto power over the selection of the Applicant's executive director, CEO, or comparable officer, or specific investment decisions?

**NG05** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

Does any government entity provide more than 50% of the Applicant's operating and/or capital budget?

**NG06** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

If the Applicant receives operating and/or capital funds from a government entity, does that government entity have the ability to control the use of those funds (for example, does a government entity have veto power over the lending/investing transactions made with those funds)?

**NG07** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

**NG08 - Attach** (to the CDFI Certification Signature Page) copies of any such contract or grant agreements, if such funds are governed by contract or grant agreements. Name the attachment, "Attachment J – Gov Contract-Grant Agmt". If the Applicant has multiple service contracts/agreements, increment the attachment names as "J1", "J2", "J3", etc. as necessary.

- Attach a copy of the contract or grant agreement(s) for any government entity that provides operating and/or capital funds to the Applicant.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment J – Gov Contract-Grant Agmt" – attach as many as necessary, incrementing the numbering in the name, e.g. "J1", "J2", "J3", etc.

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Does any government entity manage any aspect of the Applicant's operations?

**NG09** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

Are any of the employee's of the Applicant government employees or employees of an organization controlled by one or more government entities?

**NG10** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

Does any government entity manage any aspect of the Applicant's operations?

**NG11** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – Duplicate question – no need to respond.

If the Applicant organization is controlled by another entity, is that entity controlled by one or more government entities?

**NG12** - If you answered "Yes" to this question in "Attachment A – Application Data", **provide** narrative description and explanation:

- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

For Applicants that have any contractual or financial relationship with any Federal, State, or Local government entities.

**NG13** - **Describe** the nature of the contractual or financial relationship(s) with the Federal, State, or local government entities:

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- TIP – make sure to explain how this circumstance does not evidence government control of the Applicant. If the CDFI Fund, in its sole discretion, determines that this circumstance evidences government control of the Applicant, the Applicant may not be certified.

**NG14 - Attach** (to the CDFI Certification Signature Page) copy(s) of contracts with Federal, State or local government entities discussed above. Name the attachment, "Attachment K – Gov Fin Relationship". If the Applicant has multiple service contracts/agreements, increment the attachment names as "K1", "K2", "K3", etc, as necessary.

- Attach a copy of any contract(s) the Applicant has entered with government entities with which the Applicant has contractual or financial relationships.
- Make sure that the document is attached to the Applicant's CDFI Certification Signature Page.
- Make sure that the attachment is named "Attachment K – Gov Fin Relationship" – attach as many as necessary, incrementing the numbering in the name, e.g. "K1", "K2", "K3", etc.