AMENDMENT REQUEST INSTRUCTIONS FOR RECIPIENTS (Fiscal Year 2022 Awards and Earlier)

Community Development Financial Institutions Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program)

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Introduction

The Community Development Financial Institutions Fund (CDFI Fund) administers multiple federal competitive awards, including the Community Development Financial Institutions Program (CDFI Program) awards and the Native American CDFI Assistance Program (NACA Program) awards. Recipients enter into legally binding Assistance Agreements with the CDFI Fund that include the terms and conditions of the award. After an Assistance Agreement has been executed, the Recipient may initiate an amendment request to make an eligible change to the Assistance Agreement, which will be further described in this guide.

The CDFI Fund recognizes that circumstances may change after application and award signing, both for the Recipient and the larger community development environment where the Recipient operates. As such, amendments will be permitted to Assistance Agreements that support Recipients' success in their overall goals. Our overarching philosophy is to maintain the intent of the original award to the greatest extent possible.

This document serves as a guide for the evaluation of proposed amendments to the CDFI Fund's Assistance Agreements for CDFI Program and NACA Program awards Performance Goal & Measures (PG&Ms). If a fiscal year end (FYE) date has been changed and any active Assistance Agreements need to be updated, please submit a Certification of Material Events form to the Certification, Compliance, Monitoring & Evaluation (CCME) Program team.

The terms and conditions of Assistance Agreements change over time. Therefore, Recipients should ensure that they are familiar with the requirements of the specific Assistance Agreement for which they are requesting an amendment. The CDFI Fund may, upon reasonable notice to the Recipient, unilaterally amend Assistance Agreements for the sole purpose of making ministerial or administrative changes or correcting scrivener's errors.

The CDFI Program and NACA Program will be making exceptions on amendments related to the COVID-19 pandemic that will involve reduced PG&Ms benchmarks or Period of Performance (PoP) extensions. Each of these options are applicable to certain Assistance Agreement circumstances, and the CDFI Fund will work with Recipients to determine the best path to take. For more information, please see the COVID-19 Addendum located at the end of this document.

How to Request a PG&M Amendment Request

Please complete the "Intake Form" located on page 12 of this document and submit via Service Request in order to request an amendment. If you are unsure of how to do this, please refer to the AMIS Service Request Quick Reference Guide. Please submit a Service Request as follows:

- **Program** – Select CDFI
- **Subject** – Amendment Request + Award Control Number(s)
- **Description** – Attach "Intake Form". Click "Submit & Add Attachment"

Read on for more information about the general requirements for amendment requests and how to write a good justification for your amendment request.

General Requirements for All PG&M Amendment Requests

Timing

All amendment request submissions must be made no later than 60 days prior to the end of the Period of Performance.

- Section 7.9(c) of the Assistance Agreement states the following:

  Amendment request submissions must be received by the CDFI Fund in writing via a Service Request through the Recipient's AMIS account with all required documentation no later than 60 days prior to the effective date of the change and no later than 60 days prior to the end of the Period of Performance. For example: Year 1 benchmark of PG&M 1-1 is requested to be lowered. Here is what the Period of Performance looks like:

	Start Date	**End Date**
Year 1 of Period of Performance	11/19/2018	12/31/2019
Year 2 of Period of Performance	01/01/2020	12/31/2020
Year 3 of Period of Performance	01/01/2021	12/31/2021
Period of Performance End Date:		**12/31/2021**

- The submission date of the Service Request was 11/28/2019. This is ineligible for a Year 1 amendment because the request was not made 60 days prior to 12/31/2019; however, Year 2 and Year 3 are still eligible for an amendment.

Amendment Request Limit

One (1) amendment request will be permitted per Assistance Agreement

- In general, one amendment per Assistance Agreement for the life of the award will be considered.
- Additional amendments may be considered in extraordinary circumstances at the discretion of the CDFI Fund.

Justification Criteria

Justification criteria to provide for all amendment requests

- All amendment requests must provide a justification explaining the business reasons behind why the amendment is needed. All justifications must include the following:

  1. Detailed explanation of the business reasons that caused the benchmark reduction
  2. Narrative on how the intent of the FA-Objective will still be met
  3. Plan on how the adjusted benchmarks will be met considering the specific factor that occurred outside of the Recipient's control

- In addition to the above criteria, Supplemental PG&M amendments will also need to include the following:

  1. Reduced interim benchmarks: The business reasons causing the reduction request and a plan of how the final benchmark will still be met.
  2. Period of Performance extension: A written narrative explaining the inability to meet the final PG&M by the original Period of Performance end date, along with a plan of how the final PG&M will be met if granted a one-year extension.

How to Write a Good Justification

Amendment requests will be evaluated and approved or rejected based upon the justification, which details the business reasons why the Recipient is requesting an amendment. As described above in the "Justification Criteria" section under "General Requirements", it is very important that the justification clearly explain the cause of the reduction, outline the new outcome(s) resulting from this change, and describe how the adjusted future projections will be achieved given these new circumstances. The CDFI Fund will not be able to approve amendment requests in which a justification lacks detail or a connection of how the event affected the award. Below are examples of criteria for what makes a good justification, and common mistakes from prior amendment requests. COVID-19 criteria and examples can be found in the COVID-19 Addendum.

Examples of Good Justification	Examples of Commonly Made Mistakes
Contains clear figures for updated benchmarks • The Recipient would like to reduce the Year 2 benchmark to $2 million from $3 million.	**Reduced figures not explicitly stated** • The Recipient would like to reduce Year 2.
Detailed explanation outlining why these changes are necessary • The Recipient is receiving less than anticipated demand for its small business loans due to the recent closing of a manufacturing plant. This downturn in local employment has decreased the number of small businesses being established, resulting in lesser demand for this financial product.	**Broad or no justification provided** • The Recipient will not meet the Year 2 benchmark and would like a reduction.
Provides a plan on how the new and future benchmarks will be met • The Recipient has experienced a slowdown due to COVID in traditional lending products and plans to introduce a new financial product of consumer microloans as this more adequately meets the needs of our target market due to the economic crisis. There is already a pipeline of $2 million in demand for these types of loans as a result of recent layoffs in the community, leaving little doubt that the updated benchmark will be met.	**Ambiguity regarding the Recipient's ability to meet amended benchmarks.** • The Recipient has reduced capacity to originate new loans. We would like to reduce our benchmark from $3 million to $2 million.
Contains any supporting documentation necessary to evidence the requested changes • Board meeting minutes discussing material events, financial data illustrating a downturn, documentation noting the loss of a key staff member, etc.	**Unresponsive when additional information requested** • The CDFI Fund may need additional information from the Recipient when an amendment request is received. A delay in responding causes a delay in the amendment process.

Here is an example of an acceptable amendment request incorporating the above criteria:

"ABC Lending requests an amendment for the Year 2 benchmark of FA Objective 1-1 on Award 18FA123456. We would like to reduce the Year 2 benchmark from $800,000 to $600,000. ABC Lending experienced a staffing loss of a key loan officer, which dramatically reduced our capacity to deploy funding. This specific loan officer was responsible for underwriting around $1,000,000 of loans per year, and this reduction of staff will only allow us to deploy $800,000 overall, resulting in the updated benchmark of $600,000 for these funds. ABC Lending anticipates hiring a new loan officer by September 30th, 2021, which leaves us time to recruit a qualified employee and allow time for training before the Year 3 benchmark begins."

This justification clearly states the desired benchmark, quantifies the impact of the staffing loss, and includes a plan to demonstrate how this issue will be remedied and the new benchmark met before the next benchmark approaches.

Examples of Ineligible Amendment Requests

Below are a few examples of ineligible amendment requests commonly received by the CDFI Fund.

Ineligible Amendment Request	Explanation
Pro-rata reduction of benchmarks due to award size	• A Recipient may not request an amendment to its PG&Ms simply because it did not receive the full amount of its award request. Recipients will be held to the same projected activity levels entered in the Application (i.e., the PG&Ms in the Assistance Agreement will not be automatically reduced if the full FY 2020 Base-FA award request was not received). Ex: If an Applicant requests a $1,000,000 Base-FA award and selects the FA Objective 1-1: Increase Volume of Financial Products, and projects $50,000,000 in Financial Products closed in an Eligible Market(s) and/or its approved Target Market over the three-year Period of Performance, the PG&Ms in the Assistance Agreement will be based on the projected $50,000,000 in Financial Products closed over the Period of Performance, even if the Applicant receives a $500,000 Base-FA award. • However, a Recipient can request to reduce its benchmarks due to a business justification resulting from a decreased award size. Ex: The Recipient anticipated leveraging the award 4:1 and therefore does not have enough capital to leverage and meet the projections. Based on the new award amount, the CDFI will be able to make $10,000,000 in total loan volume down from the $13,000,000 in the application.
Final Period of Performance extension for additional time to expend award funds	• For all award types, Recipients must expend the award amount by the end of the Period of Performance. The CDFI Fund is prohibited from granting an extension to the Period of Performance for the sole purpose of expending award funds.
Retroactive changes	• Amendments are not used to retroactively adjust **missed** benchmarks, but are used to proactively change **future** benchmarks that the Recipient anticipates will not be met. • Cure periods are opportunities to "cure" already missed benchmarks and are handled by the CDFI Fund's Certification, Compliance Monitoring and Evaluation (CCME) staff. If a benchmark is missed, the CDFI Fund's CCME staff will provide a notification with a cure period that may include an opportunity to amend future benchmarks. Any amendments approved as part of a cure period will not retroactively apply to any missed benchmarks.
General Terms and Conditions	• The General Terms and Conditions (GT&C) of the Assistance Agreement are standard and separate from the PG&Ms, and may not be amended.

PG&M Amendments by Award Type

Financial Assistance (Base-FA) Awards

When applying for a Base-FA Award, an organization may choose to apply for one or more FA Objective(s). Unforeseen circumstances may occur which lead a Recipient to request a reduction of a PG&M in their Assistance Agreement. When evaluating reduction requests, the CDFI Fund will consider the minimum thresholds needed to meet the FA Objective at hand, and the overall reasonableness of the request. Recipients must submit an amendment request with a justification containing the criteria in "Justification Criteria" under the "General Requirements for All PG&M Amendment Requests" table on page 4.

If the amendment request requires a more stringent justification, the CDFI Fund will follow up requesting additional detail if necessary. The Recipient must reply with five business days with the additional information requested. The CDFI Fund reserves the right to deny amendment requests based upon untimely responses to requests for information.

If a Recipient has two or more Base FA PG&Ms (PG&Ms 1-1 through 1-7), the Recipient has the option to remove a PG&M as long as it has met at least one of its other base PG&M benchmarks. In addition to the above justification criteria, Recipients must explain how its organization would have remained qualified for an award given the modified proposal.

Supplemental FA Awards (PPC-FA, HFFI-FA, DF-FA)

Amendment Request Item	Permissible Changes and Requirements
Reduced benchmarks	• Only the interim benchmarks may be requested to be reduced. Recipients **may not** request to reduce their final benchmark amounts specified in their PG&M.
Extending the Period of Performance	• Recipients may request an extension of one fiscal year to their Period of Performance. Recipients must provide a written narrative explaining why they were unable to meet their final PG&M by the original Period of Performance end date, along with a plan of how they will meet their final PG&M if granted a one-year extension.

Technical Assistance (TA) Awards

Amendment Request Item	Permissible Changes and Requirements
CDFI certification goal extension (Uncertified Recipients only)	• The Assistance Agreements for Uncertified TA Recipients include a PG&M that requires the organization to submit its CDFI certification application by the end of the second year of the Period of Performance and achieve CDFI certification by the end of the Period of Performance. • Extenuating circumstances may occur that make it challenging for the entity to achieve CDFI certification on time. The organization may request an extension to the CDFI certification goal of **one fiscal year** and must write a well-justified narrative plan explaining how they will accomplish the certification goal by the revised deadline. **Only one extension will be granted**. • If a Recipient requests an amendment to the CDFI certification application submission deadline at least 60 days prior to the original deadline, and that amendment is granted, both the CDFI certification application submission deadline and the CDFI certification deadline will be extended by one fiscal year. • If a Recipient requests an amendment ***after*** the CDFI certification application submission deadline, but at least 60 days prior to the CDFI certification deadline, then the CDFI Fund will only consider amending the CDFI certification deadline. • If an uncertified Recipient has multiple TA Assistance Agreements, the CDFI certification deadlines for all awards must align with the deadline included in the Recipient's first TA Assistance Agreement. Only one amendment request from the Recipient is needed to extend the certification deadlines for all awards. If granted, the CDFI Fund will make the change to all the Recipient's TA Assistance Agreements.
Adding Co-Recipients (NACA Sponsoring Entity and their Emerging CDFIs only)	• NACA Sponsoring Entities receiving TA awards have a PG&M to create a new legal entity, the Emerging CDFI, by the date specified in the Assistance Agreement. • Upon legal establishment/incorporation of the Emerging CDFI, a NACA Sponsoring Entity must request an amendment to add the Emerging CDFI as a Co-Recipient and transfer the Assistance as required by the Assistance Agreement.

The COVID-19 Pandemic Addendum

Awardees may request the types of Amendments outlined in the main policy above, and notwithstanding the foregoing, may also request Amendments related to the novel coronavirus (COVID-19) pandemic. Certain amendment requirements may be waived, for example the timing of requests, Period of Performance extensions, or quantity of amendment requests granted with a clear justification connecting business reasons for the amendment to impacts of the COVID-19 pandemic.

Amendment Request Limits:

COVID-19 amendment requests will not count towards the amendment request limit of one request per Assistance Agreement.

Amendment Justification:

For these types of amendments, there must be an explicit connection highlighting how the COVID-19 pandemic has impacted the Recipient's ability to meet the requirements stipulated in the Assistance Agreement. The Recipient must provide applicable business reasons and detail how the COVID-19 pandemic has presented administrative or operational challenges that inhibited the Recipient's ability to meet the agreed upon Performance Goals & Measures.

Example of a justification related to the COVID-19 pandemic: The Recipient cannot close housing loans due to decreased demand caused by the COVID-19 pandemic. At the time of application, the Recipient predicted a strong demand of $3 million, but this has significantly declined given the layoffs caused by the pandemic.

Timing:

If the amendment request is necessary due to the effects of the COVID-19 pandemic, the 60-day amendment request submission threshold in the Assistance Agreement will be lowered to 10 days. This is only an exception for Recipients that experience administrative or operational challenges due to the COVID-19 pandemic. All other amendment requests must follow the 60-day submission requirements.

- 10–day amendment request submission example: Year 2 benchmark of PG&M 1-1 is requested to be lowered due to challenges related to the COVID-19 pandemic. Here is what the Period of Performance looks like:

	Start Date	**End Date**
Year 1 of Period of Performance	11/19/2018	6/30/2019
Year 2 of Period of Performance	07/01/2020	6/30/2020
Year 3 of Period of Performance	07/01/2021	6/30/2021
Period of Performance End Date:		**6/30/2021**

  The submission date of the Service Request was 6/10/2020. This is eligible for a Year 2 amendment because the request was made at least 10 days prior to 6/30/2020.

Base FA/TA Period of Performance Extensions:

Period of Performance extensions will be considered as an alternative to lowering interim/final benchmarks. This is typically not the preferred method, but can be appropriate in certain situations.

Deployment of the Financial or Technical Assistance Award Extension:

The CDFI Fund will only consider extensions to the deployment of Financial Assistance or Technical Assistance if it is directly related to the COVID-19 pandemic. This amendment will only be used if the CDFI can demonstrate that it cannot expend the award funds for an eligible activity(s) as a result of the COVID-19 pandemic.

Technical Assistance Awards, CDFI Certification Goal Extension:

Timing for CDFI Certification amendment requests will be lowered from 60 days to 10 days if the business reasons are COVID-19 related.

- 60-day requirement for certification amendment requests
    - CDFI Certification Application Submission date: Similar to the general requirements, this 60-day amendment submission request requirement will be lowered to 10-days for COVID-19 related requests.
    - CDFI Certification Approval date: The 60-day amendment submission request requirement will be lowered to 10 days for COVID-19 related requests. If the CDFI certification application submission date has already passed, only the CDFI certification approval date will be eligible for an amendment.

- If the CDFI certification approval deadline amendment request is related to COVID-19, this will not count towards the limit of one amendment request per Assistance Agreement given there are no prior amendment requests. One additional future request that is not related to COVID-19 may be considered.

Performance Goal & Measures Amendment Intake Form

Organization Name: _____

Date Submitted: _____

Affected Award: _____

Please complete the below form for the applicable PG&M(s) requested. If this request affects multiple awards, please fill out one form per award. Once completed, please submit this form via an AMIS Service Request.

If a fiscal year end (FYE) date has been changed and any active Assistance Agreements need to be updated, please submit a Certification of Material Events form to the Certification, Compliance, Monitoring & Evaluation (CCME) Program team.

Base-Financial Assistance and Technical Assistance PG&M(s)

Step 1: Please choose applicable Base PG&M(s)

☐ Increase Volume of Financial Products

☐ Increase Volume of Financial Services

☐ New Geographic Area(s)

☐ New Financial Product(s)

☐ New Financial Service(s)

☐ New Development Service(s)

☐ Serve New Targeted Population(s)

☐ Certification Extension – Application Submission (TA only)

☐ Certification Extension – Certification Approval (TA only)

☐ Deployment of the Financial or Technical Assistance Award Funds (COVID-19 only)

Step 2: Please provide a justification for the change(s) according to the PG&M justification criteria:

- Detailed explanation of the business reasons that caused the benchmark reduction.
- Narrative on how the intent of the FA-Objective will still be met.
- Plan on how the adjusted benchmarks will be met considering the specific factor that occurred outside of the Recipient's control.
- Administrative or operational challenges due to the COVID-19 pandemic, if applicable.

Justification:

	Amount	% of Total
TOTAL AMOUNT:		**100%**
Period of Performance, Year 1 benchmark (X%):		%
Period of Performance, Year 2 benchmark (X%):		%
Period of Performance, Year 3 benchmark (X%):		%

Step 3: If the Recipient has two or more Base FA PG&Ms and wishes to remove one, please indicate which PG&M should be removed and provide the additional justification needed:

- ☐ Increase Volume of Financial Products
- ☐ Increase Volume of Financial Services
- ☐ New Geographic Area(s)
- ☐ New Financial Product(s)
- ☐ New Financial Service(s)
- ☐ New Development Service(s)
- ☐ Serve New Targeted Population(s)
- ☐ N/A

Justification:

Step 4: If the PG&M change involves a New Geographic Area, New Financial Product, New Financial Service, or New Development Service, please update the following tables accordingly:

New Geographic Area(s)

State Abbreviation	State FIPS	State or County	County FIPS (if applicable)

New Financial Product(s)

New Financial Product Line of Business	Financial Product Name(s)	Financial Product Type(s)

New Financial Service(s)

New Financial Service Line of Business	Financial Service Name(s)	Financial Service Type(s)

New Development Service(s)

New Development Service Type	Development Service Name(s)

Step 5: Additional PG&M changes (if applicable):

Justification:

	Amount	% of Total
TOTAL AMOUNT:		**100%**
Period of Performance, Year 1 benchmark (X%):		%
Period of Performance, Year 2 benchmark (X%):		%
Period of Performance, Year 3 benchmark (X%):		%

Supplemental PG&M(s)

Step 1: Please choose applicable Supplemental PG&M(s)

☐ Persistent Poverty Counties (PPCs)

☐ Healthy Food Financing Initiative (HFFI-FA)

☐ Disability Funds (DF-FA)

Step 2: Please provide a justification for these changes according to the PG&M justification criteria:

- Reduced interim benchmarks: Please provide the business reasons causing the reduction request and a plan of how the final benchmark will still be met.
- Period of Performance extension: Please provide a written narrative explaining the inability to meet the final PG&M by the original Period of Performance end date, along with a plan of how the final PG&M will be met if granted a one-year extension.
- Administrative or operational challenges due to the COVID-19 pandemic, if applicable.

Justification:

Step 3: Please provide the desired updated benchmarks (as applicable):

	Amount	**% of Total**
TOTAL AMOUNT:		**100%**
Period of Performance, Year 1 benchmark (X%):		%
Period of Performance, Year 2 benchmark (X%):		%
Period of Performance, Year 3 benchmark (X%):		%
Period of Performance, Year 4 **(if applicable**) benchmark (X%):		%