

CDFI Certification: Affiliates

Presentation Roadmap





Presentation Roadmap







Affiliates are relevant for...

The Primary Mission Requirements

The CDFI
Certification
Collective Review
Requirements



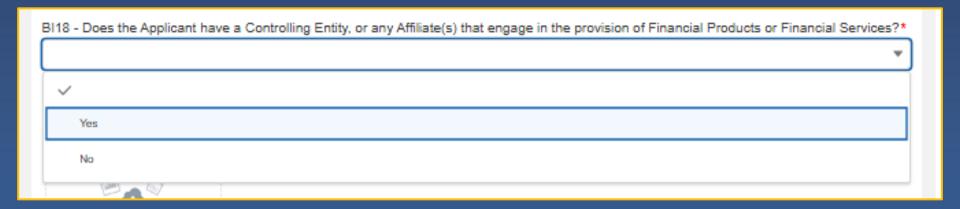
For the Primary Mission:

A relevant Affiliate either: Controls the Applicant; or

Engages in its own financing activity.



For the Primary Mission:



A "yes" in this field indicates the Applicant has relevant Affiliate for Primary Mission, and Affiliate subsections will be activated.



If Applicant subject to Collective Review:

Relevant
Affiliates either:

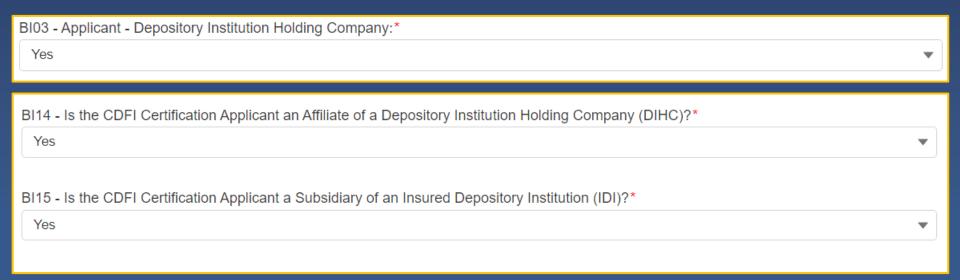
Any Affiliate that is a DIHC or IDI and Controls the Applicant;

If the Applicant is a DIHC, any Affiliate it Controls that directly provides Financial Products or Services; or

Any Affiliate under common Control by a DIHC or IDI with the Applicant and directly provides Financial Products or Services



If Applicant subject to Collective Review:



A "yes" in any of these fields indicates the Applicant is subject to the CDFI Certification collective review process, and Affiliate subsections will be activated.

Presentation Roadmap







Affiliate

An entity that either

- **✓** Controls
- ✓ is Controlled by, or
- ✓ operates under common Control with another organization.

[12 CFR 1805.104]



- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;
- Control in any manner over the election of a majority of the directors, trustees, general partners, or individuals exercising similar functions of any company; or
- Power to exercise, directly or indirectly, a Controlling influence over the management, credit, or investment decisions or policies of any company. [12 CFR 1805.104]



Indications of Controlling Influence

- Governing or Managing Board
- General Operations, Business Plan and Budget
- Financing Decisions
- Staffing



What is Substantial Minority?

Less than half of the number of board members, but still enough to be able to influence or impact how the board functions and/or the decisions it makes.

The number of board members that constitutes a substantial minority depends on the board parameters—including the board's size, how it is structured, and how it operates.



Control, Controlled, or Controlling

- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;
- Control in any manner over the election of a majority of the directors, trustees, general partners, or individuals exercising similar functions of any company; or
- Power to exercise, directly or indirectly, a Controlling influence over the management, credit, or investment decisions or policies of any company. [12 CFR 1805.104]

Definition of Control for CDFI Certification Purposes only...

Presentation Roadmap







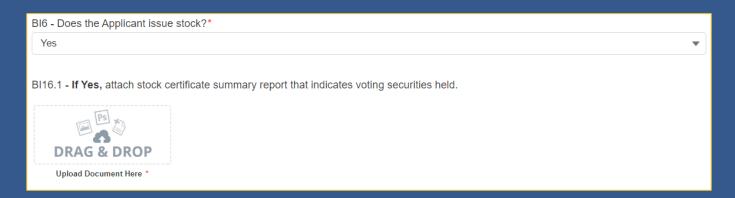
- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;
- Control in any manner over the election of a majority of the directors, trustees, general partners, or individuals exercising similar functions of any company; or
- Power to exercise, directly or indirectly, a Controlling influence over the management, credit, or investment decisions or policies of any company. [12 CFR 1805.104]



- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;... [12 CFR 1805.104]
- Stock Certificate Summary Report
- Governance Document (bylaws or similar)



- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;... [12 CFR 1805.104]
- Stock Certificate Summary Report





Control, Controlled, or Controlling

- Ownership, control, or power to vote 25% or more of the outstanding shares of any class of voting securities of any company, directly or indirectly or acting through one or more other persons;... [12 CFR 1805.104]
- Governance Document (bylaws or similar)

BI19 - Attach a copy of the Applicant's signed and dated board/owner-approved document (bylaws, operating agreement, partnership agreement or similar documentation).



Upload Document Here *

test.docx X



Control, Controlled, or Controlling

- ...Control in any manner over the election of a majority of the directors, trustees, general partners, or individuals exercising similar functions of any company;... [12 CFR 1805.104]
- Governance Document (bylaws or similar)

BI19 - Attach a copy of the Applicant's signed and dated board/owner-approved document (bylaws, operating agreement, partnership agreement or similar documentation).



Upload Document Here *

test.docx X



Control, Controlled, or Controlling

 ...Power to exercise, directly or indirectly, a Controlling influence over the management, credit, or investment decisions or policies of any company. [12 CFR 1805.104]

Governance Document (bylaws or similar)

BI19 - Attach a copy of the Applicant's signed and dated board/owner-approved document (bylaws, operating agreement, partnership agreement or similar documentation).



test.docx X



Other Means of Identifying Controlling Relationships

- Federal Financial Institutions Examination Council (FFIEC);
- FDIC Institution Directory;
- AMIS Affiliate/Related Entities lists; and
- Other Federal regulator databases.

Presentation Roadmap





Primary Mission-Related Requirements

CDFI FUND

Mission-related Requirements for Affiliates

An Affiliate...

- has a governing leadership-approved primary mission that supports the Applicant's Primary Mission of promoting community development;
- provides a description of how the Affiliate's mission and activities support or are consistent with the community development mission of the primary entity under review; and
- must show eligible financial products and/or financial services meet the CDFI Certification Primary Mission-related responsible financing practices standards.

Affiliate/Related Entity Primary Mission Documentation

Mission statement...

 supports or is consistent with that of the Applicant's would be one that may broadly benefit a community even if it is not specifically focused on community development.

Documentation indicates...

 governing leadership-approval "as of" a time prior to the application submission.

Primary Mission evidence is...

- an organizing document ((e.g., articles of incorporation, charter, or similar);
- a governance document (e.g., bylaws, operating agreement, partnership agreement, or similar); or
- a governing leadershipapproved resolution/directive.

Primary Mission-Related Requirements



Mission-related Requirements for Affiliates

RECORDED WEBINARS

The following webinars are intended to be resources regarding the CDFI Certification Application. Please check back regularly for additional webinar updates.

Webinar Topic	Access Link	Date Published
CDFI Certification Agreement	Presentation	April 21, 2025
Collective Review Process	Webinar Recording Presentation	April 21, 2025
Primary Mission Requirements	Presentation	April 21, 2025

Presentation Roadmap





During the CDFI Certification Application review process the CDFI Fund will review:

- the individual activities of the Applicant and
- the activities of the Applicant's Affiliates to make sure that the Applicant and its Affiliates collectively meet the requirements for CDFI Certification.

Collective Review-related Primary Mission Requirements for Affiliates

An Affiliate...

- has a governing leadership-approved primary mission of promoting community development;
- provides a description of how the Affiliate's mission and activities support or are consistent with the Applicant's community development mission; and
- must show eligible financial products and/or financial services meet the CDFI Certification Primary Mission-related responsible financing practices standards.

Affiliate/Related Entity Primary Mission Documentation

Mission statement references...

- financing activity to Low-Income individuals, Other Targeted Populations, or residents of or businesses located in economically distressed communities;
- promoting affordable housing, the Community Facilities or economic development; or
- supporting the provision of community services.

Documentation indicates...

- governing leadershipapproval "as of" a time prior to the application submission.
- For DIHC Applicants relying on Affiliate/related to meet the Target Market activity requirements, the documentation must evidence governing leadership-approval "as of" at least 6 months prior to the application submission.

Primary Mission evidence is...

- an organizing document ((e.g., articles of incorporation, charter, or similar);
- a governance document (e.g., bylaws, operating agreement, partnership agreement, or similar); or
- a governing leadershipapproved resolution/directive.

Collective Review-related Target Market Requirements for Affiliates

At least 60% of the combined financing activity of the Applicant and its Affiliates must be dedicated to their collective Certification Market.

The Affiliates do not need to meet the 60% threshold individually for their Target Market components of the collective Certification Market.

Collective Review-related Target Market Requirements for Affiliates

Step 1: Identify a Collective Review Market for each of its Affiliates;



Step 2: Create a CDFI Certification Market Record is created for the Collective Review Market in each Affiliates' AMIS Profile;



Step 4: Run the Target
Market Calculator for
the Applicant to
determine "Affiliate
Organization Threshold"
results;



Step 3: Upload a TLR presenting activity for each relevant Affiliate;

Collective Review-related Accountability Requirements for Affiliates

Each relevant Affiliate must demonstrate its accountability to Collective Review Market component(s) via its own Accountability method.

- Collective Review Controlling Entity Option for Accountability.

RECORDED WEBINARS

The following webinars are intended to be resources regarding the CDFI Certification Application. Please check back regularly for additional webinar updates.

Webinar Topic	Access Link	Date Published
CDFI Certification Agreement	Presentation	April 21, 2025
Collective Review Process	Webinar Recording Presentation	April 21, 2025

Presentation Roadmap





CDFI Certification Resources



Contact Information

- CDFI Certification: Send an AMIS Service Request to Office of Certification Policy and Evaluation (OCPE)
- ACR or TLR: Send an email to <u>cdfi-</u> <u>financialstrategiesandresearch@cdfi.treas.gov</u> or AMIS Service Request to Financial Strategies and Research (FS&R) unit
- Detailed CDFI Certification Guidance Information: Check out https://www.cdfifund.gov/programs-
 training/certification/cdfi/apply-step for regularly updated information.

CDFI Certification Resources



CDFI Certification Webinar Schedule

Date	Time	Presentation Topic
August 7, 2025	3:00-4:15 PM ET	Accountability
August 24, 2025	3:00-4:15 PM ET	Target Markets
September 4, 2025	3:00-4:15 PM ET	General Q&A
September 18, 2025	3:00-4:15 PM ET	General Q&A



This concludes the presentation.

Thank you for participating!