



CDFI Certification: Affiliates

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov

Presentation Roadmap



Overview of Affiliate Relevance

Affiliate & Control Definitions

Identifying Controlling Relationships

CDFI Certification Primary Mission Requirements

CDFI Certification Collective Review Requirements

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Overview of Affiliate Relevance



**Affiliates are
relevant
for...**

The Primary Mission
Requirements

The CDFI
Certification
Collective Review
Requirements

Overview of Affiliate Relevance



For the Primary Mission:

**A relevant
Affiliate either:**

Controls the
Applicant; or

Engages in its
own financing
activity.

Overview of Affiliate Relevance



For the Primary Mission:

BI18 - Does the Applicant have a Controlling Entity, or any Affiliate(s) that engage in the provision of Financial Products or Financial Services?*

✓

Yes

No

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

Overview of Affiliate Relevance



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

Overview of Affiliate Relevance



If Applicant subject to Collective Review:

BI03 - Applicant - Depository Institution Holding Company:*

Yes

BI14 - Is the CDFI Certification Applicant an Affiliate of a Depository Institution Holding Company (DIHC)?*

Yes

BI15 - Is the CDFI Certification Applicant a Subsidiary of an Insured Depository Institution (IDI)?*

Yes

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.

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Affiliate & Control Definitions



Affiliate

An entity that either

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

[12 CFR 1805.104]

Affiliate & Control Definitions



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]

Affiliate & Control Definitions



Indications of Controlling Influence

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

Affiliate & Control Definitions



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.

Affiliate & Control Definitions



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*Definition of Control for CDFI
Certification Purposes only...*

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Identifying Controlling Relationships



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- Stock Certificate Summary Report
- Governance Document (bylaws or similar)

Identifying Controlling Relationships



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]

• Stock Certificate Summary Report

BI6 - Does the Applicant issue stock?*

Yes

BI16.1 - If **Yes**, attach stock certificate summary report that indicates voting securities held.



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Identifying Controlling Relationships



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).



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Identifying Controlling Relationships



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]

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Identifying Controlling Relationships



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Identifying Controlling Relationships



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.

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Primary Mission-Related Requirements



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*.

Collective Review-Related Requirements



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 leadership-approved 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

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Collective Review-Related Requirements



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 Requirements



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*.

Collective Review-Related Requirements



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 leadership-approval “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 leadership-approved resolution/directive.

Collective Review-Related Requirements



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 Requirements



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



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

Collective Review-Related Requirements



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.

Collective Review-Related Requirements



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Contact Information

- CDFI Certification: Send an AMIS Service Request to Office of Certification Policy and Evaluation (OCPE)
- ACR or TLR: Send an email to cdfi-financialstrategiesandresearch@cdfi.treas.gov 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!