



FY 2021 Small Dollar Loan Program Recipient Training Webinar

**Overview of the FY 2021 Small Dollar Loan Program
Assistance Agreement and Compliance Requirements**

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov

Presentation Topics



Assistance Agreement Overview

Performance Goals & Measures

Authorized Technical Assistance Award Activities

Key Considerations on Prohibited Practices and Eligible Uses

Next Steps and Timeline

Assistance Agreement is Your Contract



- The Assistance Agreement is a binding legal contract.
- By signing the Assistance Agreement, you agree to its terms and conditions and the requirements as outlined in the FY 2021 Small Dollar Loan Program (SDL Program) Notice of Funds Availability (NOFA).
- The specific Performance Goals in the Assistance Agreement are adjusted based on your Award amount, rather than what was proposed in your Application.
- **Caution:** Do not assume that everything proposed in your Application is permissible under the SDL Program rules. Not sure? Please ask us for guidance!
- This presentation is NOT a substitute for reviewing the Assistance Agreement.

Structure of Assistance Agreement



The Assistance Agreement includes the following components:

Signature Page: Contains signatures, Award amount, Effective Date and other basic information

Schedule 1:

1-A. Annual Reports

1-B. Annual Report Submission Deadlines

1-C. Performance Goals

Schedule 2: General Award Terms and Conditions

Schedule 3: Certificate of Good Standing

Annual Reporting Requirements (Schedule 1-A)



Report	Description
Single Audit Report (Non-profit Recipient, if applicable)	<p>A Non-profit Recipient must complete an annual Single Audit pursuant to the Uniform Requirements (2 CFR 200.500) if it expends \$750,000 or more in Federal awards in its fiscal year. If a Single Audit is required, it must be submitted electronically to the Federal Audit Clearinghouse (FAC) per the schedule in Section 1-B of the Assistance Agreement.</p>
Financial Statement Audit Report (Non-profit Recipients including Insured Credit Unions and State-Insured Credit Unions)	<p>A Non-profit Recipient (including Insured Credit Unions and State-Insured Credit Unions) must submit a Financial Statement Audit (FSA) report in AMIS, along with the Recipient's statement of financial condition audited or reviewed by an independent certified public accountant, if any are prepared.</p> <p>Under no circumstances should this be construed as the CDFI Fund requiring the Recipient to conduct or arrange for additional audits not otherwise required under Uniform Requirements or otherwise prepared at the request of the Recipient or parties other than the CDFI Fund.</p>
Financial Statement Audit Report (For-profit Recipients)	<p>For-profit Recipients must submit a FSA report in AMIS, along with the Recipient's statement of financial condition audited or reviewed by an independent certified public accountant.</p>

Annual Reporting Requirements (Schedule 1-A) (Continued)



Report	Description
Financial Statement Audit Report (Regulated Institutions)	<p>If the Recipient is a Regulated Institution, it must submit a FSA report in AMIS. The Recipient may include their statement of financial condition audited or reviewed by an independent certified public accountant, if such is prepared, or indicate that such information has been provided to its regulator within the FSA Report.</p>
Performance Progress Report (PPR)	<p>A Recipient must submit the Performance Progress Report to the CDFI Fund. A Recipient will report on its progress toward meeting its performance goals and measures.</p> <p>If the Recipient is a Depository Institution Holding Company DIHC that deploys all or a portion of its Financial Assistance through its Subsidiary Insured Depository Institution, that Subsidiary Insured Depository Institution must also submit a Performance Progress Report.</p>
Uses of Award Report	<p>A Recipient must submit the Uses of Award Report to the CDFI Fund. A Recipient will use this report to report that it used its Award for eligible uses associated with its Award, as stated in the Assistance Agreement.</p>

Annual Report Submission Deadlines (Schedule 1-B)



Report	Due
Single Audit Report	Nine (9) months after the end of each year of the Period of Performance
Financial Statements Audit Report	Six (6) months after the end of each year of the Period of Performance
Performance Progress Report	Three (3) months after the end of each year of the Period of Performance
Uses of Award Report	Three (3) months after the end of each year of the Period of Performance

Reports are submitted through AMIS with the exception of the Single Audit Report which is submitted through the Federal Audit Clearinghouse

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Performance Goals & Measures



- Performance Goals and Measures (PG&Ms) are performance benchmarks that a Recipient must meet in order to remain in compliance with the Assistance Agreement.
- **Note:** In addition to the PG&Ms, compliance is also dependent upon timely report submissions and, if applicable, an unqualified audit opinion and an absence of material weakness findings in the Single Audit.

Performance Goals & Measures



- PG&Ms are based on:
 - Award Type (Loan Loss Reserve (LLR) only, Technical Assistance (TA) only, or a Combination of LLR and TA)
 - Whether you are launching a new small dollar loan program or expanding an existing small dollar loan program
 - Projections provided in your Application
 - Final Award Amount

Performance Goal & Measure 1



Applicable to Recipients who received a TA Award:

- **1-1: New Small Dollar Loan Programs:**

	% of TA Award	Dollar Amount (\$)
Period of Performance Year 1	50% of the TA Award	\$XXXX
Period of Performance End Date	100% of TA Award	\$XXXX

- **1-2: Existing Small Dollar Loan Programs**

	% of TA Award	Dollar Amount (\$)
Period of Performance Year 1	75% of the TA Award	\$XXXX
Period of Performance End Date	100% of TA Award	\$XXXX

Performance Goal & Measure 2



Applicable to all FY 2021 SDL Program Recipients

- Based on Three-Year Projections provided in Table 2c of the Application and then adjusted by the final Award Amount
- Recipients need to meet or exceed the dollar amount of Loans made (\$) as outlined in the Assistance Agreement

	Dollar Amount (\$) of Small Dollar Loans Made
Period of Performance Year 1	\$XXXX
Period of Performance Year 2	\$XXXX
Period of Performance Year 3	\$XXXX

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Authorized Technical Assistance Award Activities



- Authorized TA Award Activities are:
 - Compensation (Personal Services)
 - Professional Services
 - Travel
 - Training and Education Costs
 - Equipment
 - Supplies
 - Development
- Further guidance related to allowable uses of Authorized TA Award Activities and amounts is found in Section 3.2 of the Assistance Agreement

Authorized TA Award Activities



Activity

Description

Compensation

Shall mean all remuneration, paid currently or accrued, for services of Recipient's employees rendered during the period of performance under the SDL Program Assistance awarded in accordance with section 200.430 of the Uniform Requirements.

Training and Education

The costs of training and education provided by the Recipient for employees' development in accordance with 2 C.F.R. 200.473 of the Uniform Requirements. Funds can only be used to pay for training costs incurred by the Applicant's employees. Training and education costs may not be incurred by the Applicant's consultants.

Travel

Costs of transportation, lodging, subsistence, and related items incurred by the Recipient's employees who are on travel status on business related to the SDL Program award in accordance with 2 C.F.R. 200.475 of the Uniform Requirements
Travel costs do not include costs incurred by the Applicant's consultants who are on travel status. Any payments for travel expenses incurred by the Applicant's personnel but unrelated to carrying out the purpose of the Recipient's SDL Program would be deemed unallowable.

Authorized TA Award Activities (Continued)



Activity

Description

Professional Services

Funds used to pay for professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the Recipient, in accordance with section 200.459 of the Uniform Requirements. Payment for a consultant's services may not exceed the current maximum of the daily equivalent rate paid to an Executive Schedule Level IV Federal employee. Professional and consultant services must build the capacity of the SDL Program.

Equipment

Tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit as defined in the Uniform Requirements. Items costing less than \$5,000 may be included if the Recipient's capitalization policy recognizes these as capital assets. Non-expendable items include, among other items, computer hardware, computer software, related peripherals, and office equipment. The Applicant must comply, as applicable, with the Buy American Act of 1933, 41 U.S.C. 8301–8303 with respect to the purchase of Equipment.

Supplies

Tangible personal property other than Equipment, as defined in the Uniform Requirements. A computing device is a Supply if the acquisition cost is less than the lesser of the capitalization level established by the Recipient for financial statement purposes or \$5,000, regardless of the length of its useful life.

Authorized TA Award Activities (Continued)



Activity

Description

Development Services

Activities undertaken by the Recipient that prepare or assist current or potential borrowers to use the Recipient's Small Dollar Loan program. For example, such activities include financial education, including credit counseling.

Application Vs. Authorized Award Activities



- Even though a Recipient may have included certain TA Award activities in their Application, those activities may not be Authorized Activities.
- The Recipient is responsible for ensuring that activities performed with SDL Program Assistance are allowable per the terms of the Assistance Agreement.

General Award Terms and Conditions



- Recipients may not use any SDL Program Assistance received for the prohibited activities set forth in the SDL Program Assistance Agreement.
- The CDFI Fund reserves the right to require the Recipient to repay all or a portion of the award if the Recipient expends funds for an unallowable activity.

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Key Considerations and Eligible Uses



- All loans supported by your SDL Program Assistance must meet the following parameters:
 - made in an amount that does not exceed \$2,500;
 - must be repaid in installments;
 - have no prepayment penalty; and
 - have payments that are reported to at least one of the consumer reporting agencies that compiles and maintain files on consumers on a nationwide basis
- Your SDL Program Assistance cannot be used to make loans directly to consumers.

Prohibited Practices



- High-rate loans
- Coerced automated loan payments
- Excessive refinancing
- Automatic loan insurance or credit card add-ons
- Security interests in household goods, vehicles, or deposit accounts
Exception: loans with a savings account component or credit builder loans
- Excessive late fees on missed loan payments
- Abusive overdraft practices
- Aggressive debt collection practices
- Forced arbitration clause and class action ban

By executing the Assistance Agreement, you are attesting that no loans supported by the SDL Program Award contain any of the above practices or features. Refer to Section 3.8(d) of the Assistance Agreement for more details.

Eligible Uses of Award - Capital



- The capital that is deployed for small dollar loans must be the Recipient's own; NOT from other CDFI Fund Awards, such as:
 - Community Development Financial Institutions Program (CDFI Program – Financial Assistance or Technical Assistance)
 - Bank Enterprise Award Program (BEA Program)
 - Rapid Response Program (RRP)

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Award Closing Timeline (Estimated)



9/25
Award
Announcement

Early Dec
Draft AA
Available in
AMIS

Early Dec
Kick off Calls

Mid Dec
Confirm or
Request
Changes to
Draft AA;
Submit Cert
of Good
Standing

Late Dec
Final AA is
generated
and signed
by Recipient

Dec/Jan
Final AA
Executed by
CDFI Fund

Within
weeks of AA
Execution
by CDFI
Fund
Payment

Assistance Agreement Notification



- An e-mail notification is sent when the Assistance Agreement is available in each Recipient's AMIS account.
 - The e-mail will be sent to the Authorized Representative and Point(s) of Contact listed in the Recipient's FY 2021 SDL Program Application, as well as those listed as Authorized Representatives in a Recipient's Organization Profile.
 - The e-mail will contain three attachments – the *Transmittal Letter, Instructions for Accessing and Signing the Assistance Agreements in AMIS, and Certificate of Good Standing Instructions* – that provide detailed instructions regarding the award closing process.

Certificate of Good Standing Submission Procedure



See Schedule 3 for substantive requirements for certificates.

- Certificate should be dated within 180 days of the date the Authorized Representative executes the Assistance Agreement
- Regulated institutions are not required to upload a Certificate of Good Standing.

Submit the Certificate of Good Standing (if applicable)

1. Obtain an electronic copy of Certificate of Good Standing;
2. In AMIS, navigate to the 2021 Award record; and
3. Upload the Certificate of Good Standing in the “Notes & Attachments” section and click on “Save”.

Delays in the closing process may occur if you submit late!

Making Changes to an Assistance Agreement



- Before an Assistance Agreement is executed, Recipients have the opportunity to request a modification to their Assistance Agreement.
 - Modifications must be requested by submitting a Service Request and completing the Request Change form in AMIS.
- In accordance with Section 7.9 of the Assistance Agreement, a Recipient may request an Amendment after their Assistance Agreement has been executed.
 - Amendment requests must be submitted via a Service Request in AMIS.
- The CDFI Fund will approve modification and/or amendment requests on a limited basis at its own discretion. Recipients should not assume that all modification and/or amendment requests that are submitted will be approved.

Initial SDL Program Award Payment



- The full amount of any LLR component of Award will be disbursed as part of the initial disbursement.
- For TA Award Components, Recipients must indicate the amount of its TA Award it intends to expend within the first 12 months after the Award Announcement. This request must be completed via an AMIS Service Request. All Subsequent Payment Requests must be submitted within twelve (12) months, but no earlier than six (6) months, of the initial Payment date.
- Subsequent Payment requests for TA Awards will be requested via AMIS.

Contact Info & Support



Help and Resources

- **AMIS User Guide:** A step-by-step AMIS User Guide can be found on the AMIS homepage at <https://amis.cdfifund.gov/s/AMISHome>

For the best service, the CDFI Fund recommends submitting a Service Request in AMIS. Select “BEA/SDLP” and clearly indicate the issue in the subject line.

Contact Information		
Type of Question	Telephone	Email
Award Support	202-653-0421	SDLP@cdfi.treas.gov
AMIS Support	202-653-0422	AMIS@cdfi.treas.gov

Questions and Answers



...for participating in today's webinar!

We will now open the line for questions.