



FY 2023 Capital Magnet Fund Recipient Training Webinar

**Overview of the FY 2023 CMF Assistance Agreement
and Compliance Requirements**

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov

Training Goals



At the conclusion of the webinar, participants will understand:

1. How to execute the Assistance Agreement and receive Payment of your Award.
2. The steps to review and accept Assistance Agreement and, in limited cases, request changes.
3. Notable Performance Goals, obligations, and deadlines of the Assistance Agreement.

Note: Capitalized terms are defined in the CMF Interim Rule or FY 2023 CMF Assistance Agreement.

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 of the CMF Interim Rule (12 C.F.R. Part 1807).
- The specific Performance Goals in the Assistance Agreement may be different than what was proposed in your Application.
- **Caution:** Do not assume that everything proposed in your Application is permissible under the Program rules. Not sure?...Please ask us for guidance!
- FY 2023 Assistance Agreement ≠ FY 2021 Assistance Agreement
- This presentation is NOT a substitute for reviewing the Assistance Agreement.

Agenda



1. **The “How-to” of Closing and Payment**
2. Overview of the Assistance Agreement
3. Understanding Customized Performance Goals
4. Common Recipient Questions from Past Service Requests
5. Contact Info & Resources
 - Q & A Opportunity

Award Closing Timeline



10/4
Awards
Announced
& AA
available in
AMIS



10/11
Assistance
Agreement
Webinar



10/11
1st day the
AA can be
signed by
Recipient.
Recipient
must wait
until AFTER
the webinar
to sign the
AA.



**October-
November**
Kick-off
Calls, if
applicable



11/17
Final day for
Recipients to
sign AA or
request a
modification
to the AA.
Submit
Certificate of
Good
Standing or
Legal
Opinion, if
applicable.



**End of
November**
1st batch of
AAs executed
by CDFI Fund.
AAs with
modification
requests will
be executed
in subsequent
batches after
the
modification
request is
processed.



**Approx. 2
weeks of AA
Execution by
CDFI Fund**
Payment

Key Dates and Steps



October 4: Assistance Agreements available in AMIS. Please read the Assistance Agreement thoroughly and carefully.

November 17:

1) Review and either accept or request changes to the Assistance Agreement.

- By this date, submit questions to CMF staff via Service Request regarding Schedule 1 requirements, only if they a) impact your decision to accept the Award; or b) pertain to changes in Service Area, eligible activities, or a two-Payment option. Note that changes impacting the competitiveness of your Application will not be considered.
- Substantive change requests may involve a discussion with CMF staff and any revisions to your Assistance Agreement may delay the Closing. We will prioritize those conversations that pertain to your decision to accept the Award.
- By this date, notify the CDFI Fund of potential errors and administrative changes to the Assistance Agreement.

2) Upload your organization's Certificate of Good Standing (COGS) or Legal Opinion, whichever is applicable, to AMIS.

- COGS must be dated within 180 days prior to the Effective Date (no earlier than 7/1/2023).
- Legal Opinion must be submitted prior to Closing.

Key Dates and Steps (Continued)



October-November: The CMF Program and compliance staff will begin kick-off calls, if applicable, with the Recipients to ensure there is a good understanding of the Assistance Agreement and program requirements. Some calls may occur after the Assistance Agreement is executed. A kick-off call with all first time Recipients will take place during this time period. Kick-off calls with prior round CMF Recipients will continue into the late fall.

October: Assistance Agreements will be available for your review.

November 17: Recipients are to sign the AA or request modification(s) to the AA.

- **Note:** Assistance Agreements are not effective until the CDFI Fund executes the Assistance Agreement! A notification will be sent when the Assistance Agreement is executed by the CDFI Fund.

November: Recipients should anticipate the CDFI Fund to execute the first batch of Assistance Agreements in late November. Investment Period begins upon the CDFI Fund's execution of the Assistance Agreement, which is the Effective Date.

- **Tip:** Payments will typically be made within two weeks of the execution of the Assistance Agreement by the CDFI Fund.

Accepting or Requesting Changes to the Assistance Agreement



Accept the Assistance Agreement

Accept the Assistance Agreement ASAP if there are no issues, but no later than **November 17**.

Requesting Changes to the Assistance Agreement & Limitations

- Any changes made to the Assistance Agreements are at the discretion of the CDFI Fund.
- No modifications that would impact the competitiveness of your Application will be considered.
- Possible changes (with compelling rationale):
 - Eligible Activities
 - Service Area: modification will only be considered if the proposed changes do not impact underserved states or the geographic diversity of areas being served by FY 2023 Recipients.
 - Changes to Lump Sum Payment versus Initial Payment and Subsequent Payment options
- Changes to Schedule 2 will not be considered by the CDFI Fund.
- Any modification request should be submitted ASAP, but no later than **November 17**. Requesting changes after the deadline may significantly delay the Closing of your Assistance Agreement.

Potential Errors and Administrative Changes

Notify the CDFI Fund of potential errors and administrative changes to the Assistance Agreement by **November 17**.

Payment of the CMF Award



Payment Amount

- In the Application, your organization opted for receiving the Award as a Lump Sum Payment or with an Initial Payment and Subsequent Payment.
- If your organization selected an Initial Payment and a Subsequent Payment option, and was selected for an Award amount less than what was requested, the CDFI Fund adjusted the payment amounts originally requested in the Application.
- If your organization wishes to request a change in the number of Payments or the amounts within the two-Payment option prior to the signing the Assistant Agreement, please submit a Service Request in AMIS (see next slide).

All Payments

- CMF Awards will be paid after conditions in Section 3.7 of the Assistance Agreement have been met.
- CMF Awards should be kept in an interest bearing account until fully expended.
- Recipients with prior CDFI Fund Awards/allocations will be assessed for compliance and certification requirements in order to receive Payment.
- For all prior CDFI Fund award Recipients/Allocatees/Borrowers – Be sure to submit your reports for your open agreements during the closing period!

Requesting Changes to the Assistance Agreement: Payment Options



Submit a Service Request in AMIS on or before November 17, 2023, if seeking:

- A change from a Lump Sum Payment to an Initial Payment and Subsequent Payment;
- A change from an Initial Payment and Subsequent Payment to a Lump Sum Payment;
- A change to an Initial Payment amount and Subsequent Payment amount.

Two-Payment Requirements

- For a two-Payment option, the Initial Payment amount must be **(a) no less than 50% of the total Award, and (b) no more than 90% of the total Award.**
- The Subsequent Payment amount will equal the balance of the Total Award not paid out in the Initial Payment amount and will be automatically calculated.
- If you select to receive the Award in two Payments, you will be required to submit a Subsequent Payment Request. The deadline to submit the request in AMIS is 10 months after the Effective Date of the Assistance Agreement. You must meet all of the CDFI Fund's requirements outlined in Section 3.7 of the Assistance Agreement to receive a Subsequent Payment.
 - *Subsequent Payments require a second Certificate of Good Standing be submitted at the time the Subsequent Payment request is made.*
- All Subsequent Payments are subject to CDFI Fund compliance review of existing open agreements and will require the CDFI Fund's approval.

Certificate of Good Standing Submission Procedure



See Schedule 3 of the Assistance Agreement for substantive requirements for certificates.

- Schedule 3-A: Certificate of Good Standing should be **dated July 1, 2023 or later**.
- Regulated institutions are not required to upload a Certificate of Good Standing.
- State housing finance agencies and housing authorities do not need to submit a Certificate of Good Standing if it is not provided by their state. Instead, a Legal Opinion from counsel can be submitted. See Schedule 3-B of the Assistance Agreement for a template.

By November 17: Submit the Certificate of Good Standing or Legal Opinion (if applicable)

1. Obtain an electronic copy of Certificate of Good Standing or Legal Opinion;
2. In AMIS, navigate to the 2023 Award record; and
3. Click the “Related” tab, scroll down to “Notes & Attachments” section, click on “Upload Files,” and upload the Certificate of Good Standing or Legal Opinion.

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

Kick-off Calls!



What: All new and some returning Recipients will be expected to participate in a kick-off call prior to the execution of their Assistance Agreements.

When: Dates and times will be assigned. Please be sure that your key staff attend your call.

Where: The CMF Program staff will send out conference call invitations to the Award contacts for your FY 2023 CMF Award. Update your Award contacts in AMIS if needed.

Why:

- To ensure Recipients understand the reporting and administrative requirements of their Award.
- Clarify items specific to your Application strategy and identify any key items to be aware of.
- Address any questions you may have for us.

Signing Your Assistance Agreement



- The Assistance Agreement must be signed by an Authorized Representative listed and active in the Recipient's AMIS account.
- All Authorized Representatives must have the legal authority to enter into the Assistance Agreement and their titles must reflect a leadership position with the authority to sign on behalf of the Recipient's organization.
- Consultants cannot sign the Assistance Agreement on behalf of the Recipient's organization.

Signing Your Assistance Agreement



Recognized Authorized Rep. Signatory Titles	Authorized Rep. Titles Requiring Follow-up
<ul style="list-style-type: none">• Any C-Suite position• Chief Executive Officer• Chief Financial Officer• Chief Operating Officer• President/Vice President• Partner (Venture Capital Funds)• Compliance Manager/Supervisor (or related position)• Senior Accountant or any senior-level title• Director• Board Officer• Board Chair• Chairman• Chairperson• Vice Chair (Vice Chairman, Vice Chairperson)• Treasurer• Board Secretary• Manager• Or any similar titles that reflect the incumbent authority within the organization	<ul style="list-style-type: none">• Assistant/Executive Assistant• Secretary/Receptionist• Loan Officer• Community Development Officer• Intern• Analyst• Board Member• Associate Treasurer• Associate Director• Secretary• Comptroller• Controller• Staff Accountant <p><i>NOTE: Consultants are not allowed to sign on behalf of an organization.</i></p>

AMIS Demo



- This presentation, including the AMIS Demo, will be recorded and a link will be posted on the CDFI Fund's Website here:
<https://www.cdfifund.gov/programs-training/programs/cmf/closing-disbursement-step>
- Instructions on how to sign the Assistance Agreement or request a modification were emailed as part of the Transmittal Packet on the day of the Award Announcement. A link to the instructions is also posted on the CDFI Fund's Website here:
<https://www.cdfifund.gov/programs-training/programs/cmf/closing-disbursement-step>

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Assistance Agreement Overview



- **Recipients should read the entire Assistance Agreement.**
 - Recipients with Awards from multiple funding rounds should read each Agreement closely, as terms and conditions change from year to year.
 - Recipients must adhere to reporting requirements, Performance Goals, and associated deadlines for each Assistance Agreement.
- **Recipients should keep a copy of their Assistance Agreement on file.**
 - Once executed, Recipients can find a copy of the Assistance Agreement in their organization's 2023 CMF Award record, which is stored in AMIS.
- **Recipients should create calendar reminders with due dates for reports.**
 - Recipients may use the reporting schedule in AMIS to find the report due dates.

Structure of the Assistance Agreement



The Assistance Agreement includes the following components:

Signature Page: Contains signatures, Effective Date, Award amount, and Lump Sum Payment amount or the Initial Payment amount and Subsequent Payment amount (for those opting for two Payments and approved by the CDFI Fund), as well as other basic information.

Schedule 1:

1-A. Recipient-Specific Terms and Conditions

1-B. Annual Reporting Requirements

1-C. Annual Report Submission Deadlines

Schedule 2: General Award Terms and Conditions applicable to all Recipients

Schedule 3:

3-A. Certificate of Good Standing

3-B. Legal Opinion

Schedule 4:

4-A. Representation and Warranties: Consortium Approach

4-B. CMF Recipient Consortium Member Agreement

Schedule 1: Customized Terms & Conditions



Schedule 1A and Schedule 2 Work Together

- Your specific Performance Goals are found in Schedule 1. However, don't forget that additional performance requirements applicable to ALL Recipients are in Schedule 2.
- Schedule 1-A and 2 are integral to each other; Schedule 2 often refers to Schedule 1 requirements, and together make up all performance requirements.

1-A. Recipient-Specific Terms and Conditions

- Customized Performance Goals (and some regulatory requirements) appear in Schedule 1
- Includes your specific Performance Goals (requirements and metrics)
- Based on, or prorated from, information provided in your Application

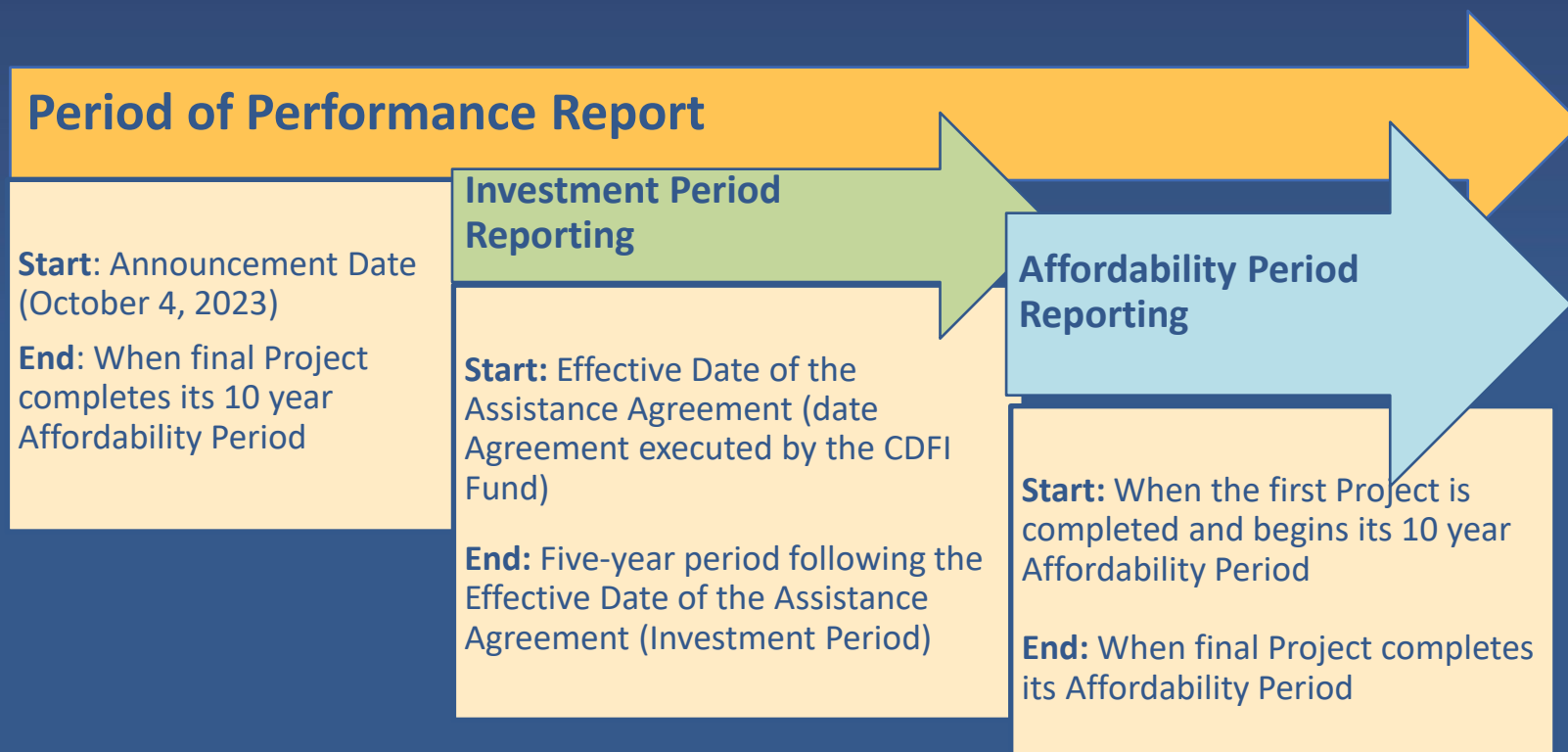
1-B. Annual Report - High-level annual reporting requirements.

1-C. Annual Report Submission Deadlines - based on your fiscal year end.

Schedule 1B: Annual Report – Investment and Affordability Reporting



Reporting Timelines



Schedule 1B and C: Annual Report and Deadlines



Annual Report and Submission Deadlines

- Review in detail all the components of reporting requirements, including Financial Condition, Performance, and Environmental Notification Reports. Submission Deadlines are outlined in Schedule 1C. All reporting is completed through AMIS.
- Compliance reporting schedules are based on your fiscal year end (FYE).
 - Three (3) months after your FYE for Performance Report submission,
 - Six (6) months after your FYE for Financial Audit submission, and
 - Nine (9) months after your FYE for Single Audit submission (if applicable).
- SF-425 reporting tied to federal fiscal year end (more to come in a few slides)

Schedule 2: Generally Applicable Terms & Conditions



- Schedule 2 applies to all Recipients
- Incorporates CMF Interim Rule (12 CFR Part 1807)
- Includes key definitions
- Discusses key standards, including commitment, Project Completion, and others
- Specifies affordability requirements
- Notes environmental review requirements
- Describes other covenants, sanctions, and includes a list of Material Events

Compliance with Schedules 1 & 2



- The CDFI Fund expects Recipients to fulfill all terms and conditions set forth in the Assistance Agreement and meet deadlines therein.
- Throughout the Period of Performance of the Assistance Agreement, Recipients are required to report their use of CMF Award funds. This reporting data will be used to evaluate compliance with the terms and conditions of the Assistance Agreement.
 - Recipients that meet all terms and conditions of the Assistance Agreement will be deemed compliant.
 - Recipients that fail to meet the terms and conditions of the Assistance Agreement will be deemed noncompliant.

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Snapshot of Significant FY 2023 AA Changes	
Prior Agreements	FY 2023 Assistance Agreement
	Consortium Approach
Consortium Approach was not an available option.	Applicants can join with other organizations to apply for a CMF Award using a Consortium Approach.
	Expanded High Opportunity Area Definitions
Standard High Opportunity Area - Shall mean the definition of High Opportunity Area (HOA) found in the Federal Housing Finance Agency’s Duty to Serve Rule (12 CFR §1282.1).	Expanded High Opportunity Area - The CMF Program will accept an expanded definition of the standard High Opportunity Area for areas that do not meet the Federal Housing Finance Agency definition, but instead meet a set of Expanded CMF HOA Criteria demonstrating the designated area(s) provide access to a combination of at least three of the following four criteria: (1) high-quality youth (K-12) education opportunities; (2) employment opportunities; (3) transportation opportunities; and/or (4) financial service opportunities; and cannot be located in a Food Desert.
	Clarification of Eligible Activities
Did not include clarification of the CMF Eligible Activities allowed.	The FY 2023 Agreement clarifies that an Award may be used to create Revolving Loan Funds, a fund for Economic Development Activities, or Loan Loss Reserves/Guarantees for Economic Development Activities. An Affordable Housing Fund may only be used for housing activities.
	Amendment Request to Assistance Agreement
Did not include a deadline to submit an amendment to the Recipient’s Assistance Agreement.	The FY 2023 Agreement sets time limits as to when an amendment to the Agreement that involves Performance Goals may be requested. The CDFI Fund will not process amendment requests more than 18 months in advance and no less than 60 days prior to the Project Completion deadline as set forth in Schedule 1 in the Agreement.

NEW: SF-425 Reporting



- SF-425 Federal Financial Report – used in other federal programs.
- Now required by the CDFI Fund, for CMF and other programs.
- Submit annually during the Investment Period. Report on how much of the CMF Award funds were expended during the federal government's fiscal year, which runs from October 1 through September 30.
- NOT tied to your organization's fiscal year (like other CMF reports).
- See Schedule 1 of the Assistance Agreement:

Federal Financial Report / OMB Standard Form 425			
Federal Fiscal Year Ending On:	Start Date:	End Date:	Due Date:
9/30/2024	10/1/2023	9/30/2024	10/15/2024
9/30/2025	10/1/2024	9/30/2025	10/15/2025
9/30/2026	10/1/2025	9/30/2026	10/15/2026
9/30/2027	10/1/2026	9/30/2027	10/15/2027
9/30/2028	10/1/2027	9/30/2028	10/15/2028
9/30/2029	10/1/2028	9/30/2029	10/15/2029

Sections 3.2(a) and 3.2(b): Eligible Activities and Uses



✓ Review Eligible Activities and Uses

- Not all proposed activities or uses in your Application may have been approved.
- This is one of the few customized goals that the CMF Program will consider changing – based on request and strong justification.

✓ What you Need to Know:

- Only approved activities and uses can be undertaken.
- Recipients are not required to undertake all of the approved activities and uses.
- Up to 5% of the CMF Award may be used for Direct Administrative Expenses. Refer to 2 CFR 200.413 of the Uniform Administrative Requirements for additional information or reach out to CMF staff.

Section 3.2(c) - Production Target



✓ Review Your Production Target

- Indicates the minimum number of Affordable Housing units required to achieve Project Completion by the end of the Investment Period (five (5) years after the CDFI Fund's execution of the Assistance Agreement).
- Reflects a prorated number from what you may have projected in your Application if your Award amount was less than what you requested.

Sections 3.2(d) and 5.2(a) - Portfolio Level Income Targeting



✓ Review Portfolio-level Targeted Incomes

- Performance Goals are based on data presented in the Application.
 - Rental Housing units for Very Low-Income Families: 50% AMI and below (as applicable)
 - Homeownership - % of Affordable Housing units for (A) Families with incomes above 80% and no greater than 120% of AMI located in Areas of Economic Distress (AED); or (B) Low-Income Families (up to 80% of the AMI); or (C) a combination of A and B.
 - **NOTE:** *Greater than 50% of Eligible Project Costs must be attributed to Low-Income Families.*
 - *If a Recipient intended to hit their Homeownership portfolio-level target exclusively with Option A (for example, 100% AMI and in AED), they may fail this requirement.*

✓ What you Need to Know:

- These Performance Goals will be measured based on the number of units financed that achieve Project Completion, as of the end of the Investment Period.

Section 5.2(b): Project-Level Targeted Income



✓ Review Project-Level requirement for rental Projects

- At least 20% of units in each Multi-family rental Project must be leased by Low-Income Families.
- Requires deed restriction, or similar mechanism.
- All other income measures are at the portfolio level.

✓ What you Need to Know:

- Measured annually for each Multi-Family rental Project that achieves Project Completion.
- Based on units occupied by Families at 80% AMI or lower once building achieves Initial Occupancy.
- This requirement applies to each Multi-family rental Project.
- CMF Program AMIS instructions provide guidance for reporting vacant units and units that turnover during a performance year.

Sections 3.2(d) and 3.2(e) - Geographies



✓ Review Performance Goals for Geographies

- **Homeownership** - % of Affordable Housing units for (A) Families with incomes above 80% and no greater than 120% of AMI located in Areas of Economic Distress; or (B) Low-Income Families (up to 80% of the AMI); or (C) a combination of A and B.
- **Rental** - % of Affordable Housing units located in Areas of Economic Distress and/or High Opportunity Areas.
- **Economic Development Activities** (EDA) located in Low-Income Areas (if applicable).
- **Percentage of CMF Award invested in Rural Areas**

✓ What you Need to Know:

- These Performance Goals will be measured based on Projects that achieve Project Completion by the end of the Investment Period.
- Use the CDFI Fund's [CDFI Information Mapping System](#) to check for Areas of Economic Distress, High Opportunity Areas, Low-Income Areas, and Rural Areas. Alternatively, use the *"FY 2023 Capital Magnet Fund Areas of Economic Distress, High Opportunity, Rural, Low-Income Area Data Set"*, available on the [CMF website](#).
- Low-Income Areas requirement applies only to EDA.
- The Recipient must meet or exceed the Rural Areas percentage in the Assistance Agreement. If your Rural Areas percentage is 0%, then there is no minimum percentage required. Recipients are never precluded from making Rural Areas investment.

Section 3.2(f): Service Area Requirements



✓ **Review the Service Area designation and Geographic Areas table**

- Your geographic areas are based on your Application request and statutory goals for geographic diversity.
- One of the few customized goals that the CMF Program will consider changing upon request. A compelling justification must be provided.
- Changes to Service Area will only be considered if states key to the geographic diversity of the funding round are not affected.

✓ **What you Need to Know:**

- Up to 15% of the CMF Award can be invested outside of your approved geographic areas in the Assistance Agreement.
- In addition, Program Income can be invested anywhere in the United States and its territories, not just your Service Area (unless PI is a part of Reinvestment-Level Leverage).
- Recipients serving multiple states may be required to undertake at least one Project in a particular state to ensure CMF's geographical coverage. This requirement will be noted in your Assistance Agreement.

Section 3.2(g): Leveraging Requirements



- ✓ **All Recipients must meet an overall leverage multiplier of at least 10x.**
 - Remember that the CMF Award counts toward overall leverage, but is not a private source.
 - To count towards overall leverage, Projects funded with certain forms of Program Income must be completed within the 5-year Investment Period.

- ✓ **Review your specific Minimum Private Leverage multiplier**
 - Based on information provided in the Application.
 - Private Leverage multiplier will never exceed 10x.

- ✓ **What you Need to Know:**
 - The Private Leverage Cost multiplier goal is measured as of the end of the Investment Period (five (5) years after Agreement execution).
 - Determining whether leverage is public or private is not always obvious (e.g. tax credit investment, pass-through grants).
 - The CMF Program encourages you to ask for technical assistance early in a Project investment decision, as a misunderstanding could impact your investment decisions and compliance.

Eligible Project Costs (EPC) and Leveraged Costs

– Section 3.4



- ✓ Review Section 3.4(e) of the Assistance Agreement for a complete list of Eligible Project Costs (EPC). EPCs include:
 - Development hard costs
 - Refinancing costs
 - Financing costs
 - Acquisition costs
 - Related soft costs
 - Relocation costs
 - Loan Loss Reserves and Loan Guarantees
- ✓ Restrictions on the Use of CMF Award are found in Section 3.5.
- ✓ **Note:** There is a 36-month look-back period for Projects started before the commitment date. Eligible Project Costs may include costs incurred up to 36 months prior to the CMF Award being Committed to the Project. Applies only if the Project achieves Project Completion after the Announcement date.
- ✓ **Note:** For any given Project, EPC will not exceed total development cost. In other words, costs may only be counted once, even if they are financed by different sources at different phases. If you have any questions about calculating EPC for a specific Project, please submit a Service Request in AMIS.

Section 3.2(h): Commitment



✓ Review the following milestone dates

- Lump Sum or Initial Payment Amount: 100% of the amount must be committed within two (2) years of the Effective Date.
- Subsequent Payment (applicable if a two-Payment option is selected): This amount must be fully committed within three (3) years of the Effective Date.

✓ What you Need to Know:

- The Commitment date cannot be extended.
- Dates will not appear in draft or final draft versions of the Assistance Agreement; they will be inserted into the Assistance Agreement when CDFI Fund executes it. Dates are based on the Effective Date of the Assistance Agreement.
- Failure to Commit the Award within two (2) years (or three (3) years, as applicable) after the Effective Date will result in **mandatory recapture** of CMF Award dollars and possible imposition of sanctions.

Sections 3.2 (i)-(j): Disbursement & Project Completion Deadlines



✓ Review the following milestone dates

- Initial Disbursement (three (3) years After Effective Date) – At least \$1
- Project Completion (five (5) Years After Effective Date) – All Projects

✓ What you Need to Know:

- Initial Disbursement Date does not require disbursement of Award funds to every Project. Guidance is available regarding when Loan Guarantees and Loan Loss Reserves are considered disbursed.
- A \$1 disbursement to a single Project satisfies the Initial Disbursement Date deadline requirements.
- The end of the Investment Period is a critical date for determining compliance for many Performance Goals.
- The Project Completion deadline does not change with the use of the two-Payment option.

Section 3.8: Program Income Reinvestment Requirements



✓ Review which Program Income Reinvestment requirements apply to your organization

- Section 3.8(a) – You indicated in Application Q. 14 that you planned to reinvest the CMF Award and count it toward meeting your Performance Goals. Projects must be completed within the 5-year Investment Period to count towards Performance Goals.
- Section 3.8(b) – You indicated in Application Q. 14 that you expected to achieve your Performance Goals with the initial deployment of the CMF Award. You are not required to use Program Income to meet your Performance Goals.

✓ What you Need to Know:

- Program Income requiring reinvestment is principal or equity repayments of the CMF Award.
- Program Income generated from earned interest on the CMF Award must be used solely to further the objectives of the Recipient's mission.
- If Section 3.8(b) applies, there is some additional reinvestment flexibility.
- Program Income rules can be complicated. Additional guidance will be available along with technical assistance, as requested.
- Recipients must track Program Income annually.
- More resources on Program Income available on the [CMF website](#).

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Common Recipient Questions from Past Service Requests



1. Portfolio-Level Targeted Income

- Requirement is a percentage
- Based on total units produced
- Example:
 - AA Production Target: 100 units (all rental)
 - AA Portfolio-Level Targeted Incomes: 50% of all rental units will be set aside for VLI or below
 - At the end of the Investment Period, Recipient reports 110 CMF units completed
 - 50% of those (i.e. 55 units) must be set aside for VLI or below
- Additionally, 20% of each multifamily rental project must be reserved for Low-Income or below (i.e. Low-Income, Very Low-Income, or Extremely Low-Income) Families.

Common Recipient Questions from Past Service Requests (cont.)



2. Rural Areas

- Requirement is a percentage of the CMF Award DOLLARS that must be used in Rural Areas, not a percentage of the number of units.
- Note: Direct Admin. (95%) doesn't count.
- Example:
 - Award amount: \$1,000,000. Minus the 5% for Direct Admin. is \$950,000.
 - AA Rural Areas: 25%
 - $\$950,000 * 25\% = \$237,500$
 - By the end of the Investment Period, Recipient must have spent \$237,500 of its Award on Projects in Rural Areas

Common Recipient Questions from Past Service Requests (cont.)



3. One dataset for the lifetime of the Award

- AMIS contains the FY 2023 data on AEDs, HOAs, Rural Areas, etc.
- When reporting on the FY 2023 Award, Recipient will always reference back to this same dataset.
- Example:
 - 2 years after the Effective Date: commit to a Project in Census Tract 1234. The FY 2023 data states it is in an AED.
 - 5 years from Effective Date: count those completed units as in an AED. (It doesn't matter whether Tract 1234 is still considered in an AED, because it was in FY 2023).
 - 15 years from Effective Date: end of Investment Period – Tract 1234 is still counted as in an AED for purposes of your FY 2023 Award.

Common Recipient Questions from Past Service Requests (cont.)



4. Housing Opportunities Located Outside Your Service Area

- Minimum of 85% of the Award must be spent in the state(s) in your Service Area.
- Up to 15% of the Award may go to other geographic areas outside the Recipient's Service Area.
- Example:
 - \$1M Award to serve DC, Maryland, and Virginia.
 - \$850,000 in those three states; \$50,000 for Direct Admin.
 - Okay to invest \$100,000 in a housing project in Pennsylvania.

Common Recipient Questions from Past Service Requests (cont.)



5. Re-investment of Program Income (PI)

- Uniform Administrative Requirements, 2 C.F.R. § 200.1: Program Income means all gross income earned by the non-federal entity that is directly generated by a supported activity or earned as a result of the federal award during the period of performance.
- CMF Context: Generally, Program Income is the repayment of CMF Award principal and equity, or interest from CMF investments.
- Detailed info in Section 3.8 of the Assistance Agreement.
- Multiple resources on [CMF website, Step 5:](#)
 - CMF Program Income Webinar (video)
 - CMF Program Income Presentation (PowerPoint slides)
 - Program Income Guidance for Awards since 2017 (Word document)

Common Recipient Questions from Past Service Requests (cont.)



6. Combining CMF Awards with Other CDFI Fund Award Funds

- Funds from other CDFI Fund programs (including but not limited to CDFI-FA, RRP, ERP, BEA) can be invested in the same project as CMF Award funds, as long as they are being invested in a different phase of a project.
- Example:
 - Recipient uses CMF funds for pre-development.
 - Recipient uses CDFI-FA funds for a construction loan.
- However, other CDFI Fund award dollars CANNOT count towards CMF leverage requirement.

Common Recipient Questions from Past Service Requests (cont.)



7. Two Payment Dates = Two Commitment Dates

- Payment amounts are tied to either two or three years after the Effective Date. No other dates will change!
- Example:
 - Effective Date – Nov. 15, 2023. Recipient has a \$3M CMF Award, and opts for an Initial Payment of \$2M and a Subsequent Payment of \$1M.
 - Initial Payment of \$2M – must be committed by Nov. 15, 2025 (two years after the Effective Date).
 - Subsequent Payment of \$1M – must be committed by Nov. 15, 2026 (three years after the Effective Date).
 - Project Completion deadline – must be completed by Nov. 15, 2028 (five years after the Effective Date) – all Projects, regardless of whether investment comes from initial or subsequent payment.

Common Recipient Questions from Past Service Requests (cont.)



8. Environmental Reviews – when to send them to the CDFI Fund

- Complete environmental reviews for all projects.
- If no issues, do **NOT** send to CDFI Fund.
- If Categorical Exclusion identified, do **NOT** send to CDFI Fund. However, **DO** retain documentation of the exclusion as part of your project records.
- Example:
 - Recipient invests \$500K in a project with wetlands impacts. Categorical Exclusion applies because investment is \$1M or less. Do not send to CDFI Fund.
 - Retain documentation for your project records.

Common Recipient Questions from Past Service Requests (cont.)



9. No Activity Report

- Common for there to be no activity in the early stages of an Award.
- There's a report for that – the “No Activity Report.”
- Please refer to section 6.4 (page 24) of this CMF Compliance Reporting Guide on how to Complete and submit a No Activity Report in AMIS:

https://www.cdfifund.gov/sites/cdfi/files/2022-08/AMIS-CMF-Reporting-Manual_2022.pdf

Common Recipient Questions from Past Service Requests (cont.)



10. Period of Performance begins on the Announcement Date (not the Effective Date)

- All FY 2023 Awards: Announcement Date of October 4, 2023.
- Example:
 - If your FYE is 12/31, your first Period of Performance will be 10/04/2023 – 12/31/2023.
 - Year 1 Annual Performance Report due date will be 03/31/2024.
 - See previous slide on “No Activity Report.”
 - Look-back period: Provisions also apply that EPCs may include costs incurred up to 36 months prior to the CMF Award being Committed to the Project. (Only applies if the Project achieves Project Completion after the Announcement Date.)

Common Recipient Questions from Past Service Requests (cont.)



And remember...

ALL Communication about Assistance Agreements:

- Service Request = Yes!
- Private email to CDFI Fund staff person = No

Use the following link for instructions on creating and submitting a Service Request: [Service Request Quick Reference Guide](#).

Agenda



1. The “How-to” of Closing and Payment
2. Overview of the Assistance Agreement
3. Understanding Customized Performance Goals
4. Common Recipient Questions from Past Service Requests
5. **Contact Info & Resources**
 - Q & A Opportunity

CMF Compliance Resources



- Compliance Resources and Reporting documents for the Capital Magnet Fund are available on our [website](#).
- Resources include:
 - *FY 2023 CMF Geographic Data Set*
 - *CMF Compliance Frequently Asked Questions*
 - *CMF Program Income Recorded Webinar & Slides*
 - *AMIS CMF Compliance Guide*
 - *Material Events Form*
 - *Amendment Guidance & Process*

Contact Info & Support + Questions?



AMIS or Technical Questions

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

AMIS Help Desk Contact Information		
Type of Question	Telephone	Email
AMIS Support	202-653-0422	AMIS@cdfi.treas.gov

CMF Program Questions

For Program Support, the CDFI Fund recommends submitting a Service Request in AMIS. Select “Capital Magnet Fund” for Program and clearly indicate the issue in the subject line.

Q&A Session - Ground Rules



- The Q&A session will be conducted verbally utilizing the hand raise feature in Zoom:
 - To ask a question, raise your hand via the reactions buttons in Zoom.
 - Wait until you are called on by the host to ask your question. When it is your turn, the host will invite you to unmute and ask your question.
 - You are welcome to turn your camera on when you are asking your question but it is not required.
 - Do NOT put questions in the chat unless you are having audio issues when it is your turn to speak. If you are not able to verbally ask your question, you will be asked to type your question into the chat and the host will ask it on your behalf.
- If the Q&A session ends before your question is answered, please submit your question(s) to the CMF team via an AMIS Service Request.