



FY 2024 TECHNICAL ASSISTANCE APPLICATION EVALUATION PROCESS

FY 2024 CDFI Program and NACA Program Technical Assistance
Application

THE CDFI FUND
U.S. Department of the Treasury

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Introduction

This document details the evaluation process for Technical Assistance (TA) Applications received under the fiscal year (FY) 2024 Community Development Financial Institutions Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program) funding rounds. Capitalized terms not defined herein shall have the meaning specified in the applicable FY 2024 Notice of Funds Availability (NOFA), CDFI Program or NACA Program FY 2024 Notice of Funds Availability (together, NOFAs), the Authorizing Statute, the Regulations, this TA Evaluation Process document, the Application materials, or the Uniform Administrative Requirements.

The evaluation process described in this document is outlined in the FY 2024 NOFAs and is governed by the CDFI Program regulations (12 CFR 1805 and 1815). Details regarding the TA Application content and requirements can be found in the NOFAs and related guidance materials, and those resources should be used in conjunction with this document.

The CDFI Fund reserves the right to modify these procedures in future funding rounds, consistent with requirements specified in the applicable NOFAs and related TA Application materials.

Reviewers

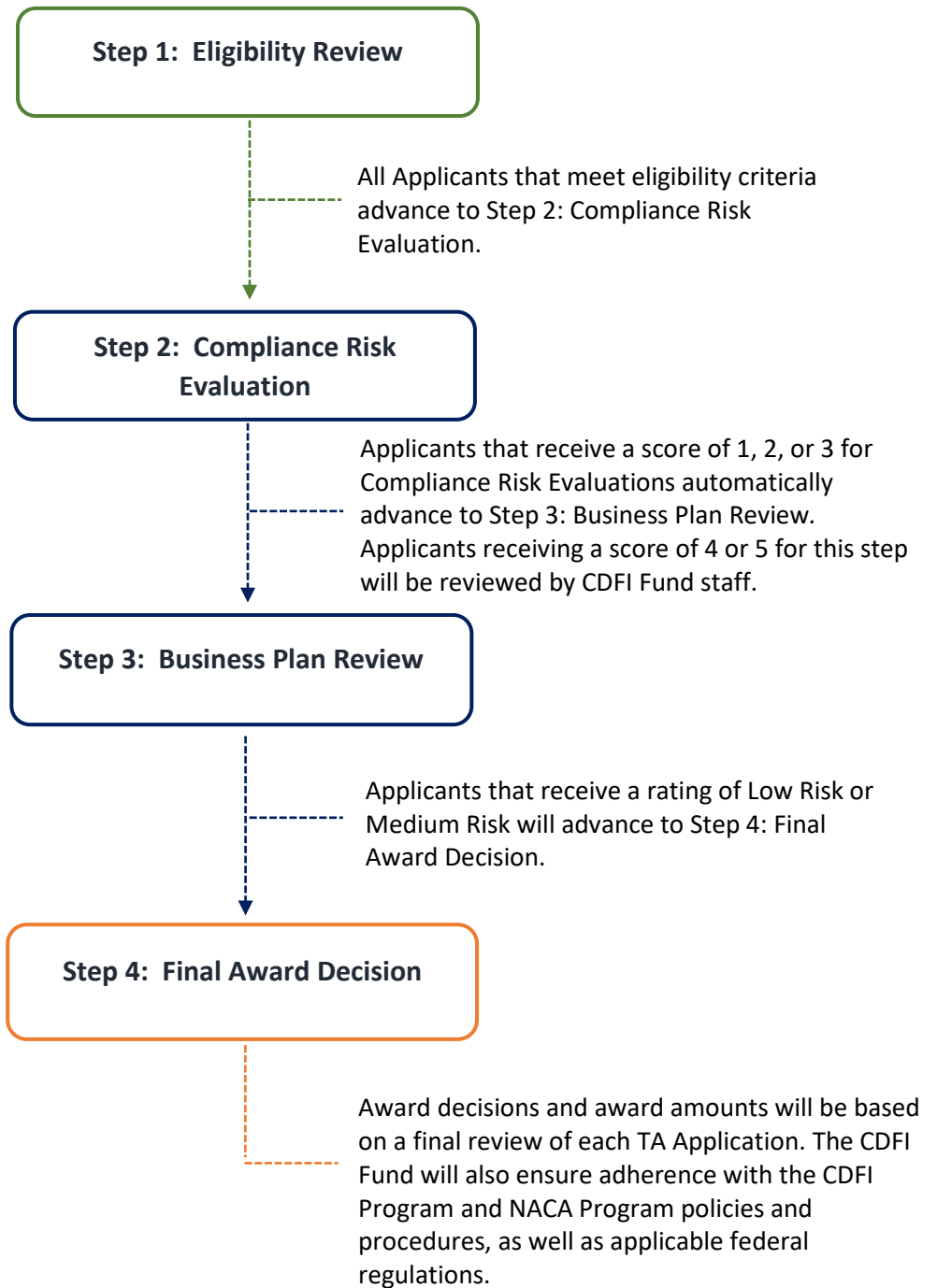
TA Applications will be evaluated by CDFI Fund staff, who must complete the CDFI Fund's conflict of interest screening and evaluate all TA Applications in accordance with the CDFI Program and NACA Program's policies and procedures.

Overview of the Evaluation Process

The evaluation process includes four steps (outlined in Figure 1) and discussed in detail in subsequent sections of this document):

- **Step 1: Eligibility Review**, conducted by CDFI Fund staff.
- **Step 2: Compliance Risk Evaluation**, conducted by CDFI Fund staff and using the Application Assessment Tool (AAT).
- **Step 3: Business Plan Review**, conducted by CDFI Fund staff.
- **Step 4: Final Award Decision**, conducted by CDFI Fund staff.

Figure 1. How Applicants Move through the Review Steps



Step 1: Eligibility Review

The CDFI Fund evaluates each Application to determine if it meets the eligibility requirements listed in the applicable NOFA. Certain eligibility requirements are assessed automatically through the CDFI Fund's Awards Management Information System (AMIS), while others require CDFI Fund staff review. Applicants that do not meet all eligibility requirements are deemed ineligible and therefore are unable to proceed to Step 2: Compliance Risk Evaluation. All Applicants that meet eligibility requirements advance to Step 2.

All Applicants should pay particular attention to NOFA requirements regarding the use of their correct Unique Entity Identifier (UEI) and Employee Identification Number (EIN) in Grants.gov, their SF-424 Mandatory Form, and their AMIS Organization Profile, as errors here can result in an Applicant being deemed ineligible. Please see the applicable NOFA regarding the required submission of Title VI Compliance Worksheets, which is a new requirement for all Applicants.

Additionally, Regulated TA Applicants must have a CAMELS/CAMEL rating (the safety and soundness ratings issued by regulators for banks and credit unions, respectively) of at least "4", or equivalent feedback from its regulator, and a Community Reinvestment Act (CRA) rating of at least "Satisfactory." TA Applicants with CAMELS/CAMEL ratings of "5" or a CRA rating of less than "Satisfactory" will not be eligible for TA awards. The CDFI Fund will also evaluate material concerns identified by the regulators. For Depository Institution Holding Company Applicants that intend to implement the award through a Subsidiary Depository Institution, the CDFI Fund will consider CAMELS/CAMEL and CRA ratings for both the Depository Institution Holding Company Applicant and the Subsidiary Depository Institution that will implement the award.

Step 2: Compliance Risk Evaluation

The purpose of the Compliance Risk Evaluation is to ensure that the Applicant does not have major internal management or compliance issues. The Compliance Risk Evaluation uses an automated tool developed by the CDFI Fund, the Application Assessment Tool (AAT). In cases where Applicants receive a score of 4 or 5 through the AAT, CDFI Fund staff conduct an additional review to ensure accuracy.

The AAT produces a Total Compliance Composite Score using responses provided by each Applicant to the Compliance Evaluation Questions in the TA Application, as well as an Applicant's reporting history and reporting capacity with respect to meeting the Performance Goals and Measures (PG&Ms) in its Assistance Agreements for Applicants with existing or prior awards from the CDFI Fund.

The AAT produces a Total Compliance Composite Score on a scale of one (1) to five (5) for each Applicant, with one (1) being the highest rating. Applicants must receive a Total Compliance Composite Score of one (1), two (2), or three (3) to advance to Step 3: Business Plan Review. Applicants that receive an initial Total Compliance Composite Score of four (4) or five (5) will be reviewed by CDFI Fund staff based upon standard evaluation guidance to ensure accuracy. If the Applicant is deemed a high compliance risk after the CDFI Fund staff review, the Applicant will not advance to Step 3.

Step 3: Business Plan Review

The Business Plan Review consists of two components:

- Part I: Demonstration of Certification Qualifications (required only for Uncertified CDFI TA Applicants, including Sponsoring Entities¹)
- Part II: Business Strategy (required for all TA Applicants)

For each applicable component of the Step 3: Business Plan Review, TA Applications will receive an overall rating of Low Risk, Medium Risk, or High Risk.

Uncertified Applicants must receive a rating of Low Risk or Medium Risk in the Part I review in order to advance to Part II. Uncertified Applicants that receive a rating of High Risk in the Part I review will not advance to Part II and will not receive further consideration for an award.

All Applicants must receive a rating of Low Risk or Medium Risk in the Part II review in order to advance to Step 4: Final Award Decision. Applicants that receive a rating of High Risk in the Part II review will not advance to Step 4 and will not receive further consideration for an award.

The CDFI Fund will rate each part of the Business Plan Review as shown in Table 1.

Table 1: Technical Assistance Business Plan Review

Technical Assistance Business Plan Review		
Business Plan Review Component	Applicant Type	Ratings
Part I: Demonstration of Certification Qualifications		
Primary Mission	Uncertified Applicants (including Sponsoring Entities)	Low Risk, Medium Risk, or High Risk
Financing Entity		
Target Market		
Accountability		
Development Services		
Part II: Business Strategy		
Target Market Needs & Strategy	Uncertified Applicants (including Sponsoring Entities) and Certified Applicants	Low Risk, Medium Risk, or High Risk
Organizational Capacity		
Management Capacity		

¹ Sponsoring Entities (under the NACA Program only) are considered Uncertified for the purpose of the TA Application and are evaluated on, both Part I and Part II of the Business plan Review.

1) Evaluating Part I: Demonstration of Certification Qualifications (Required only for Uncertified CDFI Applicants, including Sponsoring Entities)

During the Part I review, CDFI Fund staff will evaluate each Uncertified CDFI Applicant’s plan to achieve CDFI Certification within three years (four years for NACA Program Sponsoring Entities). If an Applicant is a prior TA Recipient, CDFI Fund staff will evaluate its plan to achieve Certification by the date set forth in the Assistance Agreement for the prior TA award.

It is an Uncertified Applicant’s responsibility to review the CDFI Certification Application and related guidance materials carefully to ensure they understand the process and requirements for obtaining and maintaining the CDFI Certification prior to applying for an award. For details about the CDFI Certification process, the CDFI Certification Application, and related guidance materials, please visit the [CDFI Certification page](#) on the CDFI Fund website.

Applicants will be evaluated on their plan to meet the following five of the seven required Certification criteria:

- Has a primary mission of promoting community development;
- Is a financing entity;
- Primarily serves one or more Target Markets;
- Maintains accountability to its defined Target Market; and
- Provides Development Services in conjunction with its financing activities.

CDFI Fund staff reviewers will use the evaluation criteria included in Table 2 to complete the Part I review. Uncertified CDFI Applicants must receive a rating of Low Risk or Medium Risk in the Part I review in order to advance to the Part II review.

Table 2. Part I Evaluation Criteria

Part I Evaluation Criteria	
Evaluation Areas	General Reviewer Guidance
Primary Mission	<ul style="list-style-type: none"> • Does the Applicant's current or proposed Financial Products and/or Financial Services support the Applicant’s primary mission of community development? • Does the Applicant provide evidence that it primarily serves or will serve Low-Income, distressed, and/or underserved people or communities?
Financing Entity	<ul style="list-style-type: none"> • Based on the information provided, is the Applicant’s predominant business activity the provision of arm’s-length, on-balance sheet Financial Products and/or Financial Services and has done so for at least one full fiscal year?
Target Market	<ul style="list-style-type: none"> • Does the Applicant primarily serve one or more Target Markets with its arm’s-length, on-balance sheet Financial Products and/or Financial Services?

Accountability	<ul style="list-style-type: none"> Does the Applicant maintain accountability to each component of its CDFI Certification Target Market(s) through representation on its governing board and/or formal advisory board?
Development Services	<ul style="list-style-type: none"> Does the Applicant directly, through an Affiliate, or through a contract with another provider, provide Development Services in conjunction with its arm’s-length, on-balance sheet Financial Products and/or Financial Services.

Note: Although the CDFI Fund will evaluate the Applicant’s plan for CDFI Certification as part of the overall TA Application review, the Applicant’s “Demonstration of Certification Qualifications” in the TA Application **does not replace** the requirement to complete and submit the CDFI Certification Application.

2) Evaluating Part II: Business Strategy (All Applicants)

During the Part II review, CDFI Fund staff will evaluate each Applicant’s:

- Strategic goals,
- Qualifications and capabilities of management and key staff,
- Partnerships.
- Financial performance, and
- Organizational impact.

CDFI Fund staff will consider each Applicant’s Part II narrative responses, as well as other data provided in the Application.

CDFI Fund staff reviewers will use the evaluation criteria included in Table 3 to complete the Part II review. Applicants must receive a rating of Low Risk or Medium Risk in the Part II review to advance to Step 4: Final Award Decision.

Table 3. Part II Evaluation Criteria

Part II Evaluation Criteria	
Evaluation Areas	General Reviewer Guidance
Target Market Needs and Strategy	<ul style="list-style-type: none"> • Do the Applicant’s strategic goals effectively address organizational sustainability as well as Target Market needs and challenges? • Evaluate the Applicant’s progress toward achieving its strategic goals. • If the Applicant is a prior TA recipient, evaluate how it used its TA award(s) to achieve its strategic goals. • Evaluate the Applicant’s impacts in its Target Market. • Evaluate the Applicant’s current and/or proposed work with other organizations to increase resources for its Target Market.
Organizational Capacity	<ul style="list-style-type: none"> • Does the Applicant demonstrate that the requested TA award will build its capacity to serve its Target Market and achieve CDFI Certification, if applicable? • For NACA Program Sponsoring Entity Applicants, evaluate the Sponsoring Entity’s plan to create a separate legal entity and to support an emerging CDFI in achieving CDFI Certification within the required timeframe. • Evaluate the Applicant’s financial health and portfolio quality to ensure minimal financial safety and soundness. • Does the Applicant demonstrate that it has a plan for obtaining the necessary financial support to achieve its strategic goals? • Does the Applicant identify risks and corresponding mitigation strategies related to its ability to expend the requested TA award and achieve its strategic goals?
Management Capacity	<ul style="list-style-type: none"> • Does the Applicant demonstrate that its management and key staff have the necessary experience and expertise to carry out its strategic goals and effectively use the requested TA award?

Step 4: Final Award Decision

During Step 4: Final Award Decision, the CDFI Fund will review all TA Applications in the Step 4 pool to ensure adherence with the CDFI Program’s policies and procedures, as well as applicable federal regulations. The CDFI Fund will also review compliance, eligibility, due diligence, and regulatory matters. This due diligence includes an analysis of programmatic and financial risk factors including, but not limited to, financial stability, history of performance in managing federal awards (including timeliness of reporting and compliance), audit or regulator findings, and the Applicant’s ability to effectively implement federal requirements. For Uncertified TA Applicants, the CDFI Fund will also consider the Applicant’s ability to meet Certification criteria of being a legal entity and a non-government entity and to achieve Certification by the deadline.

The CDFI Fund will approve award determinations based upon the Step 4 review performed and funding availability. All TA Applications that are approved in Step 4 will be funded. Upon approval, CDFI Program and NACA Program TA awards are deemed final. Actual award amounts may vary based on Applicant ratings in Part II. Awards may be less than the amount requested, but will be no more than the amount requested.