



FY 2024 Capital Magnet Fund Outreach Presentation

Module 2: Capital Magnet Fund Eligibility & Program Requirements

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov

Applicant Eligibility Factors



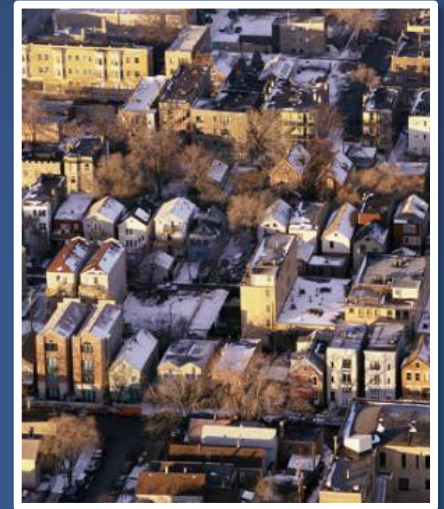
- To be eligible to apply for a CMF Award, an Applicant must:
 - Be certified as a CDFI by the CDFI Fund; **OR**
 - Be a Nonprofit Organization having as one of its principal purposes the development or management of affordable housing.
- All Applicants must have been in existence as a legally formed entity for **at least three years** prior to the Application deadline.
- All Applicants must **submit audited financial statements** for the most recently completed 2 fiscal years as of the date of the NOFA.
- The Applicant must meet all eligibility requirements on **its own behalf** and may not rely on any Affiliates or Subsidiaries to meet this requirement.

CMF Eligibility for CDFIs



An eligible CDFI must meet the following requirements:

- Has been determined by the CDFI Fund to meet the CDFI certification requirements by the date of the NOFA.
- Has NOT been notified by the CDFI Fund that its certification is in default or has been terminated.



CMF Eligibility for Nonprofit Organizations



An eligible Nonprofit Organization (that is not a CDFI) must:

- Demonstrate through articles of incorporation, by-laws, or other board-approved documents, that the development or management of affordable housing are among its principal purposes.
- Demonstrate that at least thirty-three and one-third percent of its total assets are dedicated to the development or management of affordable housing.

Note: Certified CDFIs that are also nonprofits do NOT need to meet these additional eligibility qualifications.

Additional Eligibility Requirements



Certified CDFIs and qualified Nonprofit Organizations that are NOT Eligible for a CMF Award:

- Any 501(c)(4) organization that engages in lobbying activities is not eligible to receive a CMF Award.
- Any Applicant that has defaulted on a CDFI Program loan within five years of the Application deadline.
- Non-compliant Recipients of prior CDFI Fund program awards, if, as of the date, of the Application:
 - The CDFI Fund has made a determination that such entity (or Affiliate of such entity) is noncompliant with a previously executed agreement; OR
 - The CDFI Fund has provided written notification that such entity (or Affiliate of such entity) is ineligible to apply for or receive any CDFI Fund awards during the current funding round.

Applicant Eligibility - Title VI of the Civil Rights Act



- All CMF Program Applicants* will be required to submit the Title VI Compliance Worksheet to assist the CDFI Fund in determining whether Applicants are compliant with the Treasury regulations implementing Title VI of the Civil Rights Act (Title VI), set forth in 31 CFR Part 22.

*For Depository Institution Holding Company Applicants, the Title VI Compliance Worksheet requirement also applies to the Applicant's Subsidiary Depository Institution.

- Title VI of the Civil Rights Act prohibits discrimination based on race, color, or national origin in programs or activities receiving federal financial assistance from the Department of the Treasury.
- The Title VI Compliance Worksheet is submitted via AMIS on an annual basis. For reference, the questions can be found [here](#).
- The AMIS User Guide for the Title VI Compliance Worksheet can be found [here](#).

Eligible Activities Supported by CMF



CMF Awards are used to finance and support Affordable Housing Activities and/or Economic Development Activities through the following eligible activities:

- To capitalize Loan Loss Reserves;
- To capitalize a Revolving Loan Fund;
- To capitalize an Affordable Housing Fund;
- To capitalize a fund to support Economic Development Activities;
- For make Risk-Sharing Loans;
- To provide Loan Guarantees; and
- For Direct Administrative Expenses (no more than 5%).

Source: CMF Interim Rule (as amended February 8, 2016; 12 CFR Part 1807).

CMF Requirements



- Recipients may use no more than 30% of their Award to finance Economic Development Activities (if requested in their Application).
- Each CMF Award must result in Eligible Project Costs (CMF Award dollars plus Leveraged Costs) in an amount that equals at least 10 times the amount of the CMF Award.
- For example, if the Applicant is requesting a \$1 million Award, it would need to leverage another \$9 million, resulting in \$10 million of Eligible Project Costs.

Additional CMF Requirements



- **100% of Eligible Project Costs must be** attributable to Affordable Housing Activities to support housing that is occupied by Families at or below 120% Area Median Income (AMI).
- **Greater than 50% of Eligible Project Costs must be** attributable to Affordable Housing Activities to support housing that is occupied by Families at or below 80% of AMI.
- **No more than 5% of CMF Award dollars can be used for** Direct Administrative Expenses.
 - **Any portion** of the amount available for Direct Administrative Expenses may be used for **direct costs** related to the effective tracking and evaluation of program or evidence-based outcomes for CMF-financed Projects.

CMF Award Restrictions



- No single Applicant may apply for or receive more than 15% of the total award amount available under the current funding round.



Questions?



- Submit a Service Request in the CDFI Fund's Awards Management Information System (AMIS) - *This method is strongly preferred and ensures the fastest routing.*
- E-mail cmf@cdfi.treas.gov
- Contact the CDFI Fund Help Desk at: (202) 653-0421; Option 6
- Current data sets may be found at: <https://www.cdfifund.gov/programs-training/programs/cmf/apply-step>