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# FREQUENTLY ASKED QUESTIONS (FAQ)

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FY 2020 CDFI Program & NACA Program Application

V.3 – APRIL 8, 2020  
CDFI FUND  
U.S. DEPARTMENT OF THE TREASURY

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## Applicable Updates

### April 8, 2020

- This document was updated on April 8, 2020 to reflect the new Application related deadlines in “Table 1. FY 2020 CDFI Program Funding Round – Critical Deadlines for Applicants”.

### March 20, 2020

- This document was updated on March 20, 2020 with the following new section: Questions about Coronavirus Implications.

## Introduction

This Frequently Asked Questions (FAQ) document is intended to answer commonly asked questions about the Community Development Financial Institutions Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program) Fiscal Year (FY) 2020 Financial Assistance (FA) and Technical Assistance (TA) Applications received through (i) the CDFI Program and NACA Program Help Desk, (ii) Service Requests via the CDFI Fund’s Awards Management Information System (AMIS), and (iii) other general inquiries from Applicants.

FA awards include the Base Financial Assistance (Base-FA) award and the following awards that are provided as a supplement to the Base-FA award: Persistent Poverty Counties-Financial Assistance (PPC-FA), Disability Funds-Financial Assistance (DF-FA), and Healthy Food Financing Initiative-Financial Assistance (HFFI-FA). Applications for PPC-FA, DF-FA, and HFFI-FA (collectively, Supplemental FA) awards will be evaluated independently from the Base-FA Application, and will not affect the Base-FA Application evaluation or Base-FA award amount.

Applicants are **strongly** encouraged to review all of the Application Materials on the CDFI Fund’s website. Applicants should read the CDFI Program or NACA Program FY 2020 Notice of Funds Availability (together, NOFAs) for eligibility and other requirements and key deadlines.

Capitalized terms not defined herein shall have the meaning specified in the NOFAs.

## Questions about Coronavirus Implications

- 1. Will there be any changes to how the FY 2020 FA and TA Applications are evaluated, as a result of COVID-19?**

*Answer:* The CDFI Fund will use the evaluation processes outlined in the FY 2020 CDFI & NACA Program Base-FA Evaluation Process and FY 2020 CDFI & NACA Program TA Evaluation Process documents. If necessary, external reviewers and CDFI Fund staff will receive specific guidance on how to evaluate FY 2020 Applications given the current economic environment.

- 2. What if my organization receives a Financial Assistance Award for FY 2020, and our financial projections are off, due to unforeseeable impacts related to COVID-19 recovery? If my organization receives an Award, are we locked into Performance Goals and Measures (PG&Ms) based on the projections in our Application, or is there an opportunity to request changes to our PG&Ms later?**

*Answer:* The CDFI Fund recognizes the high degree of uncertainty around the economic effects of COVID-19. All Recipients that receive an FY 2020 CDFI Program or NACA Program Financial Assistance Award will have an opportunity to request a modification to their PG&Ms. When evaluating modification requests, the CDFI Fund will take into account the issues a CDFI is facing, as well as larger circumstances, such as the economic effects of COVID-19, that are outside of the CDFI's control.

- 3. My organization has been working on our Financial Assistance Application and selected FA Objective (FAO) 1-1, "Increase Volume of Financial Products". I know that to be considered an increase in volume, our "Total Financial Products Closed in Eligible/Target Markets" projected for the next three years must be greater than the "floor" (my past three historic years plus my FA Award request). What should I do if COVID-19 impacts my projections so that they're below my "floor"?**

*Answer:* Please see *Table 18: FA Objective 1-1: Increase Volume of Financial Products* in the FY 2020 CDFI Program and NACA Program Financial Assistance Application Guidance. If the calculated "Increase in Volume" is a negative number, you may still proceed with FAO 1-1. AMIS will trigger the "No Net Increase in Volume of Financial Products Justification" subsection, where you must provide a detailed written narrative. Additional notes and instructions are in the Application Guidance if AMIS indicates that you do not meet this "Floor 1".

However, if your organization received an FA award in either or both of the last two years which includes FAO 1-1, your proposed financial activity must exceed the amount you are already held to. AMIS will automatically calculate this for you as "Floor 2," if applicable. You must meet "Floor 2" in AMIS, there is no justification section.

## Key Issues for Getting Started

1. **Which “as of date” date should my organization use to update the “Total Assets” field on our Organization Profile before creating an Application?**

*Answer:* Applicants may use either:

- Total Assets as of the end of the Applicant’s most recent fiscal year end date (as stated in the NOFA); OR
- Total Assets as of the date of the Applicant’s most recent historic fiscal year end (as defined in the [FA Application Guidance](#), Table 13).

2. **My organization is applying for FA. Which “as of date” should we use to complete the “Eligible Portfolio Outstanding Amount” question at the start of the FA Application launch?**

*Answer:* Before launching an application in AMIS, CDFI-FA and NACA-FA applicants are required to enter their Organization’s Total Portfolio Outstanding as of the date of your most recent historic fiscal year end (as defined in the [FA Application Guidance](#), Table 13).

To be eligible to apply for Financial Assistance, applicants must meet the minimum portfolio outstanding criteria as follows:

- FA Category I (SECA): Applicant must have a total portfolio outstanding of at least \$466,700 as of the most recent historic fiscal year end (as defined in the [FA Application Guidance](#), Table 13).
- FA Category II (Core): Applicant must have a total portfolio outstanding of at least \$1,666,700 as of the most recent historic fiscal year end (as defined in the [FA Application Guidance](#), Table 13).

3. **My CDFI is unable to launch an FA Application in AMIS; my only option is to launch a TA Application. Why is this?**

*Answer:* Please refer to the NOFA eligibility requirements provided in Table 5, 6, 7 and 8, your "Total Asset Size", as well as the “as of date” for your most recent historic fiscal year end as defined in Table 13 of the FY 2020 FA Application Guidance. Your organization likely does not meet the "Total Portfolio Outstanding" requirements needed to meet the minimum FA Award size.

4. **My CDFI is unable to launch any type of Application in AMIS. AMIS indicates that based on my organization’s “Total Asset Size” and “Total Portfolio Outstanding” we cannot apply for FA or TA. What should I do now?**

*Answer:* Submit an AMIS Service Request to the CDFI Fund entitled “FY 2020 Eligibility – Unable to Launch Any Type of Application in AMIS”. As part of your service request,

please refer to the NOFA eligibility requirements provided in Table 5, 6, 7 and 8, as well as the “as of date” for your most recent historic fiscal year end as defined in Table 13 of the FY 2020 FA Application Guidance. Note, the CDFI Fund will not consider requests for exceptions to allow organizations to apply for FA, if they are only eligible to apply for TA.

**5. I filed my SF-424 and received confirmation that it was validated, but it’s not showing up in AMIS. Am I doing something wrong?**

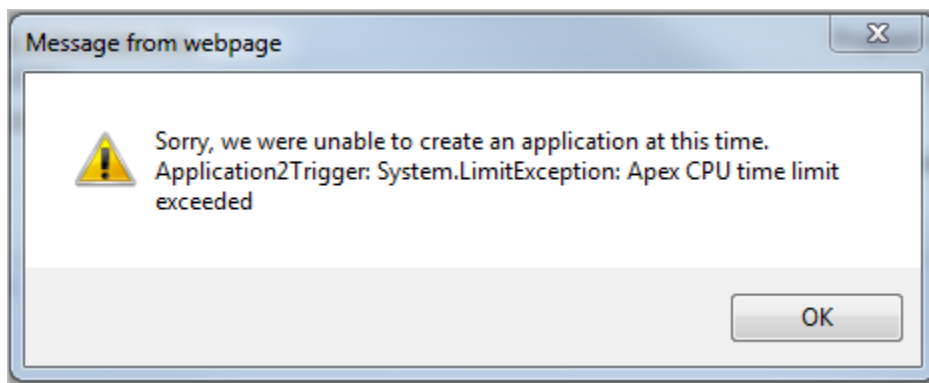
*Answer:* All validated SF-424s should appear in your AMIS Organization Profile approximately one (1) business day after being validated by grants.gov. There was a change in the Grants.gov system that initially affected AMIS’s ability to collect the SF-424s, however, this issue was resolved on March 6, 2020.

**6. My organization was not Certified as a CDFI by February 20, 2020. Can my organization still apply for an FA award?**

*Answer:* No. All FA Applicants must have been Certified by February 20, 2020 to apply for an FA award. FA Applicants must also maintain their Certification status to be eligible to receive an FA award.

You do not have to be a Certified CDFI to apply for a CDFI Program or NACA Program Technical Assistance award. Review the NOFAs and the FY 2020 Technical Assistance Application Guidance on the CDFI Fund’s website to learn more.

**7. We are unable to launch our FY 2020 FA Application, despite following the guidance provided in the [FY 2020 CDFI & NACA Program FA AMIS Application Training Manual](#) (beginning on p. 7). Instead of launching an application, when we click the “New Funding Application” button at the bottom of our Program Profile page, we receive the following type of error message indicating that a time limit has been exceeded. *(Note this error varies by browser type – the error shown below is the error encountered in Internet Explorer.)***



*Answer:* Applicants should submit a Service Request for assistance to create the FY 2020 FA Application. **Prior to submitting the Service Request**, you should confirm you have updated your Eligibility Category, Total Asset Size, NACA Eligibility if applying for NACA, and Audit or Final Call Reports date on the Program Profile, as needed.

To help expedite your Service Request, under the Program field, please select “Technical Issues”. For the Subject title please enter: “FY 2020 FA Application Time-Out at Launch Error”. In the Description field, please include the Application Type that is not working (i.e. CDFI-FA or NACA-FA) and confirm that you have updated your program and organizational profile following the Pre-Application Guide and the AMIS Training Manual. Please also attach a screenshot showing the timeout error generated when you try to launch your Application.

Your Service Request will be assigned to the AMIS IT Help Desk which will launch the desired application on your behalf. Once complete, the AMIS Help Desk will respond via the Service Request public comments section to confirm that the Application has been successfully launched.

- 8. When I attempt to create an Application in AMIS, I receive an error message that reads “Application Alert: Please complete the Total Assets field on your Organization Profile before creating an Application; Please add the Financial Activities Start Date on your Organization Profile” How can I fix this error?**

*Answer:* Applicants should enter and save the “Total Asset Size” financial input on their Organizational Profile. Then, Applicants should open the CDFI-NACA Program Profile, click the “edit” button, and click the “save” button in the CDFI-NACA Program Profile. After updating the CDFI-NACA Program Profile, Applicants should be able to create a new funding Application by clicking the “New Funding Application” button on the CDFI-NACA Program Profile page.

## All Applicants

1. **What if my organization is unable to successfully submit and/or validate the Office of Management and Budget (OMB) Standard Form-424 Mandatory Form (SF-424) in Grants.gov by the March 23, 2020 deadline? Can my organization submit an Application in AMIS?**

*Answer:* No. Applicants that do not successfully submit and validate the SF-424 by the deadline established in the NOFAs are not eligible to submit an Application in AMIS.

2. **What if my organization is unable to complete the SAM.gov and/or Grants.gov registration processes in time to meet the March 23, 2020 deadline for submitting the SF-424? Will the CDFI Fund extend the deadline for submitting the SF-424?**

*Answer:* No. The CDFI Fund will not extend the SF-424 deadline. Per the NOFAs, the CDFI Fund will only accept an Application after the deadline if the SF-424 submission delay was a direct result of a Federal government administrative or technological error.

3. **What if my organization's DUNS number and EIN number are not in AMIS by March 23, 2020? Will the CDFI Fund extend the deadline?**

*Answer:* No. If an organization does not have its DUNS number and EIN number entered into its Organizational Profile by the March 23, 2020, 11:59 p.m. ET deadline, the Applicant will not be able to launch a new FY 2020 CDFI or NACA Program Application. Furthermore, if the Applicant has launched an Application before the March 23, 2020, 11:59 p.m. ET deadline and does not have its DUNS or EIN number entered into AMIS by the deadline, the Application will be locked and the Applicant will be unable to submit the Application. It is important that the Applicant ensure its Organizations DUNS and EIN information is correct in AMIS.

4. **Can my organization start the Application in AMIS prior to submitting the SF-424 in Grants.gov?**

*Answer:* Yes, Applicants can start their Applications in AMIS prior to submitting their SF-424s in Grants.gov. However, Applicants cannot submit their Applications in AMIS prior to submitting and validating their SF-424s in Grants.gov by the March 23, 2020 deadline.



**5. How will I know that my SF-424 was successfully submitted to and validated by Grants.gov?**

*Answer:* Grants.gov will send two emails after submission of the SF-424. Immediately after submitting your SF-424 in Grants.gov, you will receive the first email that indicates that your submission has been entered into the Grants.gov system. This email will also contain a tracking number for tracking your submission. Applicants should not reply to the e-mail notification from Grants.gov in order to confirm the status of their SF-424 submission. Instead, Applicants are strongly encouraged to actively monitor the status of their SF-424 by using the Grants.gov "Track My Application" feature or by contacting the helpdesk at Grants.gov directly.

You will receive a second email from Grants.gov indicating if your SF-424 was successfully validated or rejected with errors.

If your SF-424 is rejected with errors, fix all identified errors and re-submit the corrected SF-424. You should repeat the process until your SF-424 is successfully validated by Grants.gov, by the March 23, 2020 deadline. Your SF-424 is not considered to be officially accepted by the CDFI Fund until you receive the email from Grants.gov that confirms that the SF-424 was successfully validated.

**6. Am I required to complete and submit the Applicant Financial Data Input Excel Workbook as an attachment to my Application in AMIS?**

*Answer:* No, the Application Financial Data Input Excel Workbook is for reference only, and is provided as a tool for Applicants to organize their financial data inputs. **Applicants must enter all required financial data directly into the Application in AMIS.** If an Applicant attaches an Application Financial Data Input Excel Workbook to its FA or TA Application in AMIS, it will not be reviewed by the CDFI Fund.

## 7. What are the key dates I should keep in mind during the Application process?

Answer: Please refer to this chart from the **CDFI Amended NOFA** and **NACA Amended NOFA**:

Table 1. FY 2020 CDFI Program Funding Round Critical Deadlines for Applicants			
Description	Deadline	Time (Eastern Time- ET)	Submission Method
Last day to create an Awards Management Information Systems (AMIS) Account (all Applicants)	March 23, 2020	11:59 p.m. ET	AMIS
Last day to enter EIN and DUNS numbers in AMIS (all Applicants)	March 23, 2020	11:59 p.m. ET	AMIS
Last day to submit SF-424 (Application for Federal Assistance)	March 23, 2020	11:59 p.m. ET	Electronically via Grants.gov
Last day to contact CDFI/NACA Program staff	April 28, 2020	5:00 p.m. ET	Service Request via AMIS Or CDFI Fund Helpdesk: 202-653-0421
Last day to contact AMIS-IT Help Desk (regarding AMIS technical problems only)	April 28, 2020	5:00 p.m. ET	Service Request via AMIS Or 202-653-0422 Or <a href="mailto:AMIS@cdfi.treas.gov">AMIS@cdfi.treas.gov</a>
Last day to submit CDFI/NACA Program Application for Financial Assistance (FA) <u>or</u> Technical Assistance (TA)	April 30, 2020	11:59 p.m. ET	AMIS

**8. My organization does not have Audited Financial Statements. Can we provide internally prepared financial statements instead?**

*Answer:* Applicants that are loan funds, venture capital funds, or other non-Regulated institutions may submit Unaudited Financial Statements for the three most recent historic fiscal years only if Audited Financial Statements are unavailable. Applicants that are regulated financial institutions do not need to submit Audited Financial Statements. However, Regulated Institutions that are using retained earnings as matching funds must submit call reports.

**9. Which financial information should my organization report as historic fiscal years, current fiscal year, and projected fiscal years?**

*Answer:* Please refer to the chart below, taken from the [FA Application Guidance](#), in order to determine which financial information should be reported in your organization's Application:

<b>Fiscal Year End Date</b>	<b>Required Financial Information</b>
<b>03/31/2020</b> <i>or</i> <b>6/30/2019</b> <i>or</i> <b>9/30/2019 (with Audited Information)</b>	<ul style="list-style-type: none"><li>• FY 2017, FY 2018, and FY 2019 audited financial information entered as historic years.</li><li>• FY 2020 financial information, as of December 31, 2019, entered as the current year.</li><li>• FY 2021, FY 2022, FY 2023 financial information as projected years.</li></ul>
<b>9/30/2019 (without final Audited Information)</b> <i>or</i> <b>12/31/2019 (with or without final FY 2019 Audited Information)</b>	<ul style="list-style-type: none"><li>• FY 2016, FY 2017, and FY 2018 audited financial information entered as historic years.</li><li>• FY 2019 financial information, as of December 31, 2019, entered as the current year.</li><li>• FY 2020, FY 2021, FY 2022 financial information as projected years.</li></ul>

**10. How will my FA or TA Application be evaluated?**

*Answer:* For information on how Applications are evaluated, please review the NOFAs, the [FY 2020 CDFI & NACA Base-FA Application Evaluation Process](#) document, and the [FY 2020 CDFI & NACA TA Application Evaluation Process](#) document found on the CDFI Fund's website.

**11. If my organization receives an FA or TA award, must it comply with the terms of the Buy American Act?**

*Answer:* Yes, every Recipient's CDFI Program or NACA Program Assistance Agreement will include a provision that requires it to comply with the Buy American Act, 41 U.S.C. 8301-8303 (as amended from time to time).

The Buy American Act includes a requirement that all unmanufactured articles, materials, and supplies purchased with any FA or TA award be mined or produced in the United States, and that all manufactured articles, materials, and supplies purchased with any FA or TA award be manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States.

A Recipient or Sub-Recipient may request in writing a waiver from the CDFI Fund via a Service Request through its AMIS account from the requirements of the Buy American Act if its application would be inconsistent with the public interest or the cost would be unreasonable.

**12. Is the failure to expend an award prior to the end of the Period of Performance considered an event of noncompliance?**

*Answer:* Yes, if a Recipient fails to fully expend the amount of its FA award in an eligible activity category prior to the end of its Period of Performance, the CDFI Fund, in its sole discretion, may find it to be in noncompliance with the terms of its Assistance Agreement.

**13. Who prepares the Management Letter and which Applicants need to submit a Management Letter?**

*Answer:* The Management Letter is prepared by the Applicant's auditor and is a communication on internal controls over financial reporting, compliance, and other matters. Please review the additional guidance and sample Management Letter in the Appendices of the [FA Application Guidance](#) and [TA Application Guidance](#).

All Applicants that are required to submit Audited Financial Statements are also required to submit a Management Letter (or a Statement in Lieu of Management Letter if the Management Letter is not available) for their most recent historic fiscal year. Please see Table 10 in the NOFAs for which Applicant types are required to submit a Management Letter or Statement in Lieu of Management Letter, and for more detailed information on the required content of the Management Letter and Statement in Lieu of Management Letter. A template for a "Statement(s) in Lieu of Management Letter" is also available in the Appendices of the [FA Application Guidance](#) and [TA Application Guidance](#). FA Applicants, who have not yet completed their first audit, should submit a Statement in Lieu of Management Letter, or substantially similar attestation, signed by the Board Treasurer, or other Board member, using the template provided in the Application Materials.

## FA Applicants

- 1. Do all the Financial Assistance Objectives receive equal preference in the evaluation process? Does one objective score better/is one more competitive than others?**

*Answer:* All seven FA Objectives are equally competitive. Furthermore, there is no competitive advantage in selecting multiple objectives. Often, Applicants and Business Plan Reviewers alike, find it is easier and more compelling to write clearly and more in depth about a single objective, as opposed to writing broadly about multiple objectives. Applicants are advised to take this guidance into consideration.

- 2. In providing application financial data projections, will I receive more points/will my Application score better if I project a more aggressive increase?**

*Answer:* No. Applicants do not receive a better score, nor are they favored in any way for making aggressive projections. Applicants are advised to make realistic projections, as the feasibility and reasonableness of these projections are assessed by external reviewers as part of the Step 3 Business Plan Review and during the Step 4 Policy Objective Review. It is also critical to note that these projections translate directly into an Award recipient's Performance Goals & Measures (PG&Ms) in the Assistance Agreement; having unrealistic or overly aggressive projections puts a potential recipient at risk of noncompliance which could result in a delayed closing and/or receipt of funds, and/or defaults under the terms and conditions of the Assistance Agreement.

- 3. Can my organization request a Base-FA award to be used for more than one eligible FA Objective?**

*Answer:* Yes. Applicants may select one or more FA Objectives. However, selecting multiple FA Objectives will not make Applications more competitive. Therefore, Applicants should only select the FA Objective(s) that are aligned with their business plans and strategic goals, and have achievable outcomes.

- 4. If my organization selects multiple FA Objectives, will it be held to the minimum floors established for each FA Objective PG&M?**

*Answer:* Generally, yes. Please see the FA Guidance document for more information on each specific FA Objective and floor.

**5. If my organization does not receive its full Base-FA award request, will it still be held to the projected activity for the FA Objective PG&Ms entered in the Application?**

*Answer:* Generally yes, whether your organization receives the full requested Base-FA amount or another amount, you will be held to the same projected activity levels entered in your Application (i.e., the PG&Ms in your Assistance Agreement will not be automatically reduced if you do not receive your full FY 2020 Base-FA award request). Please see the FA Guidance document for more information. For example, if an Applicant requests a \$1,000,000 Base-FA award and selects the FA Objective 1-1: Increase Volume of Financial Products, and projects \$50,000,000 in Financial Products closed in an Eligible Market(s) and/or its approved Target Market over the three-year Period of Performance, the PG&Ms in the Assistance Agreement will be based on the projected \$50,000,000 in Financial Products closed over the Period of Performance, even if the Applicant receives a \$500,000 Base-FA award.

**6. Where can I find definitions for the line of business categories referenced in the FA Application?**

*Answer:* The [FY 2020 FA Application Guidance](#) document provides definitions of the line of business categories in the Appendices. These definitions apply to the FA Application only and should be used to assist Applicants in understanding the terms used within the FA Application. Please use the “other” category if your organization has a line of business that does not fit within the options provided.

**7. My organization has multiple Financial Products under a single line of business category provided in the FA Application. How should I provide this information?**

*Answer:* Applicants should aggregate information for all Financial Products under the respective line of business identified in the Application.

**8. How should my organization classify Financial Products for Residential Real Estate that are different from Affordable Housing?**

*Answer:* Residential Real Estate that is different from Affordable Housing may be included in the “other” category or another line of business, as appropriate, for your organization’s business model.

**9. If my organization is applying for PPC-FA, DF-FA, and/or HFFI-FA, should I include Financial Products that I intend to use to meet PPC-FA, DF-FA, and/or HFFI-FA Performance Goals and Measures (PG&Ms) in my organization's loan portfolio and Equity Investment information in the Application Financial Data inputs in AMIS?**

*Answer:* Applicants should not include loan portfolio or investment activity intended for PPC-FA, DF-FA, and/or HFFI-FA Performance Goal and Measure (PG&M) requirements in the Assistance Agreement in any of the seven years of financial input data (i.e., historic, current, and projected fiscal years) in the below fields (item numbers from "Appendix B: Application Financial Data Inputs" of the FA Application Guidance are included after each field for ease of reference). These fields will be used to calculate FA Objective PG&Ms, and activity counted toward PPC-FA, DF-FA, and/or HFFI-FA PG&Ms cannot be counted toward FA Objectives PG&Ms and vice versa.

- Total On-Balance Sheet Loan Portfolio in Eligible Market(s) and/or Approved Target Market (Item 23);
- On-Balance Sheet Loans Closed in Eligible Market(s) and/or Approved Target Market (Item 27);
- On-Balance Sheet Loan Guarantees Made in Eligible Market(s) and/or Approved Target Market (Item 39);
- Total On-Balance Sheet Loan Guarantees Outstanding in Eligible Market(s) and/or Approved Target Market (Item 41);
- Total Equity Investments Portfolio in Eligible Market(s) and/or Approved Target Market (Item 48); and
- Total Equity Investments Closed in Eligible Market(s) and/or Approved Target Market (Item 50).

Applicants should keep in mind that the PG&M requirements for PPC-FA, HFFI-FA, and DF-FA are determined by their respective award sizes. Therefore, Applicants should exclude the amount of their PPC-FA, HFFI-FA, and/or DF-FA award requests from the above fields.

Please note that all other Application Financial Data input fields in the Loan Portfolio and Equity Portfolio groupings of the Application Financial Data inputs should reflect the Applicant's entire Loan Portfolio and Equity Portfolio.

For example, Mountain Community CDFI projects it will close \$10 million in loans in on-balance sheet Eligible and/or Target Markets over the award period, of which \$5 million in loans occurs in PPCs. Mountain Community CDFI is requesting a \$300,000 PPC-FA award, so it will exclude \$300,000 from its Base-FA projections. Its total projections will be \$9.7 million for the financial data field "On-Balance Sheet Loans Closed in an Eligible and/or Target Market" (line 27 in Appendix B), under the "Loan Portfolio" header.

**10. The Application Financial Data inputs section of the Application has a subsection called “On-Balance Sheet Financial Products Closed in Persistent Poverty Counties (PPC).” What information should I include in those fields?**

*Answer:* All on-balance sheet PPC Financial Products activity should be included in these fields. This will duplicate other information listed in the Financial Data inputs section and should include your PPC-FA request, if applicable. Specifically, the Application Financial Data inputs asks for information related to on-balance sheet Financial Products (loans, Equity Investments, and loan guarantees) closed or projected to be closed in PPCs. For these fields, Applicants should only include on-balance sheet Financial Products in PPCs serving Eligible Market(s) and/or approved Target Market(s). These fields will not be used to calculate PPC-FA PG&Ms in the Assistance Agreement, but will be used by the CDFI Fund to assess historical and projected activity as a part of the PPC-FA Application evaluation.

Continuing the above example of Mountain Community, its total projections closed in PPCs for this section would be \$5 million, which includes its \$300,000 PPC-FA award request. (Applicants do NOT need to subtract out their PPC-FA request here like they do above.) The \$5 million amount would be entered in the financial data field “On-Balance Sheet Loans Closed in PPCs Serving an Eligible Market and/or Target Market” (line 50 in Appendix B), under the “Persistent Poverty County Activities” header.

**11. I noticed that the Application asks Applicants to provide information on investment and operations in designated Qualified Opportunity Zones. Does this only include investments and operations in certified Opportunity Funds?**

*Answer:* No. However, Opportunity Zone information Applicants provide must be in designated Qualified Opportunity Zones. Please see the CDFI Fund’s website for more information on, and a list of, designated Qualified Opportunity Zones (<https://www.cdfifund.gov/pages/opportunity-zones.aspx>).

There are a few places in the Application where Applicants are asked to provide information on activity in designated Qualified Opportunity Zones and further clarification is provided below:

**Application Financial Data:** Applicants are asked to provide three projected fiscal years of on-balance sheet Financial Products projected to close in designated Qualified Opportunity Zones serving Eligible Market(s) and/or approved Target Market in the Application Financial Data inputs. The projected Financial Products closed do not have to be in certified Opportunity Funds, but must be in designated Qualified Opportunity Zones. For example, if an organization is making on-balance sheet consumer loans in census tracts that are in Eligible Market(s) or its approved Target Market located within a designated Qualified Opportunity Zone, it can include these loans in the projected fiscal



years in the designated Qualified Opportunity Zone Application Financial Data inputs. Applicants should review the FA Application Guidance document, including the Application Financial Data Appendix, for more detailed information.

Question 8a in Narrative Questions: Applicants should address all work in designated Qualified Opportunity Zones, not just investments in certified Opportunity Funds, when responding to this question. Although Applicants should discuss the extent to which their organizations are intentionally coordinating with certified Opportunity Funds to plan investments in designated Qualified Opportunity Zones, they should also discuss the extent to which they are intentionally investing in and/or planning to invest in designated Qualified Opportunity Zones outside of a certified Opportunity Fund. For example, Applicants may include information on their proposed pipeline of projects in designated Qualified Opportunity Zones and, if applicable, address how their work in designated Qualified Opportunity Zones directly connects to meeting their selected FA Objectives. Applicants should review the FA Application Guidance document, including the application Financial Data Appendix, for more detailed information.

## **12. What projected activities are eligible to meet FA Objective PG&Ms?**

*Answer:* Applicants should review the FA Guidance document and NOFAs for eligible activities to meet each FA Objective PG&M. However, Applicants should keep the following key information in mind when selecting FA Objective(s) and completing the Application:

- Off-balance sheet activity cannot be used to meet FA Objective PG&Ms. Therefore, Applicants should not include off-balance sheet activity in their projected financial activity for the FA Objectives in the Application.
- Applicants can count the same projected Financial Products, Financial Services, and/or Development Services towards multiple FA Objectives in the FA Objectives PG&Ms, as applicable. For example, if your CDFI selects both the New Geographic Area(s) FA Objective and Increase Volume of Financial Products FA Objective, and projects \$5 million in new lending activity in the New Geographic Area, you may also count the projected \$5 million of new lending toward your Increase Volume of Financial Products FA Objective projections. However, activity counted toward FA Objectives PG&Ms **cannot** count toward PPC-FA PG&Ms, HFFI-FA PG&Ms, and/or DF-FA PG&Ms, and vice versa.
- For the FA Objectives of: Increase Volume of Financial Products, Increase Volume of Financial Services, New Geographic Area(s), New Financial Product(s), New Financial Service(s), and New Development Service(s), projected activity (i.e., Financial Products closed, Financial Services provided, and/ or Development Services provided) **must be in Eligible Market(s) and/or the Applicant's approved Target Market(s).**

**13. If my organization selects the FA Objective 1-1: Increase Volume of Financial Products, will the corresponding PG&Ms in the Assistance Agreement be based on increased volume only from a particular line of business or Financial Product identified in the Application?**

*Answer:* No. The PG&Ms for this FA Objective will be the total projected dollar amount of on-balance sheet Financial Products closed in Eligible Market(s) and/or approved Target Market(s). The total projected amount of Financial Products closed is calculated by summing the amounts entered in the financial data fields in AMIS of 1) On-Balance Sheet Loans Closed in Eligible Markets and/or Target Markets, 2) Loan Guarantees Made in Eligible Markets and/or Target Markets, and 3) Total Equity Investments Closed in Eligible Markets and/or Target Markets for the three projected fiscal years. Please see the FA Application Guidance for additional details on how these projections will translate to PG&Ms for this FA Objective. However, Applicants may discuss their plans to increase a particular Financial Product and/or line of business in their narrative responses.

**14. My organization is a Regulated Institution that intends to select the FA Objective 1-1: Increase Volume of Financial Products but not FA Objective 1-2: Increase Volume of Financial Services. Should my organization complete the Financial Services fields in the Application Financial Data Inputs in AMIS, even if my organization does not intend to select FA Objective 1-2: Increase Volume of Financial Services?**

*Answer:* Yes, if you are a regulated organization that provided and/or plans to provide Financial Services, you should complete the Financial Services fields in the Application Financial Data Inputs in AMIS for all required years (i.e., historic fiscal years, current fiscal year, and projected fiscal years), even if your organization does not intend to select the FA Objective 1-2: Increase Volume of Financial Services. This FA Objective will not automatically be included in your FY 2020 Assistance Agreement if you complete the Financial Services fields in the Application Financial Data Inputs. You must select FA Objective 1-2: Increase Volume of Financial Services in the Application in AMIS in order for this FA Objective to be included in your FY 2020 Assistance Agreement.

Please note that the Financial Services information provided in the Application Financial Data Input fields must be on-balance sheet activity in an Eligible Market(s) and/or in your CDFI's approved Target Market(s). Please see the FA Guidance document for more detailed information on completing the Application Financial Data Input fields and the FA Objectives. The CDFI Fund understands that Financial Services information may not be readily tracked. Regulated Applicants should provide estimates if necessary and provide any explanation in the narrative section.

- 15. My organization had significant net portfolio growth over the past three years and is projecting more growth over the three year Period of Performance. However, my organization does not meet the floor requirement for FA Objective 1-1: Increase Volume of Financial Products since its three projected years of Financial Products closed does not exceed its historic three years of Financial Products closed plus the amount of the Base-FA award. Can my organization still apply for this FA Objective if it believes that its annual net portfolio growth represents a growth in activity?**

*Answer:* Applicants may select this FA Objective if they believe that their organization has experienced net portfolio growth that indicates an increase in volume that may not be reflective of their annual activity. Applicants will be required to provide a detailed explanation as to why they believe their organization has experienced an increase in volume of Financial Products. Applicants should provide a sufficient level of fact-based detail, data, and information to demonstrate what constitutes a net portfolio growth increase in volume. Please note that the CDFI Fund will analyze the justification to ensure it complies with internal policies, and reserves the right to find an Applicant ineligible for this FA Objective.

- 16. If an organization received two or three consecutive CDFI Program or NACA Program FA awards in which the PG&Ms for FA Objective 1-1: Increase Volume of Financial Products (PG&M 1-1) and/or the PG&Ms for FA Objective 1-2: Increase Volume of Financial Services (PG&M 1-2) are applicable, are the PG&Ms benchmarks for overlapping Period of Performance years cumulative?**

*Answer:* No, PG&M 1-1 and PG&M 1-2 benchmarks for overlapping Period of Performance (PoP) years are not cumulative. For PoP years in which an organization has overlapping PG&M 1-1 and PG&M 1-2 benchmarks, it must meet the highest benchmark for the overlapping PoP years to be in compliance with all active awards. However, please keep in mind that an Applicant with overlapping PG&M benchmarks can be in compliance with one or more active awards, but may not necessarily be in compliance with other active award(s) for that PG&M.

The following is an example, for illustrative purposes only, of an organization that has active FY 2018 and FY 2019 CDFI Program FA Assistance Agreements with the following PG&M 1-1 benchmarks.

Please note that the dollar amounts presented below for each PoP benchmark are cumulative amounts and are not additive amounts from the previous PoP benchmark. For example, for the PoP Year 2 benchmark in the FY 2018 Assistance Agreement PG&Ms, the Applicant needs to close an additional \$2,250,000 in Year 2 from Year 1 (or \$4,500,000 Year 2 benchmark minus \$2,250,000 Year 1 benchmark) for a cumulative Financial Products closed of \$4,500,000 by the end of Year 2 PoP.

**FY 2018 Assistance Agreement PG&Ms:**

	<b>Dollar Amount (\$)</b>	<b>% of Total Projected Financial Products</b>
Total Dollar Amount of Projected Financial Products:	9,000,000	
Period of Performance, Year 1 benchmark (25%):	2,250,000	25%
Period of Performance, Year 2 benchmark (50%):	4,500,000*	50%
Period of Performance, Year 3 benchmark (90%):	8,100,000**	90%

\* This represents \$2,250,000 in additional Financial Products closed from the prior benchmark.

\*\* This represents \$3,600,000 in additional Financial Products closed from the prior benchmark.

**FY 2019 Assistance Agreement PG&Ms:**

	<b>Dollar Amount (\$)</b>	<b>% of Total Projected Financial Products</b>
Total Dollar Amount of Projected Financial Products:	11,000,000	
Period of Performance, Year 1 benchmark (25%):	2,750,000	25%
Period of Performance, Year 2 benchmark (50%):	5,500,000*	50%
Period of Performance, Year 3 benchmark (90%):	9,900,000**	90%

\* This represents \$2,750,000 in additional Financial Products closed from the prior benchmark

\*\* This represents \$4,400,000 in additional Financial Products closed from the prior benchmark.

The following are PoP Fiscal Years for each Assistance Agreement for illustrative purposes for this sample CDFI to illustrate how the PoP years overlap between two consecutive Assistance Agreements:

**Assistance Agreement Year:**

Period of Performance, Year 1:

Period of Performance, Year 2:

Period of Performance, Year 3:

<b>FY 2018</b>	<b>FY 2019</b>
2017	2018
2018	2019
2019	2020

The organization must meet the higher of the two benchmarks, or \$2,750,000 Financial Products closed in FY 2018 Assistance Agreement PoP Year 2 and FY 2019 Assistance Agreement PoP Year 1 (e.g., 2019 in this example). For example, if the CDFI closed \$2,250,000 in Financial Products in PoP Year 1 of the FY 2018 Assistance Agreement, to remain in compliance with PoP Year 2 of the FY 2018 Assistance Agreement, it would need to close \$2,250,000 in Financial Products in 2019. However, to remain in compliance with the PoP Year 1 of the FY 2019 Assistance Agreement, it would have to close \$2,750,000 in Financial Products in 2019. If the CDFI closed \$2,300,000 in Financial Products in 2019, it

would be in compliance with its FY 2017 Assistance Agreement but out of compliance with its FY 2019 Assistance Agreement.

The CDFI does not have to close cumulative \$5,000,000 (\$2,250,000 + \$2,750,000) of Total Financial Products in Eligible Market(s) and/or its approved Target Market by the end of FY 2018 Assistance Agreement PoP Year 2 and FY 2019 Assistance Agreement PoP Year 1.

**17. My organization submitted an amendment request to the CDFI Fund to expand our current approved Target Market to include a new geographic area. Can I select the FA Objective 1-3: New Geographic Area for the new geographic area included in my organization's Target Market modification request?**

*Answer:* Yes, as long as the "New Geographic Area" selected in the Application is an area (either county, state, or U.S. territory) that accounts for five percent or less of your CDFI's total portfolio outstanding averaged over the three most recent fiscal years. The "New Geographic Area" can be within or outside of your approved Target Market(s) but activity must be in an Eligible Market(s) in the "New Geographic Area(s)" to satisfy PG&Ms in your Assistance Agreement for this FA Objective. Please see the FA Guidance document for more detailed information on this FA Objective.

**18. Does an Applicant that selects the FA Objective 1-3: New Geographic Area(s) and/or FA Objective 1-7: Serve New Targeted Population(s) need to amend its certified Target Market to serve the identified New Geographic Areas and/or New Targeted Populations?**

*Answer:* For Applicants that select FA Objective 1-3: New Geographic Area(s), adding a "New Geographic Area(s)" may or may not necessarily impact or change your CDFI's certified Target Market status. Applicants should review the CDFI Fund's certification and compliance requirements (available on the CDFI Fund's website) to understand how an expansion into a "New Geographic Area" may impact your CDFI's certification status. Since modification to an Applicant's Approved Target Market(s) upon expansion in the new area will be determined on a case-by-case basis for each Applicant, Applicants are responsible for determining if modification to your Approved Target Market(s) is needed upon expansion into the "New Geographic Area(s)". Please keep in mind that your CDFI must continue to deploy at least 60% of total lending/ investments within your approved Target Market(s) in order to maintain CDFI certification status.

Applicants that select the FA Objective 1-7: Serve New Targeted Population(s) must submit a Service Request through their AMIS account to modify their CDFI's approved Target Market to include at least one of the New Targeted Population(s) selected in their Application by the end of Year 2 of the Period of Performance, and must also have at least one of the Targeted Population(s) selected in their Application added to their approved

Target Market by the end of Year 3 of the Period of Performance. Applicants that have questions about modifying their approved Target Market should contact the CDFI Fund's Certification, Compliance Monitoring and Evaluation office by submitting a Service Request via their AMIS account.

**19. Can my organization select the FA objective 1-7: "Serve New Targeted Population(s)" for populations not listed in the Application?**

*Answer:* No. Applicants may only select from the Targeted Population options provided in the Application.

**20. Is there a difference between expending the amount of my FA award in one of the FA eligible activity categories and satisfying the PG&Ms that will be included in my Assistance Agreement?**

*Answer:* Yes, there is an important difference between expending the amount of your FA award and satisfying the PG&M(s) that are applicable to your Assistance Agreement. In addition to expending the amount of the FA award in one or more eligible activity category, a FA Recipient must satisfy the PG&Ms that are applicable to its Assistance Agreement.

The Base-FA PG&Ms in a Recipient's Assistance Agreement are correlated to the FA Objective(s) that a Recipient selected in its Base-FA Application. Base-FA PG&Ms have benchmarks that require a Recipient to either close a certain dollar amount of Financial Products in Eligible Market(s) and/or approved Target Market(s); provide a certain number of Financial Services and/or Development Services in Eligible Market(s) and/or approved Target Market(s); or become certified to serve a New Targeted Population(s). These benchmarks are calculated based upon projected activity included in an Applicant's Base-FA Application and/or the corresponding floor for each FA Objective. Applicants may satisfy FA Objective PG&Ms by using the Base-FA award or other available funds on their balance sheet. A Recipient's Assistance Agreement may have additional PG&Ms if it received Supplemental FA award(s). For additional information on FA PG&Ms benchmarks and FA Objective floors, please see the FY 2020 FA Application Guidance.

If a Recipient expends the amount of its FA award in an eligible activity category prior to the end of its Period of Performance but does not satisfy one or more of its applicable PG&Ms, the CDFI Fund, in its sole discretion, may find the Recipient to be in noncompliance with its Assistance Agreement. Likewise, if a Recipient satisfies all of its applicable PG&Ms, but does not expend the amount of its FA award in one or more eligible activity categories prior to the end of its Period of Performance, the CDFI Fund, in its sole discretion, may find the Recipient to be in noncompliance with its Assistance Agreement.

- 21. My organization is applying as a Community Partnership. Can my organization use the portion of the FA award that can be used for direct administrative expenses (15 percent of the total FA award) to compensate our Community Partner?**

*Answer:* No. Direct Administrative Expenses must be used to support the Applicant in carrying out an FA eligible activity.

- 22. For the “Beneficiary Snapshot Table” in AMIS, the FA Guidance and AMIS Guidance say data should be for the “most recently completed historic fiscal year.” Can you clarify what fiscal year you mean?**

*Answer:* Applicants should complete the “Beneficiary Snapshot Table” using the **most recently completed historic Fiscal Year**. The most recent historic fiscal year should be the same year as the most recent historic fiscal year in your financial data inputs in AMIS, which is also listed in Table 13 of the [FY2020 FA Application Guidance](#) document. For example, if your CDFI has a fiscal year end of 12/31, the Beneficiary Snapshot information should reflect data for your 2018 Fiscal Year.

## Persistent Poverty Counties-FA (PPC-FA) Applicants

- 1. Can my organization receive a PPC-FA award without receiving a Base-FA award?**

*Answer:* No, PPC-FA awards will be provided as a supplement to FA awards. Only those Applicants that are selected to receive a Base-FA award through the CDFI Program or NACA Program are eligible to receive a PPC-FA award. For additional instructions, see the section “Financial Assistance Application Instructions: 14. Supplemental FA Applications, PPC-FA” in the [FY 2020 FA Application Guidance](#), beginning near page 74 (page number subject to change based on updates).

## Disability Funds-FA (DF-FA) Applicants

- 1. Can my organization receive a DF-FA award without receiving a Base-FA award?**

*Answer:* No, DF-FA awards will be provided as a supplement to FA awards. Only those Applicants that have been selected to receive a Base-FA award through the CDFI Program or NACA Program are eligible to receive a DF-FA award.

**2. What can DF-FA funds be used for?**

*Answer:* DF-FA award funds can only be expended for eligible FA activities referenced in the NOFA to directly or indirectly benefit individuals with disabilities. DF-FA Recipients must deploy at least 85 percent of the DF-FA provided to close Financial Products for the primary purpose of directly or indirectly benefiting people with disabilities.

**3. Is my organization required to disburse all DF-FA funds in our approved Target Market?**

*Answer:* No, DF-FA funds are not required to be disbursed in your approved Target Market but must be disbursed in an Eligible Market. For additional instructions, see the [FY 2020 CDFI & NACA Program DF-FA Application Guidance](#).

## Healthy Food Financing Initiative-FA (HFFI-FA) Applicants

**1. Can my organization receive a HFFI-FA award without receiving a Base-FA award?**

*Answer:* No, HFFI-FA awards will be provided as a supplement to FA awards. Only those Applicants that have been selected to receive a Base-FA award through the CDFI Program or NACA Program are eligible to receive a HFFI-FA award.

**2. What does the CDFI Fund consider to be eligible Healthy Food financing activities?**

*Answer:* Eligible financing activities to Healthy Food retail outlets and Healthy Food non-retail outlets require that the majority of the HFFI-supported loan or investment be devoted to offering a range of Healthy Food choices, which may include, among other activities, (i) investments supporting an existing retail store, (ii) a wholesale operation upgrade to offer an expanded range of Healthy Food choices, or (iii) support for a nonprofit organization that expands the availability of Healthy Foods in underserved areas.

**3. How much funding must an HFFI-FA award Recipient direct to Healthy Food retail outlets?**

*Answer:* An HFFI-FA Recipient must deploy at least 75 percent of the HFFI-FA award to Healthy Food retail outlets in food deserts in the Recipient's Target Market by the end of the Period of Performance. Recipients will have interim PG&Ms to deploy 25 percent of the total HFFI-FA award by the end of the first year of the Period of Performance, and 50 percent of the total HFFI-FA award by the end of the second year of the Period of Performance. For additional instructions, see the [FY 2020 CDFI & NACA Program HFFI-FA Application Guidance](#).



## Matching Funds (Core FA Applicants only)

**1. How does my organization determine if we are required to submit matching funds with our FA Application?**

*Answer:* The matching funds requirement for SECA FA, NACA FA, and HFFI-FA Applicants was waived by Congress for the FY 2020 funding round. As a result, SECA FA, NACA FA, and HFFI-FA Applicants are not required to submit matching funds for their award requests. Core Applicants are required to submit matching funds for their Base-FA, DF-FA and/or PPC-FA supplemental applications, but not for HFFI-FA.

**2. Is my organization required to submit matching funds for my DF-FA and/or PPC-FA award requests?**

*Answer:* Core FA Applicants that are applying for DF-FA and/or PPC-FA must submit matching funds for the DF-FA and/or PPC-FA requested amounts (in addition to the Base-FA requested amount). Like Base-FA, PPC-FA and/or DF-FA awards are based on the amount and form of the matching funds that the Applicant includes in its FA Application.

Specifically, FA awards will be limited to no more than two times the amount of In-Hand and/or Committed matching funds provided at the time of Application. Please see the NOFAs and Matching Funds Guidance for more information on matching funds requirements.

**3. Should my organization provide supporting documentation for our matching funds?**

*Answer:* Core FA Applicants must complete the Matching Funds section of the FA Application in AMIS in order to demonstrate that it has sufficient matching funds, including Base-FA, DF-FA and PPC-FA requested award amounts. In addition to entering required information about each matching funds source, supporting documentation, as outlined in “Step 3b” of the [FY 2020 CDFI & NACA Program Matching Funds Guidance](#), is required at the time of Application submission for deposits, credit union shares, In-Hand equity investments, In-Hand deposits, In-Hand and/or Committed retained earnings, and secondary capital.

Supporting documentation for matching funds in the form of grants, loans, and in-kind contributions is not required at the time of Application submission. However, documentation that meets the requirements outlined in “Appendix A” of the [FY 2020 CDFI & NACA Program Matching Funds Guidance](#) must be made available to the CDFI Fund upon request.

**4. Are Recipients that receive their FA award in the form of a loan required to provide collateral?**

*Answer:* Recipients that receive an FA award in the form of a loan will receive the CDFI Fund's standard loan product. The terms of the standard loan are outlined in Table 9 of the NOFAs.

## Regulated Applicants

**1. How does the information on my organization's call reports relate to the financial information requested in the financial sections of the Application?**

*Answer:* The CDFI Fund has additional guidance to crosswalk the financial data inputs to the respective call reports (UBPR or 5300). Please review the Application Financial Data Appendix in the FA Application Guidance document or TA Application Guidance document for additional information.

**2. How does my organization provide the demographic information on our clients and beneficiaries, as requested, when there are regulatory constraints on gathering that data?**

*Answer:* The CDFI Fund is aware that there may be regulatory constraints that limit the demographic information that regulated Applicants may collect from their borrowers and members. You may contextualize information about the people and communities you serve using proxies and other information that you are allowed to collect (e.g., demographic data about the general population in census tracts you serve). As discussed in more detail in the FA Application Guidance document, you should use narrative Question 2 and Question 3 to help the CDFI Fund better understand the populations and communities you serve.