



AMENDMENT REQUEST GUIDANCE AND INTAKE STEPS FOR RECIPIENTS

Capital Magnet Fund (CMF)

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Introduction

The Community Development Financial Institutions Fund (CDFI Fund) administers multiple federal competitive grant awards, including the Capital Magnet Fund (CMF) program. Recipients enter into legally binding Assistance Agreements with the CDFI Fund that include the terms and conditions of the Award. After an Assistance Agreement has been executed, the Recipient may initiate an amendment request to make an eligible change(s) to its Assistance Agreement. This document serves as a guide for the Recipient's submission to the CDFI Fund of proposed amendments to Performance Goals and certain other requirements, as set forth in Schedule 1 of the Assistance Agreement.

The CDFI Fund recognizes that a Recipient's circumstances may change after Application submission and execution of the Assistance Agreement. While recognizing that unanticipated changes can happen, the CDFI Fund requires that any amendments to the Assistance Agreement must generally maintain the intent of the original Award to the greatest extent possible, and must not undermine the integrity of the CMF evaluation process.

As specific Assistance Agreement requirements may change from one award year to the next round, Recipients should ensure that they are familiar with the requirements of the specific Assistance Agreement for which they are requesting an amendment.

How to Submit a CMF Amendment Request

For Recipients seeking an amendment, the first step is to prepare the "Required Information for CMF Amendment Service Request" located on page 8 of this document and submit the information via Service Request in the CDFI Fund's Awards Management Information System (AMIS). If you are unsure of how to submit an AMIS Service Request, please refer to the [AMIS Service Request Quick Reference Guide](#). Please refer to the following details when submitting the Service Request:

- **Program** – Select Capital Magnet Fund.
- **Subject** – Select Amendment Request + Award Control Number.
- **Award Number** – Select the Award Number for which you are requesting an amendment.
- **Description** – Add the Amendment Justification required (see "Required Information for CMF Amendment Service Request" on pg. 8). Click "Save."
- **Add Attachment** – If needed, click on "Related," then on "Attachment," and "Upload Files."

Additional information about the general requirements for submitting an amendment request and writing a justification for your amendment request is provided below.

General Requirements for All Amendment Requests

Timing	
<p>All amendment request submissions must be made no later than:</p> <ol style="list-style-type: none"> 1) 60 days before the requested effective date of the amendment, AND 2) 60 days prior to the end of the Investment Period, OR 3) 60 days prior to the end of the Period of Performance. 	<p><u>FY 2016 Awards and Later: Section 9.9(c) of the Assistance Agreement provides the following time-related guidance:</u></p> <p>If the Recipient proposes to make an amendment to Performance Goals, Annual Report due dates, and/or make pre-noncompliance changes during the Period of Performance, such request must be received by the CDFI Fund in writing along with all required documentation via an AMIS Service Request.</p> <p>The Recipient must include a justification when submitting amendment requests to the CDFI Fund. Amendment requests must be received no later than 60 days prior to the requested effective date of the amendment.</p> <p>The CDFI Fund will not process any amendment requests received less than 60 days prior to the end of the Investment Period when the amendment request pertains to the Investment Period, or less than 60 days prior to the end of the Period of Performance when the amendment request pertains to the Affordability Period.</p> <p>Exceptions are made on a limited basis to the above when the Recipient is in a cure period pursuant to the applicable policy established by the CDFI Fund’s Office of Compliance Monitoring and Evaluation (OCME).</p> <p>In its sole discretion, the CDFI Fund will either grant or deny an amendment request and communicate its decision in writing to the Recipient via AMIS.</p> <p>Examples:</p> <ol style="list-style-type: none"> 1) A Recipient would like to use a large portion of its CMF Award in Missouri, which is not currently included in its Service Area. The Recipient must submit the request prior to making the investment and at least 60 days in advance of its desired effective date of the amendment. 2) A Recipient would like to adjust its Rural Area Investment Percentage due to housing supply shortages affecting its Homeownership Project. The Recipient must submit the request at least 60 days prior to the end of the Investment Period.

Amendment Request Limit	
<p>CDFI Fund will consider all reasonable amendment requests.</p>	<p>The CDFI Fund will consider all amendment requests submitted by Recipients.</p> <p>The amendment process takes significant time for both the Recipient and CMF staff. In general, if the Recipient is requesting changes to multiple Performance Goals, the CDFI Fund encourages Recipients to submit one amendment request for efficiency. For example, a Recipient can include Service Area expansion and Production Target decrease in the same amendment request.</p>
Justification Criteria	
<p>Justification criteria to be included in all amendment requests.</p>	<p>All amendment requests must provide a justification explaining the need for the amendment. All justifications must include the following:</p> <ol style="list-style-type: none"> 1) A detailed explanation of the reasons why the request is being submitted, including unforeseen circumstances or opportunities encountered by the Recipient. 2) The reasoning behind the proposed change, including an analysis demonstrating how the Recipient came to the specific request amount (e.g., percentage, units) and how the requested changes remain consistent with its Application strategy. 3) Information and a plan as to how the Recipient will achieve both the requested amendment and all other Performance Goals, and how the proposed change facilitates the Recipient achieving one or more of its current Performance Goals.

How to Write a Good Justification

Amendment requests will be evaluated and approved or rejected based upon the justification, which details the reasons why the Recipient is requesting an amendment. As described above in the “Justification Criteria” section under “General Requirements,” it is very important that the justification clearly explains the cause of the proposed change, reasoning behind the specific proposed change, and the Recipient’s plan(s) to achieve the requested amended and all other current Performance Goals. The CDFI Fund will not be able to approve amendment requests in which a justification fails to detail how the event requiring the amendment affected the Award. Below are examples of criteria for what makes a good justification and common mistakes from prior amendment requests.

Examples of Good Justification	Examples of Commonly Made Mistakes
<p>Contains clear figures for updated benchmarks</p> <ul style="list-style-type: none"> The Recipient requests to add Missouri to its Service Area. The Recipient requests to decrease its Production Target from 400 to 380 units. 	<p>Reduced figures not explicitly stated</p> <ul style="list-style-type: none"> The Recipient would like to expand its Service Area. The Recipient requests to decrease its Production Target.
<p>Detailed explanation outlining why these changes are necessary and consistent with application strategy</p> <ul style="list-style-type: none"> The Recipient was approached by a long-term partner about a 20-unit rental preservation project in Missouri, similar to projects it completed in its current Service Area. The Recipient has no track record in the state but has the staff and expertise to expand its footprint. The Recipient is committed to providing 5% of the purchase price as Down Payment Assistance (DPA) loans, as outlined in their original application. As housing prices have risen, the size of the Recipient’s DPA loans has risen too. Given the larger size of DPA loans, the Recipient will not be able to meet its original Production Target of 400 Homeownership units. Based on internal analysis of its pipeline, the Recipient expects it will be able to produce 380 units. 	<p>Broad or no justification provided</p> <ul style="list-style-type: none"> The Recipient has opportunities for investment in Missouri. The Recipient is having a hard time finding eligible families who qualify under the Homeownership down payment assistance program.

<p>Provides a plan on how the amended (and if applicable) other Performance Goals will be met</p> <ul style="list-style-type: none"> • The addition of Missouri to the Recipient’s Service Area will help it meet other Performance Goals, including the percentage of units located in Areas of Economic Distress (AED), as 100% of the units in this potential project are located in an AED. • By reducing its Production Target to 380 units, the Recipient will be able to fully achieve its Production Target and meet its Performance Goal of 100% of units restricted to Low-Income or below Families (80% AMI and below). 	<p>Ambiguity regarding the Recipient’s ability to meet amended Performance Goals</p> <ul style="list-style-type: none"> • The Recipient does not have information about specific projects in Missouri or their potential impact on its Performance Goals.
<p>Contains supporting documentation necessary to evidence the requested changes</p> <ul style="list-style-type: none"> • Board meeting minutes discussing material events, financial data illustrating a downturn, documentation noting the loss of a key staff member, workbook showing pipeline of projects, etc. 	<p>Unresponsive when additional information requested</p> <ul style="list-style-type: none"> • The CDFI Fund may need additional information from the Recipient when an amendment request is received. A delay in responding to such requests causes a delay in the amendment review process.

How the CDFI Fund Will Evaluate Amendment Requests

When confronted with unforeseen circumstances, which adversely impact the achievement of its Performance Goal(s), as part of its amendment request, a Recipient may request a reduction of its Performance Goal(s) in its Assistance Agreement. When evaluating and assessing such amendment requests, the CDFI Fund will consider the following criteria:

1. Would the proposed change have materially impacted the competitiveness of the Application?

If a proposed change would have materially impacted the competitiveness of an Application, the CDFI Fund will generally decline the amendment request or approve a less significant amendment, except in the case of extraordinary circumstances outside the control of the Recipient (e.g., natural disaster, public health emergency, economic crisis etc.).

2. Is the proposed change necessary to ensure the achievement of another Performance Goal, statutory requirement, or regulatory requirement?

If the proposed change will inhibit a Recipient's ability to achieve its other Performance Goals, the CDFI Fund will generally decline the amendment request. When submitting the amendment request, Recipients should detail how the proposed amendment facilitates and aids the Recipient in achieving its other Performance Goals, as applicable.

3. Did the Recipient provide a reasonable justification for the request?

Recipients must submit an amendment request with a narrative containing the criteria set forth in "Justification Criteria" under the "General Requirements for All Amendment Requests" table. If the amendment request requires a more stringent justification, the CDFI Fund will follow up with the Recipient requesting additional detail. The Recipient must reply within five (5) business days with the additional information as requested. The CDFI Fund reserves the right to deny amendment requests based upon untimely responses to requested information.

Below are lists of Ineligible and Eligible Amendment Requests:

Ineligible Amendment Requests
Commitment Deadline
General Terms and Conditions
Initial Disbursement
Requirement for Economic Development Activities to be in Low-Income Areas
Requirement of 20% of Low-Income Rental Units Per Project

Eligible Amendment Requests
Disaster Areas (2018)
Eligible Activities
Eligible Uses
Geographic Areas
Minimum Recipient-Level Multiplier (2016 – 2018)
Percentage of CMF Award Used in Non-Metro/Rural Areas
Percentage of Homeownership Units restricted Low-Income Families, Located in an Area of Economic Distress, or a combination of both
Percentage of Low-Income Homeownership Units (2016 – 2020)
Percentage of Rental Units located in Areas of Economic Distress and High Opportunity Areas
Percentage of Units in High Housing Need (HHN) / Areas of Economic Distress (AED) (2016 HHN; 2017 – 2020 AED)
Percentage of Very Low-Income Rental Units
Private Leverage Cost Percentage (2016)
Private Leverage Multiplier
Production Target
Project Completion Deadline*
<i>*No extension request will be considered more than 18-months in advance of, and no less than 60-days prior to, the Project Completion deadline specified in Schedule 1 of the Assistance Agreement.</i>
Required Activity in Certain Geographies
Subsequent Payment

Overview of Amendment Process

1. Submit Amendment Request with Required Information

In order to initiate an amendment request, please submit the information outlined in the next section (Required Information for CMF Amendment Service Request).

2. CDFI Fund Review and Subsequent Communication

After submission, the CMF program team will review a Recipient's justification and analyze the competitive impact of the proposed amendment. If the proposed amendment cannot be granted due to a material impact, the CMF staff will reach out to the Recipient via an AMIS Service Request to communicate this decision. If only a limited amendment from what was originally requested can be approved, the CMF staff will communicate via a Service Request to receive the Recipient's assent prior to executing the limited amendment. If an amendment request can be granted as originally requested, the CMF staff will confirm the approval of the request via a Service Request.

3. Amendment Letter and AMIS Updates

After an amendment request is reviewed and approved by the CMF staff, the CDFI Fund will send via email an updated Schedule 1 and amendment letter to the Recipient to be signed by its Authorized Representative for the applicable Award record in AMIS. Upon receipt of a signed amendment letter, the CDFI Fund will insert the Effective Date and provide the Recipient with a fully executed copy of the letter, which includes the Effective Date of the amendment.

CMF staff will upload the updated Schedule 1 and fully executed amendment letter to the associated Award record in AMIS, and, if applicable, make any changes in AMIS. CMF staff will close the Service Request once the associated AMIS changes have been completed. Please note, this process can take several weeks to complete.

Required Information for CMF Amendment Service Request

Submit the following information via an AMIS Service Request:

Program: Select Capital Magnet Fund

Subject: CMF Amendment Request + Organization Name + Award Control Number

Award: Select the Award for which you are requesting an amendment.

Description: Copy and Paste the below information into the text box. Click "Save."

Add Attachment: After submission, click on "Related," then "Attachment," and "Upload Files."

Please fill in the below information for the applicable Performance Goal requested. If you are requesting changes to more than one Performance Goal, please fill out the form for each requested change. Once completed, please submit the information via an AMIS Service Request.

Step 1: Specify the Requested Change

Performance Goal: _____

Current Performance Goal Benchmark: _____

Requested Performance Goal Benchmark: _____

Step 2: Please provide a justification for the change(s) according to the amendment justification criteria. Copy and paste the narrative into the "Description" section of the Service Request.

- A detailed explanation of the reasons why the request is being submitted, including unforeseen circumstances or opportunities encountered by the Recipient.
- The reasoning behind the proposed change, including an analysis demonstrating how the Recipient came to the specific request amount (e.g., percentage, units) and how the requested changes remain consistent with its Application strategy.
- Information and a plan as to how both the amended and all other current Performance Goals will be met, and how the proposed change facilitates the Recipient achieving one or more of its Performance Goals.

NOTE: You may attach additional files to the Service Request that contain analysis, further information, and other documentation that support your request. To do so, you will need to first submit the Service Request, and after submission, use the upload feature to attach supporting files.