



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY

CDFI Fund • 601 Thirteenth Street, NW • Suite 200, South • Washington, DC 20005 • (202) 622-8662

FY 2006 CDFI Program

Combined Application for
Financial Assistance and/or
Technical Assistance



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OMB No. 1559-0025

CDFI-0001

Paperwork Reduction Act Notice

This submission requirements package is provided to Applicants for awards under the CDFI Program. The Estimated average burden associated with this collection of information is 50 hours per respondent, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Community Development Financial Institutions Fund, 601 Thirteenth Street, N.W., Suite 200-South, Washington, DC 20005.

All materials are available on the CDFI Fund Website: www.cdfifund.gov.

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FY 2006 CDFI PROGRAM

COMBINED APPLICATION FOR FA and / or TA

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INTRODUCTION AND INSTRUCTIONS

NOTE Capitalized terms (other than titles) are defined in the Notice of Funds Availability (NOFA) for the FY 2006 funding round, the CDFI Program Regulations, or the CDFI Fund Program Glossary, which may be downloaded from the Fund's website at www.cdfifund.gov. Certain terms used throughout the Application have meanings unique to the CDFI Program. Applicants should make sure that they are familiar with these meanings by consulting the NOFA, regulations, and glossary.

CDFI Fund: Mission and Programs

The mission of the Community Development Financial Institutions Fund (the Fund) is to expand the capacity of financial institutions to serve populations and communities lacking adequate access to Financial Products and Financial Services. The Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following programs and initiatives:

- CDFI Program (includes Financial Assistance (FA) and Technical Assistance (TA)).
- Bank Enterprise Award (BEA) Program.
- New Markets Tax Credit (NMTC) Program.
- Native Initiatives.

Information on the Fund's programs can be found on the Fund's website at www.cdfifund.gov. From the home page, click on "Programs" then on the link to the program of interest.

Fiscal Year 2006 CDFI Program

This year, the Fund is releasing this single NOFA and Application for Applicants seeking FA and/or TA. The key component for applying for either award type is the submission of the Comprehensive Business Plan (CBP). A single Application allows an Applicant seeking either or both types of awards to submit a single CBP. Please note that the NOFA published in December 2005 applies to both the FY 2006 and the FY 2007 funding rounds (subject to funding availability). To reduce Applicant confusion, this Application refers only to the FY 2006 funding round. For information on the anticipated deadlines for the FY 2007 funding round, please refer to the NOFA.

Applicants Serving Areas Affected by Hurricanes Katrina and Rita

The NOFA states that the Fund will give special consideration to any Applicant that has an office that is located in, or that provides a significant volume of services or financing to residents of or businesses located in: (i) any county that is within the area declared to be a "major disaster" by the Federal Emergency Management Agency (FEMA) as a result of Hurricanes Katrina and/or Rita; and/or (ii) any state that has been declared a "reception state" by FEMA.

In general, in scoring the Market Analysis section, reviewers will consider whether an Applicant has designated that it serves or plans to serve an area of greater economic distress (including disaster areas resulting from Hurricanes Katrina and Rita). An Applicant located in or serving an area affected by Hurricanes Katrina or Rita should refer to the special guidance document on the CDFI Program webpage for additional information on completing the Application.

Funding for Financial Assistance (FA)

FA awards are available to certified CDFIs only. The Fund provides FA in the form of grants, loans, Equity Investments (including, in the case of Insured Credit Unions, Secondary Capital accounts), deposits, and Insured Credit Union Shares. The amount of FA an Applicant can request is determined by the Applicant's Category (see more information below). The form of the FA is based on the type of Matching Funds the Applicant demonstrates it has available (in-hand, firmly committed, or to be raised (for certain Applicant types explained further under the Eligibility section below)). The Fund will match the size and form of the assistance provided by the non-federal source. For example, an Applicant demonstrating Matching Funds in the form of a 10-year, 2% loan for \$200,000 will receive a 10-year, 2% loan from the Fund if it is approved for an FA award.

The amount of FA an Applicant can request depends on its category. This category determination is predominantly driven by asset size and age. Applicants requesting FA fall into one of two categories for the purposes of the FY 2006 Application:

Category I: Small and/or Emerging CDFI Assistance (SECA). A Category I/SECA Applicant may request up to \$500,000 in FA plus up to \$100,000 in TA. To be considered a SECA Applicant, a CDFI may not have been selected to receive in excess of \$500,000 in FA in the aggregate from the CDFI Program or Native Initiatives funding programs prior to the FY 2006 Application deadline. To qualify, an Applicant must also meet an asset test or an age test as follows:

- Began operations on or after January 1, 2002.
- OR**
- Has Total Assets as of December 31, 2005 as follows:

Institution Type	SECA Asset Maximum
Insured Depository Institution / Holding Company	up to \$250 million
Insured Credit Union or Venture Capital Fund	up to \$10 million
Other CDFIs (Loan Funds)	up to \$5 million

Category II: Core. A Category II/Core Applicant may request up to \$2 million in FA and up to \$100,000 in TA. A Category II/Core Applicant is a Certified CDFI or a Certifiable CDFI (defined below) that meets all other eligibility requirements described in the NOFA for the FY 2006 funding round.

Funding for Technical Assistance (TA)

A TA grant allows a CDFI or an entity proposing to become a CDFI to build its capacity to serve its Target Market. TA does not require Matching Funds. The Fund anticipates making TA grants up to a maximum of \$100,000 each. The Fund will not make a TA award over this amount, nor will the Fund make an award over the amount requested by the Applicant. An Applicant must provide information regarding the expected cost, timing, and provider of the products or services to be funded by the TA, and a narrative description of how the acquired products or services will enhance its capacity to serve its Target Market and/or to become certified as a CDFI, if applicable.

Generally, the Fund seeks to support expenses for distinct services, products, or technology enabling an Applicant to achieve the goals outlined above. Beginning with the FY 2006 funding round, the Fund will consider requests for recurring activities (referred to as Operating Expenses) where there is a clear link to building the capacity of the organization. To be considered for funding, an Applicant must submit a TA request for items falling into one or more of the four categories of funding described in detail below:

- **Consulting Services.** An Applicant may request a TA grant to acquire external expertise that will increase its capacity to serve and benefit its Target Market. Requested services should be non-recurring, product specific, and closely linked to the achievement of the Applicant's CBP. (Recurring consulting services should be requested under the Operating Expenses category.) Examples of consulting services requests include:
 - Developing lending policies and procedures.
 - Developing a market analysis.
 - Evaluating existing or new investment products and training services.
 - Providing recommendations for improving information technology.
- **Technology.** An Applicant may request TA to acquire new technology or enhance existing technology to serve their Target Market better, including, but not limited to, upgrading their capacity to collect, electronically track, and report community development impact data. Technology includes hardware, software, and office equipment. Training related to use of new Technology should be included in this category rather than under Training. Use of a consultant for technology related services other than for installation (such as creation of a website or recommendations for purchasing hardware) should be included under Consulting Services. Examples of eligible Technology uses include:
 - Acquiring and installing accounting software, computers, laptops, and related peripherals.
 - Acquiring and installing a new photocopier.
 - Acquiring and installing a local area network (LAN).
 - Expanding or upgrading any of the above to increase capacity to serve the Target Market.
- **Training.** An Applicant may request a TA grant to acquire external training for its staff, volunteers, or Governing Board members in order to increase the effectiveness of existing and future administrative operations and programs by developing its human capital. Costs associated with training the Applicant's customers and volunteers are not eligible Training activities. Such activity may be eligible under Operating Expenses. Examples of eligible training activities include:
 - Staff training in loan underwriting or in the provision of Development Services.
 - New Governing Board member training in CDFI operations.

Travel costs associated with attending the training can be included. Travel expenditures related to training must be reasonable and consistent with the Applicant's own travel policies. Training may be provided on site or obtained off site.
- **Operating Expenses.** An Applicant may request a TA grant to cover recurring operating expenses. This category includes any expense allowable under OMB Circular A-87 – where the Applicant can demonstrate that the activity will enhance its capacity to serve its Target Market and/or to become certified as a CDFI. An Applicant seeking a TA grant in this category must clearly link the activity to the achievement of a capacity building objective. Although there are no age or asset size limitations on the eligibility for this category, a more established or larger Applicant should pay particular attention to making the case for how the requested recurring activity will improve its capacity. Examples of acceptable operating expenses include:
 - Covering the salary and benefits for a new loan officer or other critical position.
 - Funding an expansion or relocation of the Applicant's office space.
 - Hiring a consultant to provide Development Services on behalf of the Applicant.
 - Covering costs associated with repairing facilities or relocating required for restoration of operations due to hurricane damage. (See NOFA for further guidance.)

TIP The Fund will not make an award over the requested amount. Applicants are advised to consider organizational needs and projected costs carefully in developing the award request.

Application Eligibility Factors

There are several factors that determine whether an organization is eligible to apply under the FY 2006 funding round. The information below explains these factors and which type of funding (FA vs. TA) an organization is eligible to apply for based on its certification and compliance status.

Certification Status

Only a certified CDFI is eligible to receive FA from the Fund. The Fund, however, may award and disburse a TA award to an entity not certified as a CDFI and that does not currently meet all six certification requirements – if it can demonstrate, to the Fund's satisfaction that it has a reasonable plan to become certified by December 31, 2008. For purposes of this Application, the Fund refers to such an Applicant as an "Emerging CDFI." Also for purposes of this Application, the Fund refers to an Applicant that is not certified – but that currently meets all six certification requirements – as a "Certifiable CDFI."

Required eligibility materials depend on the Applicant's certification status (Certified, Certifiable, or Emerging) and whether it is seeking FA. Failure to submit the required eligibility materials in the specified timeframe may result in the funding Application being deemed incomplete and rejected without further review. Applicants are eligible to apply for FA and/or TA as follows:

Applicant Type	Eligible Funding	What to Submit
Certified CDFIs Any certified CDFI whose certification has not expired and that has not been notified by the Fund that its certification has been terminated.	FA and / or TA	<input type="checkbox"/> Certification of Material Event Form <ul style="list-style-type: none"> – Certified CDFIs must submit the Certification of Material Event Form to the Fund by January 20, 2006, in accordance with instructions on the Fund's website. – The Certification of Material Events form is available on the Fund's website at www.cdfifund.gov.
Certifiable CDFIs For purposes of this Application, a Certifiable CDFI is an entity from which the Fund receives a complete CDFI Certification Application no later than January 20, 2006 evidencing that the Applicant meets the requirements to be certified as a CDFI.	FA and / or TA	<input type="checkbox"/> If seeking FA and / or TA: CDFI Certification Application <ul style="list-style-type: none"> – Certifiable CDFIs seeking FA must submit a CDFI certification application to the Fund by January 20, 2006. – The CDFI certification application is available on the Fund's website at www.cdfifund.gov. <input type="checkbox"/> If seeking TA Only: Emerging CDFI Eligibility Questionnaire <ul style="list-style-type: none"> – Part III of this Application. – Certifiable CDFIs seeking TA Only may submit a CDFI certification application – but are not required to do so.
Emerging CDFIs For purposes of this Application, an Emerging CDFI is an entity that demonstrates to the Fund that it has a reasonable plan to be certified as a CDFI by December 31, 2008.	TA Only	<input type="checkbox"/> Emerging CDFI Eligibility Questionnaire <ul style="list-style-type: none"> – Part III of this Application

TIP The difference between a Certifiable CDFI and an Emerging CDFI:

- A Certifiable CDFI meets all six certification requirements at the time it submits the CDFI Certification Application.
- An Emerging CDFI, on the other hand, does not meet all six certification requirements at time of Application (either for certification or funding).

The difference between the CDFI Certification Application and the Emerging CDFI Eligibility Questionnaire:

- The CDFI Certification Application is used to demonstrate that an Applicant currently meets all six of the certification requirements.
- The Emerging CDFI Eligibility Questionnaire, on the other hand, is used to demonstrate that the Applicant has a reasonable plan to become a certified CDFI by December 31, 2008.

Entities with CDFI Certification Applications Currently Pending with the Fund: An Applicant seeking TA (either solely or in conjunction with FA) that has a CDFI Certification Application pending with the Fund – but has not received notification that it has been certified – does not need to submit the Emerging CDFI Eligibility Questionnaire (Part III of this Application). If such Applicant is not certified as a CDFI based on the pending CDFI Certification Application, the Fund will use the information in the pending Certification Applicant to determine if the Applicant qualifies as an Emerging CDFI and is therefore eligible to be considered for the TA portion of the Application.

Legal Entity

At the time an entity submits its Application, it must be a duly organized and validly existing legal entity under the laws of the applicable jurisdiction (including a Tribal jurisdiction), in which it is incorporated or otherwise established.

Prior Fund Awardees or Allocatees

Success (or failure) in a prior funding round is not indicative of success (or failure) under this Application. However, previous compliance and timeliness of reporting does play a factor – and (in certain instances) can make an Applicant ineligible for consideration for an award. Prior Fund Awardees are eligible to apply under this CDFI Program Application, but with some limitations:

- **\$5 Million Funding Cap.** The Fund is generally prohibited from obligating more than \$5 million in assistance, in the aggregate, to any one organization and its Affiliates during any three-year period. For the purposes of this funding round, the period extends back three years from the date that the Fund signs a Notice of Award issued to an Awardee under this NOFA. Thus, in applying this criteria in determining eligibility for this funding round, the Fund will count any assistance with a Notice of Award dated between July 31, 2003 and July 31, 2006 (which is the anticipated date that the Fund would issue a Notice of Award under the FY 2006 funding round).
- **Failure to Meet Reporting Requirements.** The Fund will not consider an Application if the Applicant, or an entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund) is a prior Fund Awardee or Allocatee under any Fund program and is not current on the reporting requirements set forth in a previously executed Assistance, Allocation or Award Agreement(s), as of the Application deadline. The Fund only acknowledges the receipt of reports that are complete. As such, incomplete reports or reports that are lacking required elements are not recognized as having been received.

- Pending Resolution of Noncompliance.** If an Applicant is a prior Awardee or Allocatee under any Fund program and if: (i) it has submitted complete and timely reports to the Fund that demonstrate noncompliance with a previous Assistance, Allocation or Award Agreement; and (ii) the Fund has yet to make a final determination as to whether the entity is in default of its previous Assistance, Allocation or Award Agreement, the Fund will consider the Application submitted to this funding round pending full resolution, in the sole determination of the Fund, of the noncompliance. Further, if another entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund), is a prior Fund Awardee or Allocatee and if such entity: (i) has submitted complete and timely reports to the Fund that demonstrate noncompliance with a previous Assistance, Allocation or Award Agreement; and (ii) the Fund has yet to make a final determination as to whether the entity is in default of its previous assistance, allocation, or award agreement, the Fund will consider the Application submitted to this funding round pending full resolution, in the sole determination of the Fund, of the noncompliance.
- Default Status.** The Fund will not consider an Application submitted by an Applicant that is a prior Fund Awardee or Allocatee under any Fund program if, as of the applicable Application deadline of this Application, the Fund has made a final determination that such Applicant is in default of a previously executed Assistance, Allocation or Award Agreement(s). Further, an entity is not eligible to apply for an award if, as of the applicable Application deadline, the Fund has made a final determination that another entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund) is a prior Fund Awardee or Allocatee under any Fund program and has been determined by the Fund to be in default of a previously executed Assistance, Allocation or Award Agreement(s).
- Termination in Default.** The Fund will not consider an application submitted by an Applicant that is a prior Fund Awardee or allocatee under any Fund program if: (i) the Fund has made a final determination that such Applicant's prior award or allocation terminated in default of a previously executed assistance, allocation or award agreement(s); and (ii) the final reporting period end date for the applicable terminated assistance, allocation or award agreement(s) falls in Calendar Year 2005 (for the FY 2006 Funding Round) and Calendar Year 2006 (for the FY 2007 Funding Round). Further, an entity is not eligible to apply for an award pursuant to this NOFA if: (i) the Fund has made a final determination that another entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund), is a prior Fund Awardee or allocatee under any Fund program whose award or allocation terminated in default of a previously executed assistance, allocation or award agreement(s); and (ii) the final reporting period end date for the applicable terminated assistance, allocation or award agreement(s) falls in the Calendar Year 2005 (for the FY 2006 Funding Round) and Calendar Year 2006 (for the FY 2007 Funding Round).
- Undisbursed Balances.** The Fund will not consider an Application submitted by an Applicant that is a prior Fund Awardee under any Fund program if the Applicant has a balance of undisbursed funds under said prior award(s), as of the Application deadline. Further, an entity is not eligible to apply for an award if another entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund), is a prior Fund Awardee under any Fund program, and has a balance of undisbursed funds under said prior award(s), as of the Application deadline. In a case where another entity that Controls the Applicant, is Controlled by the Applicant or shares common management officials with the Applicant (as determined by the Fund), is a prior Fund Awardee under any Fund program, and has a balance of undisbursed funds under said prior award(s), as of the Application deadline, the Fund will include the combined awards of the Applicant and such Affiliated entities when calculating the amount of undisbursed funds. See NOFA for details on how undisbursed funds are calculated.

- **Exception for Applicants Impacted by Hurricanes Katrina and Rita.** Please note that the provisions above for “Failure to Meet Reporting Requirements” and “Undisbursed Balances” do not apply to any Applicant that has an office located in, or that provides a significant volume of services or financing to residents of and/or businesses located in, a county that is within a “major disaster area” as declared by the FEMA as a result of Hurricanes Katrina or Rita. Said requirements are waived for those Applicants for this funding round.

TIP Any Applicant that is a prior Fund Awardee or Allocatee should:

- Comply with all requirements specified in Assistance, Allocation, and/or Award Agreement(s).
- Ensure that all required reports are submitted by the deadlines specified in the Assistance, Allocation, and/or Award Agreement(s) governing said prior awards.
- Contact the Fund to ensure that all necessary actions are underway for the disbursement or deobligation of any outstanding balance of said prior award(s). All outstanding reports, disbursement, or compliance questions should be directed to the Grants Manager.
- Ensure that any outstanding Matching Funds on a prior Award are in-hand and a complete disbursement request is submitted to the Fund’s Grants Manager at least 10 business days prior to the Application deadline.

Application Materials and Deadlines

The Application consists of the following materials:

- Applicant Information / Cover Page (SF 424: Application for Federal Assistance)
- Environmental and Legal Certifications
- Emerging CDFI Eligibility Questionnaire (as applicable)
- Comprehensive Business Plan (CBP)
 - ~ Application Charts
 - ~ Matching Funds Documentation (as applicable)
 - ~ Financial Statements

Starting with the FY 2006 funding round, the Fund is required to accept CDFI Program Applications only through Grants.gov, the official Federal government-wide E-grant website, in compliance with Public Law 106-107 and Section 5(a) of the Federal Financial Assistance Management Improvement Act.

Registering on Grants.gov is the first step in submitting an Application. The one-time registration process will take three to five days to complete. Applicants are encouraged to start the registration process now. Registration information is located in the Get Started screen of Grants.gov. See the following link for more information:
<http://grants.gov/assets/GrantsgovCoBrandBrochure8X11.pdf>.

The Fund will provide further instructions for accessing and submitting the Application by January 6, 2006. The Fund will post instructions to its website at www.cdfifund.gov as soon as they are available and once the Application materials have been posted to Grants.gov.

All Application materials must be submitted through Grants.gov or received by BPD (as applicable for paper attachments only) by the following deadlines:

- **Application:** must be submitted through Grants.gov by 5:00 p.m. Eastern Time (ET) on Monday, **February 13, 2006.**
 - **Paper Attachments:** must be received by BPD (at the address specified below) by 5:00 p.m. ET on Thursday, **February 16, 2006:**
 - CDFI Fund Grants Manager
 - CDFI Program
 - Bureau of Public Debt
 - 200 Third Street
 - Parkersburg, WV 26101-5312
 - (304) 480-6088
- Paper attachments received in the BPD offices designated above after 5:00 p.m. ET on February 16, 2006 will be rejected and returned to the sender.
 - Paper attachments will not be accepted at the Fund's offices in Washington, DC. Applications received in the Fund's Washington DC offices will be returned to the sender. Applications sent by facsimile or e-mail will not be accepted.
 - The Fund will not grant exceptions or waivers for late delivery of documents including, but not limited to, late delivery that is caused by third parties such as the United States Postal Service, couriers or overnight delivery services.

Applicants are advised to allow at least 3 business days (i.e., not Saturday or Sunday) for overnight delivery to BPD's offices in West Virginia. Allow even longer if using first class postal mail delivery.

Ensuring that the Application Is Complete

Complete Versus Incomplete Applications: A complete Application is one that includes all required material described on the Application Checklist. Some items – if missing or incomplete – will result in the immediate rejection of the entire Application. If the SF 424 is missing or is missing a valid EIN, the Application will immediately be rejected. No Applicant will be given an opportunity to provide a missing SF 424 or missing EIN.

The Fund will allow two business days for an Applicant to submit the following items if missing or incomplete:

- IRS Documentation of the Applicant's EIN.
 - Provide a hard copy (to BPD) of Internal Revenue Service (IRS) documentation as evidence the Applicant itself (i.e., not its parent or Affiliate) has been assigned its own unique EIN.
- Dun and Bradstreet Data Universal Numbering System (DUNS) Number.
 - Any entity applying for Federal assistance is required to have a DUNS number.
 - To obtain this number, call 1-866-705-5711 or visit www.DNB.com.
- Emerging CDFI Eligibility Questionnaire.
- Environmental & Legal Certifications
- Certification of Material Events

TIP Do not wait until the last minute to obtain a DUNS or EIN documentation. The Fund strongly encourages Applicants to allow sufficient time to obtain the necessary numbers or documentation. If either the DUNS or EIN documentation is missing from the initial paper submission of the Application materials, the 2-days allowed by the Fund to submit these items may not be sufficient time to obtain them. It is always better to ensure that the initial Application submission contains all required items and documentation.

Paper Application Submission Request – Due by January 6, 2006

If an Applicant lacks the information technology to complete and submit the Application via Grants.gov, the Fund may allow it to submit the entire Application in paper. An Applicant must request and receive advance permission from the Fund to submit a paper Application. The Fund will not consider paper Applications received from Applicants that did not receive advance permission from the Fund. Requests to submit a paper Application can be made via:

- E-mail (paper_request@cdfi.treas.gov) or CDFIhelp@cdfi.treas.gov; or
- Fax request to the Fund's Chief Information Officer (CIO) at (202) 622-7754.

The Fund will not honor requests submitted via any other means. Requests must include the following information: the Applicant's name, the name and phone number of a contact person, a mailing address (a street address for courier or overnight service deliveries), and an explanation of why the Applicant cannot complete the electronic Application.

Requests to submit all paper Applications will be reviewed within two business days of receipt by the Fund. The Fund will not respond to requests for paper Applications that are received after 5:00 p.m. ET January 6, 2006. Requests received after 5:00 p.m. ET January 6, 2006 will not be reviewed and the Applicant must submit an electronic Application in order to be considered for funding.

Application Review and Awardee Selection Process

After an Application is submitted, the Fund will determine whether it was submitted by the deadline and is complete. If the Application is determined to be complete, the Fund will then determine whether it meets the basic eligibility requirements described above. If the Application is found to be eligible, it will receive a two-part substantive review in accordance with the criteria and procedures described in the NOFA and this Application.

Application Scoring

The Fund will evaluate the CBP on a 100-point scale with certain points assigned for each of the five sections. TA Only Applications are reviewed and scored by a single reviewer while Applications for FA are reviewed and scored initially by a team of three readers. In the case of an Applicant that has previously received funding from the Fund through any Fund program, after the readers establish the base score, the Fund will deduct points for:

- The Applicant's noncompliance with any active award or award that terminated in calendar year 2005 in meeting its performance goals, financial soundness covenants (if applicable), reporting deadlines, and other requirements set forth in the assistance or award agreement(s) with the Fund during the Applicant's two complete fiscal years prior to the Application deadline (generally FY 2004 and FY 2005 for FY 2006 funding round Applicants);
- The Applicant's failure to make timely loan payments to the Fund during the Applicant's two complete fiscal years prior to the Application deadline (if applicable);

- Performance on any prior Assistance Agreement as part of the overall assessment of the Applicant's ability to carry out its Comprehensive Business Plan; and
- FA deobligated from a FY 2003, FY 2004 or FY 2005 award (for FA Applicants) if:
 - The amount of deobligated funds is at least \$200,000; and
 - The deobligation occurred subsequent to the expiration of the period of funds availability (generally, after September 30th following the year in which the award was made).

After the compliance scoring, Applications will receive follow-up reviews (including an assessment of available Matching Funds) performed by a single reviewer (typically a Fund staff person). An Applicant must receive a minimum score in each evaluation criteria to move forward for the follow-up review. The purpose of the follow-up review is to determine the appropriate award amount based on the first phase readers' comments, score, and available Matching Funds. (For TA Only Applicants, the compliance scoring actually happens after the follow-up review.)

As part of the review process, the Fund may contact the Applicant by telephone, e-mail, or through an on-site visit for the purpose of obtaining clarifying or confirming Application information. The Applicant may be required to submit additional information to assist the Fund in its evaluation process. Such requests must be responded to within the time parameters set by the Fund. Further information on the review process is detailed in the NOFA.

Application Ranking and Awardee Selection

Once the follow-up review is completed, the Fund will rank Applications by their scores, from highest to lowest, as follows:

- TA-only Applicants and Category I/SECA Applicants will be ranked from highest to lowest, based on each Applicant's scores for all five criteria categories added together.
- Category II/Core Applicants must receive scores in both the Management category and the Financial Health and Viability category that each equal at least 50 percent of the available points in each of those sections. For Category II/Core Applicants that exceed this threshold, the Fund will use the combined scores of the Market Analysis, Business Strategy, and Community Development Performance and Effective Use categories to rank them, highest to lowest.

The Fund selects Awardees from the top of the ranking list until it runs out of available funds.

Awardee Notification

For the FY 2006 funding round, the Fund will notify Applicants selected to receive an award by late September 2006. The Fund notifies Applicants of award decisions (positive or negative) via e-mail to the designated Authorized Representative. If selected for an award, an Applicant must go to its myCDFIFund account to download (and print) a Notice of Award (which contains the general terms and conditions underlying the Fund's provision of assistance, including the signing of an Assistance Agreement). Only the Applicant's Account Administrator can access the Notice of Award. Because an Applicant will be notified via e-mail, it is essential that it provide a current e-mail address on the Signature Page. If an Applicant's e-mail system has a spam blocker function, please ensure that the Fund's main email addresses (cdfihelp@cdfi.treas.gov, grantsmanagement@cdfi.treas.gov, cme@cdfi.treas.gov) are listed as acceptable sources. Otherwise, the award notification email may never be received.

Organizations Not Selected for Funding

The Fund generally rejects or declines an Application at one of three phases. First, at the Application deadline phase, the Fund will reject an Application if it is received late. Second, at the completeness and eligibility review phase, the Fund will reject an Application received on time – if it is found to be incomplete or ineligible. The Fund will notify an Applicant declined for one or both of these reasons via email usually within a month of the Application deadline. Third, at the Application review stage, the Fund may decline an Applicant that satisfies the eligibility and completeness requirements for substantive reasons (i.e., low position on the ranking list relative to available funds or a low score resulting from a poorly presented CBP). The Fund will notify an Applicant declined for substantive reasons via email shortly after awards are announced (usually by late September).

Award Closing and Reporting

Upon notification, all Awardees must print, sign, and return the Notice of Award. Within several months, the Fund will contact the Awardee to begin the closing process, which includes entering into an Assistance Agreement. FA Awardees will enter into a 3-year Assistance Agreement and TA Awardees will enter into a 2-year Assistance Agreement. The Assistance Agreement is a contract that outlines the terms of the award including expectations for the Awardee to provide reports and remain in compliance. Once the Assistance Agreement has been signed, the Fund will authorize the award disbursement. The Fund disburses FA awards based on the Matching Funds documentation in hand at the time of award closing. The Fund disburses TA awards in one lump sum upon closing.

The Fund will collect information, on at least an annual basis, from all Awardees, including: (i) annual reports related to, among other matters, Awardee compliance with the performance goals and measures as set forth in the Assistance Agreement; (ii) audited or reviewed Financial Statements; (iii) uses of FA and Matching Funds; and (iv) such other information as the Fund may require, including transaction level data. The Fund reserves the right, in its sole discretion, to modify these reporting requirements if it determines it to be appropriate and necessary; however, such reporting requirements will be modified only after due notice to the Awardee.

Contacting the CDFI Fund

The Fund will respond to questions between the hours of 9:00 a.m. and 5:00 p.m. ET, through February 9, 2006 (two business days before the Application deadline). The Fund will not respond to phone calls or e-mail inquiries that are received after 5:00 p.m. ET on February 9, 2006, until after the funding Application deadline of January 23, 2005. NOTE: These are not toll-free numbers.

Main Office:	(202) 622-8662 (202) 622-7754 (fax)	www.cdfifund.gov	General inquiries; phone numbers for individual Fund staff; access to myCDFIFund and program webpage.
Program Support:	(202) 622-6355	cdfihelp@cdfi.treas.gov	CBP questions, how to complete tables, certification.
Grants Management Support	(202) 622-8226 (202) 622-9625 (fax)	grantsmanagement@cdfi.treas.gov	Application deadlines; Application submission requirements; completing the Signature Page or Environmental Review Form; Questions regarding EIN Documentation, DUNS, disbursements, and Notices of Awards.
Compliance and Monitoring Support	(202) 622-8226 (202) 622-9625 (fax)	cme@cdfi.treas.gov	Status of compliance with other awards including outstanding reports.
IT Support	(202) 622-2455	ithelpdesk@cdfi.treas.gov	Registering and creating accounts on myCDFIFund.
Legal Support	If you have any questions or matters that you believe require response by the Fund's Office of Legal Counsel, please refer to the document titled "How to Request a Legal Review", found on the Fund's web site at www.cdfifund.gov .		

APPLICATION CHECKLIST

Review this list to ensure a complete Application.

✓	Eligibility Material
	SF 424, EIN, and DUNS.
	Documentation from IRS confirming Applicant's EIN
	CDFI Certification Eligibility Questionnaire (for non-certified TA-Only Applicants, see page 23)
✓	Environmental and Legal Certifications
	Environmental Review Form
	Assurances and Certifications (review, but not necessary to submit)
	501(c)(4) Questionnaire (submitted by 501(c)(4) organizations only)
✓	Comprehensive Business Plan (CBP)
	Executive Summary
	Market Analysis
	Business Strategy
	Community Development Performance and Effective Use
	Management
	Financial Health and Viability
✓	CBP Related Uploads and Attachments
	Application Charts Workbook
	Financial Statements
	Matching Funds Documentation (FA Applicants only)

Incomplete Applications

Applications received after the submission deadlines noted above and/or missing any of the items listed below will be considered incomplete and immediately rejected from consideration for an award without an opportunity to rectify:

- SF 424 or
- EIN; or
- CBP section of the Application (submitted online) is substantially incomplete.

PART I: ENVIRONMENTAL AND LEGAL CERTIFICATIONS

WHO MUST COMPLETE THIS SECTION:

- ALL APPLICANTS

IS THERE ANYTHING IN THIS SECTION THAT MAY CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?

- Failure to submit required forms.

THINGS TO NOTE:

- In certain cases, the Fund will allow a limited window of two (2) business days to submit some piece of missing documentation including: missing Environmental Review Form.

ENVIRONMENTAL REVIEW FORM

Applicant Name: _____

The Fund's environmental review requirements are set forth in 12 CFR Part 1815. The Applicant should review such regulations carefully before completing this section. In order to assure compliance with those regulations and other requirements related to the environment, the Applicant shall provide the following information:

	YES	NO
1. Are there any actions proposed in the Application that do not constitute a "categorical exclusion" as defined in 12 CFR 1815.110? If YES, would any of these actions normally require an environmental impact statement (see 12 CFR 1815.108)?	_____	_____
2. Are there any activities proposed in the Application that involve:		
(a) Historical or archeological sites listed on the National Register of Historic Places or that may be eligible for such listing?	_____	_____
(b) Wilderness areas designated or proposed under the Wilderness Act?	_____	_____
(c) Wild or scenic rivers proposed or listed under the Wild and Scenic Rivers Act?	_____	_____
(d) Critical habitats of endangered or threatened species?	_____	_____
(e) Natural landmarks listed on the National Registry of Natural Landmarks?	_____	_____
(f) Coastal barrier resource systems?	_____	_____
(g) Coastal Zone Management Areas?	_____	_____
(h) Sole Source Aquifer Recharge Areas designated by EPA?	_____	_____
(i) Wetlands?	_____	_____
(j) Flood plains?	_____	_____
(k) Prime and unique farmland?	_____	_____
(l) Properties listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities?	_____	_____

If YES to any of the above questions, attach a detailed description of each action, clearly identifying the category in which the action falls.

NOTIFICATION

As stated in 12 CFR 1815.105, if the Fund determines that the Application proposes actions which require an environmental assessment or an environmental impact statement, any approval and funding of the Application will be contingent upon:

1. The Applicant supplying to the Fund all information necessary for the Fund to perform or have performed any required environmental review;
2. The Applicant not using any Fund Financial Assistance to perform any of the proposed actions in the Application requiring an environmental review until approval is received from the Fund; and
3. The outcome of the required environmental review.

In addition, as stated in 12 CFR 1815.106, if the Fund determines that an Application, or any part thereof, is not sufficiently definite to perform a meaningful environmental review prior to approval of the Application, final approval and funding of the Application shall require supplemental environmental review prior to the taking of any action directly using Fund Financial Assistance for any action that is not a categorical exclusion.

ASSURANCES AND CERTIFICATIONS

Signing the certification on SF 424 certifies that the Applicant will comply with the Assurances and Certifications listed below if an award is made. Certain of these Assurances and Certifications may not be applicable to the Applicant. An Applicant may not modify any of the Assurances and Certifications.

A. Standard Form 424B: Assurances -- Non-Construction Programs

As the duly authorized representative of the Applicant, I certify that the Applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this Application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work (activities in Application) within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L.88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.1681-1683, 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C.6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L.91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C.3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which Application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statutes which may apply to the Application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply with the provisions of the Hatch Act (5 U.S.C.1501-1508 & 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L.91-190) and Executive Order 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451et seq.); (f) conformity of Federal actions to State Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as

- amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L.93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L.93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

1. It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this Application;
 2. Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this Application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this Application and to provide such additional information as may be required;
 3. It will comply with all applicable requirements of the Community Development Banking and Financial Institutions Act of 1994 (the Act) [12 U.S.C. 4701 et seq.], regulations implementing the Act and all other applicable Department of the Treasury regulations and implementing procedures (and any regulations or procedures which are later promulgated to supplement or replace them);
 4. It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;
 5. It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this Application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
 6. The information in this Application, and in these assurances and certifications in support of the Application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this Application has been duly authorized.
- C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions: Instructions for Certification**
1. By signing and submitting this Application, the prospective primary participant (the Applicant) is providing the certification set out below.
 2. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the Application). However, failure of the Applicant to

furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
6. The Applicant agrees by submitting this Application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
7. The Applicant further agrees by submitting this Application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this Application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this Application had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the Applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.

E. Certification Regarding Drug-Free Workplace Requirements

1. The Applicant certifies that it will provide a drug-free workplace by:
 - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;
 - (b) establishing a drug-free awareness program to inform employees about:

- (i) the dangers of drug abuse in the workplace;
 - (ii) the Applicant's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program;
 - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
- (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
 - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
 - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;
 - (f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - (g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).
2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award (Place of Performance (Street Address, City, County, State and zip Code)):

Not Applicable

F. Certification Regarding Lobbying

1. The Applicant certifies, to the best of its knowledge and belief, that:
 - (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - (c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

501(C)(4) QUESTIONNAIRE

This questionnaire is necessary for the Fund to determine whether an Applicant with a 501(c)(4) designation from the IRS is eligible to receive an award from the Fund (see 12 C.F.R. § 1805.200(a)(3)). Please read all definitions before responding to the questions and continue to refer to such definitions in responding to this questionnaire. If the answer to any question is yes, please describe in detail the facts and circumstances, subject matter, date(s), names and titles of all individuals and their employers and their organizations on a separate sheet(s) of paper. The Fund reserves the right to seek follow-up responses from an Applicant. Failure to complete this questionnaire and, if applicable, respond timely to follow-up questions, will delay the Fund's processing of the Application, and may result in the disqualification of the Application from further consideration. After submitting responses to this questionnaire, the Applicant is under a continuing obligation to: (1) supplement its responses upon a change in circumstances; and (2) revise or modify its responses within 10 business days of having actual or constructive knowledge that the responses previously submitted and certified are no longer complete, accurate, or true. You may call the Fund's Office of Legal Counsel at (202) 622-8662 if you have any questions about this form.

Scope: The scope of this questionnaire is limited to activities on or after January 1, 1996.

Questions

1. Has any officer, employee, director, partner, proprietor, or board member contacted ¹ a Covered Executive Branch Official ² with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has any officer, employee, director, partner, proprietor, or board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration or a Federal contract, grant, loan, permit, or license)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a Covered Executive Branch Official including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 1-4?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Has any officer employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Has any officer, employee, director, partner, proprietor, or Board member contacted a Covered Executive Branch Official with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a Covered Legislative Branch Official ³ including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 6-9?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Signature

Signing the certification on SF 424 certifies that the answers to the 501(c)(4) Questionnaire and the written explanations attached thereto are true, accurate, and complete to the best of its information, knowledge, and belief and that, since January 1, 1996, the Applicant has not engaged in Lobbying Activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

¹ "Contacted" means any oral or written communication including an electronic communication.

² "Covered executive branch official" means: (a) the President; (b) the Vice President; (c) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President; (d) any officer or employee serving in an Executive Level I-V position, a "Schedule C" position, or any official in a Senior Executive Service position; (e) any member of the uniformed services serving at grade 0-7 or above; or (f) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character.

³ "Covered legislative branch official" means: (a) a member of Congress; (b) an elected officer of either House of Congress; and (c) any employee of the House or Senate, including employees of Members, committees, leadership and working groups or caucuses organized to provide legislative services or other assistance to Members of Congress.

SECTION II:

EMERGING CDFI ELIGIBILITY QUESTIONNAIRE

WHO MUST COMPLETE THIS SECTION?

- An Applicant requesting TA Only that has not been certified as a CDFI by the Fund.
 - An Emerging CDFI seeking TA Only must complete and submit the Emerging CDFI Eligibility Questionnaire.
 - A Certifiable CDFI seeking TA Only may either submit the Emerging CDFI Eligibility Questionnaire or a CDFI Certification Application.

THINGS TO NOTE:

- To be considered for FA, an Applicant must:
 - Be certified by the Fund as a CDFI, or
 - Have a CDFI Certification Application pending with the Fund as of the Application due date, or
 - Submit a CDFI Certification Application by January 20, 2006.
 - ~ The CDFI Certification Application is available on the Certification page of the Fund's website at www.cdfifund.gov.
- A Certified CDFI or one with a pending CDFI Certification Application must submit a Certification of Material Event Form by January 20, 2006. The Certification of Material Event form is available on the Certification page of the Fund's website at www.cdfifund.gov.
- Applicants that are not certified by the Fund as a CDFI and are seeking FA in conjunction with TA: if the Fund reviews the CDFI Certification Application and finds that the Applicant cannot be certified, but that it demonstrates a reasonable plan to become certified within two years of receiving a TA grant, the Applicant will be considered ineligible for FA, but eligible for TA.

INSTRUCTIONS

The Applicant will use a Word template to address each certification requirement. The forthcoming Instructions on submitting the Application via Grants.gov will provide information on obtaining this template and submitting it. The narrative must demonstrate that the Applicant currently meets or has a viable plan to meet (including any requested TA) each certification requirement by December 31, 2008. The Fund will assess the reasonableness of the plan to become certified – taking into account any requested TA. For example, if the Applicant does not meet the Financing Entity requirement because it has yet to start lending, it might describe how it will use TA to hire a consultant to develop underwriting policies and procedures to support its ability to start lending.

The Fund will not provide an opportunity for an Applicant to submit information not included in the questionnaire. The Fund will not consider attachments other than the Governing Board list requested in the Accountability section. Do not submit copies of annual reports, articles of incorporation, or other documents to support this eligibility section, as they will not be reviewed.

CDFI Certification Requirements

To be certified as a CDFI, an organization must be a legal entity, and must meet the following certification requirements, as detailed in the CDFI Program Regulations:

1. The organization has a Primary Mission of promoting community development;
2. The organization is a Financing Entity;
3. The organization principally serves one or more Target Market;
4. The organization provides Development Services in conjunction with its financing activities;
5. The organization maintains Accountability to its defined Target Market; and
6. The organization is a Non-Governmental Entity, and is not controlled by one or more governmental entities.

CDFI Certification Eligibility Checklist: An Applicant may use the checklist below to identify which certification requirements it currently meets. If the Applicant cannot answer affirmatively in either column, then it is not considered eligible and should not proceed with the Application.

CDFI Certification Eligibility Checklist	Currently Meets	Will Meet by 12/31/08
<u>Primary Mission:</u> The Applicant's activities are purposefully directed toward improving the social or economic conditions of underserved people or residents of distressed communities.		
<u>Financing Entity:</u> The Applicant's predominant business activity is the provision, in arms-length transactions, of Financial Products, Development Services, and/or other similar financing.		
<u>Target Market:</u> The Applicant has identified and serves an eligible Target Market. At least 60% of the Applicant's activities are provided to its designated Target Market(s).		
<u>Development Services:</u> The Applicant provides Development Services (e.g., training to customers) in conjunction with its Financial Products.		
<u>Accountability:</u> The Applicant maintains accountability to its Target Market through representation on its Governing Board or otherwise.		
<u>Non-Government Entity:</u> The Applicant is not an agency or instrumentality of the United States, or any State or political subdivision thereof. The Applicant demonstrates that it is not Controlled by any governmental entity.		

Special Requirement for IDIs, DIHCs, and Affiliates: Insured Depository Institutions (IDIs), Depository Institution Holding Companies (DIHCs), and Subsidiaries or Affiliates of IDIs or DIHCs must demonstrate that they individually and collectively with any Affiliates and Subsidiaries meet each of the six certification requirements.

Primary Mission Requirement

The Applicant must have a primary mission of promoting community development. The Fund will consider whether the activities of the Applicant are purposefully directed toward improving the social and/or economic conditions of underserved people and/or residents of economically distressed communities. Generally, the Fund will consider an entity to meet the Primary Mission requirement if its mission or purpose specifically reference "distressed communities," "low-income" individuals, "underserved" individuals, or similar statement that clearly indicates that the organization primarily serves distressed or underserved communities and/or populations.

Does Not Meet the Primary Mission Requirement

If the Applicant's organizational documents do not reference a primary mission of community development, provide a narrative describing the Applicant's plan (including any requested TA) and timeframe for meeting this requirement. Make sure that the timeline addresses whether the Governing Board or other body must approve any changes or amendments to an entity's organizing documents.

Meets the Primary Mission Requirement

Provide a narrative summarizing the Applicant's primary purpose or mission as stated in its signed, Governing Board-approved incorporating documents, bylaws, annual reports, or other organizational documents. Identify the exact document(s) and date of filing, if applicable, of the document(s) cited.

- ✓ Example: ABC Loan Fund's Articles of Incorporation were filed with the State of Delaware on 9/2/98. The articles include a "Purpose" section that states "The Corporation's purpose is to provide micro loans to low-income residents of Delaware." That same mission is included on our marketing materials and most recent annual report.

Special Credit Union Requirement. The Fund recognizes that many ICUs lack the types of documents described above -- but have been designated by the National Credit Union Administration (NCUA) as serving Low-Income populations. Therefore, the Fund will consider an Applicant with a Low-Income Credit Union designation conferred by the NCUA in 1990 or later to have meet the Primary Mission requirement as long as the Applicant's Target Market consists of a Low-Income Targeted Population and that at least 60% of its Financial Products and Development Services are directed to that Target Market.

Financing Entity Requirement

The Applicant's predominant business activity must be the provision, in Arms-Length Transactions, of Financial Products, Development Services, and/or other similar financing. IDIs, DIHCs and Insured Credit Unions automatically meet the Financing Entity requirement. Non-Regulated Applicants must demonstrate four things to meet the Financing Entity requirement:

- The Applicant uses its own funds to provide Financial Products to non-Affiliated entities;
- The majority or predominance of its assets are dedicated to Financial Products, Development Services, and/or other similar financing;
- The majority or predominance of its staff time is dedicated to Financial Products, Development Services, and/or other similar financing; and
- The Applicant maintains sufficient capital to continue financing activities for at least three months.

Does Not Meet the Financing Entity Requirement

Provide a narrative explaining the Applicant's plan (including any requested TA) to meet each requirement by December 31, 2008. Describe the specific requirement(s) the Applicant currently does not meet, specific actions to be taken, and a projected time line for completion.

- ✓ Example: Our 2004 Financial Statements demonstrate that less than 50% of assets are dedicated to financing activities. We plan to raise \$500,000 in loan capital by January 2006. This new infusion of cash would increase our total eligible assets to meet the 50% rule. In addition, our staff resources are currently predominantly dedicated to our real estate activities, not our financing activities. We expect to transfer the real estate assets and activities to our subsidiary within the next six months. We would then have 100% of staff time dedicated to Financial Products and Development Services.

Meets the Financing Entity Requirement

IDIs, DIHCs, and ICUs must identify themselves as such. Other Applicants must provide brief statements addressing the four areas below:

1. **Providing Financing to Non-Affiliated Parties.** Provide a brief statement explaining which line items on the Applicant's most recent balance sheet reflect its Financial Products. Include a description of the item, the dollar amount, the number of transactions, and the customer profile. Explain any affiliation between the Applicant and the recipients of its Financial Products.

- ✓ Example: Our microenterprise loans are reflected on our 12/31/03 balance sheet as "Loans Outstanding." This is currently our sole Financial Product. The \$450,000 line item represents 240 loans made to individual entrepreneurs who have no affiliation with the Applicant.

2. **Assets Dedicated to Financing Activity.** Using the Applicant's most recent Financial Statements, state what percentage of Total Assets: (1) represent Financial Products, (2) are dedicated to the provision of Development Services, and (3) are dedicated to the provision of other similar financing (if applicable). List line items on the balance sheet where such assets are reported. Explain how each listed line item meets the Financing Activity criteria. For example:

Balance Sheet Line Item	Total Amount	Eligible Amount	Eligible %	Eligibility Note
Cash & Cash equivalents	\$80,000	\$20,000	25%	Total cash (\$80,000) less three months operating reserves (\$60,000) can be used for lending.
Loans Outstanding	\$500,000	\$350,000	70%	\$500,000 consists of loans to small businesses (\$350,000 / 70%) and loans to subsidiaries (\$150,000 / 30%), which are not eligible.
Computers / Equipment	\$100,000	\$70,000	70%	Assumes that computers and other equipment are used for lending activity in the same proportion as reflected in our portfolio.
Total Eligible Assets	\$680,000	\$440,000	65%	Eligible assets equal 65% (\$440,000) of total assets (\$680,000) appearing on our FY2004 balance sheet.

3. Staff Dedicated to CDFI Financing Activity. List staff and describe their responsibilities related to providing Financial Products, Development Services, and other financing. If the Applicant does not have its own staff or relies on consultants to supplement its staff resources, list these individuals in the table, identify them as non-staff, and explain their relationship (e.g., Affiliate staff or consultant). Include the percentage of staff time devoted to providing activities for the Applicant. For example:

Name and Title	CDFI Activity	Job Description and Time Commitment
John Daniels, Executive Director	Financing and DS	Spends 50% of staff time on non-financing activity and 50% on financing activity including oversight, management and fundraising.
John Doe, Loan Manager	Financing	Spends 100% of time on financing including Financial Product development and marketing, supervising loan officers, and underwriting and closing loans.
Jane Smith, Business Development Manager	DS	Spends 50% of staff time on non-financing activity and 50% on DS as follows: financial counseling to clients and teaching small business workshops.
Ann Lee, John Taylor, Susan Jones	Financing	Three staff spend 100% of time on financing activity marketing loan products, underwriting and closing loans.
Andrew Johnson	N / A	Spends 100% of his staff time on the organization's non-financing activity: real estate development.
Of the seven full-time staff listed above, five full-time equivalents or 71% are dedicated to the Applicant's financing entity related activity.		

4. Sufficient Capital. To demonstrate that the Applicant maintains adequate funds to support its financing activities for at least three months (one quarter), state the average three-month number and dollar amount of financing transactions provided by the Applicant based on its historic activity. State the amount of liquid assets available for financing activities based on the Applicant's most recent Financial Statement. Liquid assets include cash and cash equivalents appearing on the balance sheet or amounts available to draw from a line of credit. For example:

The following entries from our balance sheet make up our liquid assets:	
Cash and cash equivalents:	\$20,000
Money Market Accounts:	\$60,000
Total Liquid Assets:	\$70,000
In FY2003 our loan closings averaged \$50,000 per quarter and our operating expenses averaged \$40,000 per quarter. Based on these FY2003 figures, we needed \$90,000 in liquid funds to cover both financing and operating expenses for the first three months of FY2004. While the balance sheet assets were \$20,000 short of our needs, we do have ready access to additional funds. In November 2003 we partnered with ABC Bank to establish an \$800,000 line of credit. This line of credit is restricted to CDFI eligible financing activity.	

Target Market Requirement

The Applicant must principally serve an eligible Target Market. An entity must designate an eligible Target Market and demonstrate that it directs at least 60% of its activities to that Target Market. An eligible Target Market may consist of a combination of one or more eligible Investment Areas, Low-Income Targeted Populations, or Other Targeted Populations.

Does Not Meet the Target Market Requirement

Provide a narrative explaining the strategy (including any requested TA) for meeting the Target Market requirement within the required timeframe by identifying each Target Market the Applicant plans to designate. Also, describe the strategy for directing at least 60% of its activities to the qualifying Target Market within the required timeframe. Include a timeline and specific action items.

Meets the Target Market Requirement

For each designated Target Market address the following:

- **Investment Areas**: Use the Fund's online mapping system (CIMS) to identify eligible Investment Areas. Provide a narrative description of the identified Investment Areas. Please save these Investment Areas to the Applicant's myCDFIFund account as the Fund may ask to verify this information.
 - ✓ Example: ABC Loan Fund serves a Target Market made up of 55 Investment Areas in New York City.
- **Low-Income Targeted Population (LITP)**: Identify geographic service area from which the LITP is drawn (i.e., city, county, or state).
 - ✓ Example: ABC Loan Fund's Target Market consists of an LITP in Johnson County, Georgia.
- **Other Targeted Population (OTP)**: Identify each designated OTP and geographic service area from which the OTP is drawn (i.e., city, county, or state). Describe how the designated OTP lacks access to credit or capital in the designated geographic service area because of reasons unrelated to their investment or credit-worthiness. Applicants may reference recent (within five years) studies, surveys, etc. conducted by non-affiliated entities as long as the study, survey, etc. was performed for the designated OTP in the designated service area.
 - ✓ This description is not required for the following OTPs: African-Americans (Blacks), Alaska Natives residing in Alaska, Hispanics (Latinos), Native Americans, Native Hawaiians residing in Hawaii, Other Pacific Islanders residing in the Pacific Islands.
 - ✓ Example: ABC Loan Fund is serving a Target Market consisting of women living in Ohio. A June 2004 study by the Ohio Women's Business Center described how only 20% of female loan Applicants with qualifying credit scores were approved for business loans at traditional lending institutions while 50% of their male counterparts, with the same or similar credit scores, were approved for business loans.
- Using the most recently completed fiscal year of the activity, identify the percentage of the Applicant's Financial Products, Financial Services, and Development Services provided to each component of the identified Target Market.
 - ✓ Example: ABC Loan Fund made 100 loans in FY2004, 70 of those were to Low-Income women borrowers, and therefore 70% of our activity was provided to our Target Market.

Development Services Requirement

The Applicant must provide Development Services in conjunction with its Financial Products. Development Services are training or technical assistance that help to prepare borrowers/investees for a CDFI's Financial Products, and may include: individual credit counseling; homebuyer education classes; business mentoring services; or construction financing advisory services. Development Services may be provided by the CDFI directly, through an Affiliate, or through a contract with another provider.

Does Not Meet the Development Services Requirement

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Development Services requirement within the required time. Include a timeline and specific action items.

Meets the Development Services Requirement

Describe the Development Services that the Applicant provides. Explain the relationship between the Development Services and the Financial Products the Applicant provides (e.g., are borrowers required to receive Development Services prior to receiving the Applicant's loans?).

- ✓ Example: ABC Loan Fund's monthly class called "How to Get a Loan for Your Small Business" educates participants about the underwriting process used by banks and the process used by ABC Loan Fund. Attendees who submit a loan application receive one hour of one-on-one financial and credit counseling ending in a written plan for meeting the ABC Loan Fund financial soundness criteria.

Accountability Requirement

An Applicant must be accountable to its Target Market. An Applicant can demonstrate accountability through membership composition of its Governing Board or through other methods, such as advisory boards, focus groups, and community meetings. If the Applicant's designated Target Market consists of multiple segments (i.e., Investment Areas, LITP, and OTP), it must demonstrate that it maintains accountability to each segment. For example, if an Applicant designated as its Target Market an Investment Area consisting of a county in New York and an OTP of Hispanics drawn from the entire state, the Applicant must demonstrate accountability to both the Investment Area and an OTP of Hispanics. An individual board member may represent more than one segment of a Target Market.

Does Not Meet the Accountability Requirement

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Accountability requirement within the required time. Include a timeline and specific action items.

Meets the Accountability Requirement

- **Governing or Advisory Board.** State whether accountability is met through a Governing or an advisory board. List the members who represent the Target Market. For each member:
 - Identify the Target Market he/she represents, and
 - Explain how he/she meets either or both of the following: (a) he/she is a member of the Target Market (e.g., resident of the Investment Area, or a member of the LITP or OTP); or (b) he/she is a staff or board member of an organization serving the Target Market.
 - ~ Example: ABC Loan Fund's Governing Board has six members, two of whom are Low-Income residents of the LITP service area. Another director is the President of Jobs for Georgia, a nonprofit that trains Low-Income workers for entry-level jobs. Jobs for Georgia serves residents of the LITP service area.

- **Other Method of Accountability.** Identify what method(s) the Applicant uses to maintain accountability (e.g., focus groups, community group meetings, customer survey, etc.) and explain how this method provides for representation from the designated Target Market. Also explain the frequency with which the Applicant collects information through this method(s) and how such information is used by the Governing Board to affect the Financial Products, Financial Services, Development Services, and other activities of the Applicant.
 - ✓ Example: ABC Loan Fund is a member of the Neighborhood Advisory Council for each community identified in our Target Market. Through these councils we attend meetings with our LITP community members no less than quarterly. After each meeting, management makes a presentation and makes recommendations to the board based on the input of residents represented at the Neighborhood Advisory Council meetings.

Non-Government Entity Requirement

An Applicant meets this requirement by demonstrating that it is not Controlled by any governmental entity (i.e., an agency or instrumentality of the United States, or any State or political subdivision thereof). A Tribal government is not considered an agency or instrumentality of the United States or any State or any political subdivision thereof). Thus, an entity that is operated or controlled by a Tribal government may meet this test.

Does Not Meet the Non-Government Entity Requirement

If the Applicant does not currently meet the requirements for this section, provide a narrative explaining the strategy (including any requested TA) for meeting the Non-Government Entity requirement within the required time. Include a timeline and specific action items.

Meets the Non-Government Entity Requirement

Provide a narrative describing the nature of any relationship the Applicant has with any Federal, State, or municipal government entity. Explain any factors that mitigate the government control that may be suggested or assumed by those relationships.

- ✓ Example: Our bylaws require that one of the 12 seats on our Governing Board be filled by a representative from the county office of economic development, and that the remaining board seats are filled by four neighborhood residents and seven community organizations. Therefore the decision-making for the organization is not concentrated with any government entity or representative.

Address and explain any of the situations appearing in the bulleted list below.

- Do one or more government entities or officials control the election or appointment of a majority of the members of the Governing Board of the Applicant?
- Do the articles of incorporation or bylaws of the Applicant require that a certain number of the Applicant's Governing Board members be government employees or elected or appointed government officials?
- Do one or more government entities select or have veto power over the selection of the executive director, chief executive officer, or comparable official of the Applicant?
- Do one or more government entities control or have veto power over the financing decisions of the Applicant?
- Is the majority of the Applicant's Governing Board members elected or appointed government officials?
- Does any government entity provide more than 50% of the Applicant's operating budget or financing capital?
- If the Applicant organization is controlled by another entity, is that entity controlled by one or more government entities?

SECTION III:

COMPREHENSIVE BUSINESS PLAN

WHO MUST COMPLETE THIS SECTION?

- All Applicants

IS THERE ANYTHING IN THIS SECTION THAT WILL CAUSE MY APPLICATION TO BE REJECTED IF I MISS IT?

- An Applicant will be able to submit the CBP even if there are no responses to the CBP questions or the responses are incomplete. However, the lack of information will prevent reviewers from completing their evaluation. Therefore, if the Fund determines that there is insufficient information in the CBP section to evaluate the Application, it will not forward it for review. No Applicant will be provided an opportunity to provide supplemental information for the CBP.

THINGS TO NOTE:

- Be sure to pay close attention to the Tips as well as the questions.
- All Application charts are available – and must be submitted – as an Excel file. The CBP questions are also available – and must be submitted – as a Word file. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and the CBP template and submitting them via Grants.gov.

GENERAL GUIDANCE

The CBP includes an Executive Summary, TA Proposal (if applicable), and five key sections, each of which includes several subcomponents. The points for each section are as follows:

	TA-only Applicants	Category I/SECA	Category II/Core
Market Analysis	25 points	25 points	20 points
Business Strategy	25 points	25 points	20 points
Community Development Performance and Effective Use	20 points	20 points	20 points
Management	20 points	20 points	20 points
Financial Health and Viability	10 points	10 points	20 points
Technical Assistance Proposal	Not Scored	Not Scored	Not Scored

An Applicant must receive at least 10 points in each section to be considered for funding.

Charts and Attachments

Matching Funds, TA Proposal, and four of the CPB sections require an Applicant to complete at least one chart. Some sections require additional attachments. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and submitting them via Grants.gov. Attachments and charts related to each section are detailed within their section of the CBP.

MATCHING FUNDS (FA APPLICANTS ONLY)

Matching Funds are required for all FA awards. In accordance with the NOFA, the Fund will not consider for FA funding any Applicant that demonstrates no Matching Funds in-hand or committed as of the Application deadline. Matching Funds are not required for TA grants.

Matching Funds Window: Matching Funds In-Hand (received), or Firmly Committed, on or after January 1, 2004, and on or before March 15, 2007, will be considered when determining Matching Funds eligibility.

Applicants that do not obtain the projected Matching Funds: The Fund reserves the right to: (1) rescind all or a portion of a FA award and re-allocate the rescinded award amount to other qualified Applicant(s) if an Applicant fails to obtain the required Matching Funds In-Hand by March 15, 2007 (with documentation of such receipt to be received by the CDFI Fund not later than March 30, 2007); or (2) to grant an extension of such Matching Funds deadline, if the Fund deems it appropriate.

Comparable Form: Matching Funds must be at least comparable in form and value to the FA award provided by the Fund. For example, if an Applicant seeks a FA grant from the Fund, the Applicant must obtain Matching Funds through grants from non-Federal sources that are at least equal to the amount requested from the Fund. For loans or Deposits, the terms will be matched by the Fund to the extent possible and in the sole discretion of the Fund. Thus, if a 10-year loan at 2% interest, with interest only payments is requested from the Fund, the Applicant must match the request with a loan with the same terms. If several loans with different terms and rates are used as Matching Funds for a loan, the Fund will calculate a blended term and rate of the loan portion of the Fund's FA award.

Non-Federal Source: Matching Funds must come from sources other than the Federal government and, regardless of the source, consist of non-Federal funds. Community Development Block Grant Program and other funds provided pursuant to the Housing and Community Development Act of 1974, as amended, are considered Federal government funds and cannot be used as Matching Funds.

Previously Used Matching Funds: Funds used by an Applicant as Matching Funds for a prior award under the CDFI Program or under another Federal grant or award program cannot be used to satisfy the Matching Funds requirement for this FA request. If an Applicant seeks to use as Matching Funds, monies received from an organization that was a prior Awardee under the CDFI Program, the Fund will deem such funds to be Federal funds, unless the funding entity establishes, to the reasonable satisfaction of the Fund, that such funds do not consist, in whole or in part, of CDFI Program funds or other Federal funds. An Applicant using Matching Funds from an Affiliate entity must be able to demonstrate that the Affiliate entity received the same amount from an eligible, non-Affiliate source within the eligible Matching Funds window, described above.

Matching Funds Data Chart

The Matching Funds Data Chart captures information, as of the submission date of the Application, on Matching Funds In-Hand, Firmly Committed, and To Be Raised. The Matching Funds Data Chart is Chart A in the Application Charts Excel Workbook. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and submitting it via Grants.gov. Before completing the chart, it is highly recommended that the Applicant:

- Carefully read the chart instructions below and the Sample Completed Chart.
- Read the Matching Funds guidance available on the Fund's website at www.cdfifund.gov.
- Gather all documentation so that dates, amounts, and other data are readily available.

All FA Applicants must complete the chart. Only a Category I/SECA Applicant may identify Matching Funds To Be Raised. A Category II/Core Applicant must have all funds In Hand or Committed.

Required Documentation

- Matching Funds In-Hand:** For each Matching Funds In-Hand transaction provide a copy of executed documentation evidencing (i) the form of Matching Funds and (ii) that the Matching Funds were disbursed. Acceptable documentation of the form of Matching Funds is as follows:
 - ✓ Grant: grant transmittal letters; grant agreements; a letter from the match source indicating the grant amount and the purpose of the grant. Signed copy required.
 - ✓ Loan: promissory notes, loan agreements. Signed copy required.
 - ✓ Equity Investment: stock certificates, subscription agreements and private placement memoranda. Signed copy required.
 - ✓ Deposit/Shares: certificates of deposit or share certificates.
 - ✓ Secondary Capital: secondary capital agreement and the Disclosure and Acknowledgement Statement. Signed copy required.
 - ✓ Retained Earnings: see special section below describing using Retained Earnings as match.

Acceptable evidence that the Matching Funds were disbursed to the Applicant includes: (1) a copy of the check; (2) a copy of wire transfer transaction; or (3) other disbursement document deemed acceptable by the Fund.

- Matching Funds Firmly Committed:** For each source of Matching Funds Firmly Committed, provide written documentation evidencing that the Applicant has entered into or received a legally binding commitment from the Matching Funds source that the Matching Funds have been committed, and are to be disbursed to the Applicant (such as a loan agreement, promissory note, or grant agreement). Matching Funds Firmly Committed documents must be in writing, signed and dated by the funder, indicate that the Matching Funds are for the Applicant, correspond in form to the FA requested (i.e., grant for grant, loan for loan), and provide a date by which the Matching Funds will be disbursed to the Applicant. All commitments must indicate that Matching Funds are to be disbursed by March 15, 2007. Commitments may be contingent upon receipt of a Fund FA award, and other contingencies deemed reasonable by the Fund, in its sole discretion.
- To Be Raised (Category 1/SECA Applicants):** Submit letters of interest from potential funders or documentation demonstrating the likelihood of raising Matching Funds by March 15, 2007.

Small Contributions: If an Applicant has identified more than five small contributions (under \$1,000) as Matching Funds, create a list with the name and amount of each donor/contributor. In the Matching Funds Summary Chart, record the total sum of these small contributions as a single entry. Select "Small Contributions" in the "Source of Matching Funds" column. Submit the list and copies of disbursement documents (checks, cover letters and pledge forms). At a minimum, the Fund needs a copy of the check from each individual to find the funds eligible.

TIP If the Applicant has a large number of Matching Funds documents, please separate the documentation for each source with either tabs or colored paper, and number each page.

Using Retained Earnings To Satisfy Matching Funds Requirement

An Applicant may use its Retained Earnings to match a request for a grant from the Fund. An Applicant that proposes to meet all or a portion of its Matching Funds requirements by committing

available earnings retained from its operations shall be subject to the restrictions described in this section. Retained Earnings shall be calculated as directed by the Fund in the applicable NOFA, Application, and/or related guidance materials. Retained Earnings accumulated after the end of the Applicant's most recent fiscal year ending prior to the appropriate Application deadline may not be used as Matching Funds.

If using Retained Earnings as Matching Funds, the Applicant must complete the Retained Earnings Chart appropriate for its organization type based on the following information. The Matching Funds Retained Earnings Calculators are under Chart B in the Application Charts Excel Workbook. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and submitting it via Grants.gov.

Eligible Retained Earnings for All Applicants Other Than ICUs. For an Applicant other than an Insured Credit Union (ICU), Retained Earnings that may be used for Matching Funds purposes shall consist of:

- The increase in retained earnings (meaning, operating income minus operating expenses less any dividend payments) that has occurred over the Applicant's most recent fiscal year (e.g., retained earnings at the end of FY 2003 less retained earnings at the end of FY 2002); or
 - The annual average of such increases that occurred over the Applicant's three most recent fiscal years.
- Chart for a For-Profit Applicant:** Complete Chart B1 or B3, as appropriate, using the Applicant's unconsolidated audited Financial Statements. The Fund will verify amounts documented in the table using the unconsolidated audited Financial Statements.
- Chart for a Non-Profit Applicant (other than an ICU):** Complete Chart B1 using the Applicant's Financial Statements.

Eligible Retained Earnings for ICU Applicants. In the case of an Applicant that is an ICU (including a State-Insured Credit Union), Retained Earnings that may be used for Matching Funds purposes shall consist of:

- Option 1: The increase in Retained Earnings that has occurred over the Applicant's most recent fiscal year;
 - Option 2: The annual average of such increases that has occurred over the Applicant's three most recent fiscal years; or
 - Option 3: The entire Retained Earnings that have been accumulated since the inception of the Applicant, provided that the Applicant increases its Member and/or Non-Member Shares or total loans outstanding by an amount that is equal to the amount of Retained Earnings that is committed as Matching Funds by the end of the Awardee's second performance period, as set forth in its Assistance Agreement.
- Chart for an ICU Applicant:** Complete Chart B2 using the Applicant's NCUA 5300 Call Report.

If using Option 3, complete the chart, including the narrative explaining the Applicant's methodology for increasing its total shares or loans. The Fund will verify the amounts entered in the data portion of the chart using the Applicant's NCUA 5300 Call Report. If the Applicant is chosen to receive an award, the Fund will confirm the projected increase in Total Member And/Or Non-Member Shares or total loans using the Applicant's NCUA 5300 Call Report for the appropriate fiscal year. The baseline level of member/nonmember shares or loans outstanding will be calculated as of the Applicant's most recent fiscal year end prior to Application submission.

Instructions for filling out the Matching Funds Summary Chart

The Applicant will identify the Matching Funds by entering one Matching Fund transaction on each row. One transaction is any payment or expected payment. Therefore if one grant is being distributed in three different installments the chart should include three different rows – one corresponding to each payment date. If Retained Earnings are being proposed as a source, the Retained Earnings Calculator must be completed and submitted with the Excel Workbook linked to the Application. Follow the instructions below for information on what to enter in each column.

- Name of Source:** Name or other identifier for each unique match source.
- Type:** Select an option from the dropdown list in the table. See more information about each type (Loan, Grant, etc.) in the Matching Funds Q&A document.
- Amount [3 columns]:** Enter the amount under the column corresponding to the status of the match: In-Hand, Committed, or To Be Raised.
- Date:** Enter a date corresponding to the status of the match as follows: In-Hand = Final Disbursement Date; Committed = Date on Commitment Letter; To Be Raised = Expected Date of Final Disbursement. All dates must be on or after January 1, 2004, and on or before March 15, 2007.
- Comments & Contact Data:** If the Matching Funds are from a state and/or local government agency, the Applicant is required to provide the contact name, title, and phone number of the Matching Funds source in the Comments/Contact column. Use same column for any additional comments relevant to the Matching Funds.

SAMPLE CHART TO BE COMPLETED IN ONLINE APPLICATION

A: Matching Funds Data Chart						
Name of Source	Type	Amount In-Hand	Amount Committed	Amount to be Raised	Date	Comments & Contact Data
Fall Fundraiser	Small Contributions	50,000			9/12/2005	123 donations, each less than \$1,000.
ABC Foundation	Grant	100,000			8/7/2004	ACH transfer, payment #1 of 2 on \$1.5 million commitment.
ABC Foundation	Grant		1,400,000		12/31/2005	ACH transfer, payment #2 of 2 on \$1.5 million commitment.
VLL Foundation	Grant			90,000	10/1/2006	
Spring Fundraiser	Small Contributions			154,689	4/1/2006	
Mars Foundation	Grant		10,000		12/31/2005	
McKay Foundation	Loan		50,000		12/1/2005	
Nat'l CU Foundation	Secondary Capital	50,000			8/1/2004	
Baltimore County Gov't	Grant	85,000			12/20/2004	John Doe, Director; 401-222-2222.
Bank One	Deposits/Shares	1,000,000			4/12/2004	
N/A	Retained Earnings	50,000			12/31/2004	See Matching Funds Calculator
Totals		1,335,000	1,460,000	244,689		

TECHNICAL ASSISTANCE PROPOSAL

Any Applicant applying for TA, either alone or in conjunction with a request for a FA award, must complete a TA Proposal (TAP) as part of its application. The TAP consists of a summary of the organizational improvements needed to achieve the objectives of the Application, a budget, and a description of the requested goods and/or services comprising the TA award request. The Fund will evaluate the TAP for the eligibility and appropriateness of the proposed uses of TA.

- If the Applicant identifies a capacity-building need related to any section of the CBP (e.g., if the Applicant requires a market need analysis or a community development impact tracking/reporting system), the Fund will assess its plan to use the TA grant to address said needs.
- If the Applicant is not a Certified CDFI and requests TA to address certification requirements, it must explain how the requested TA grant will assist the Applicant in meeting the certification requirement. The Fund will assess the reasonableness of the plan to become certified by December 31, 2008, taking into account the requested TA.
- If the Applicant requests a TA grant for recurring activities, it must clearly describe the benefit that would accrue to its capacity or to its Target Market (such as plans for expansion of staff, market, or products) as a result of the TA award.
- If the Applicant is a prior Fund Awardee, it must describe how it has used the prior assistance and explain the need for additional Fund dollars over and above such prior assistance. Such an Applicant also must describe the additional benefits that would accrue to its capacity or to the Target Market(s) if the Applicant receives another award from the Fund, such as plans for expansion of staff, market, or products. The Fund will not provide funding for the same activities funded in prior awards.

In addition to the TAP, an Applicant must complete a TA Request Summary Chart, which is Chart C in the Application Charts Excel Workbook. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and submitting it via Grants.gov.

All uses of TA must support one of the key sections of the CBP or the Applicant's ability to meet a certification requirement (if applicable). For each major section of the CBP, the Applicant will describe and justify how the requested TA supports that section of the CBP. For example, the Applicant's narrative may address such issues as how the requested TA will allow it to provide enhanced services to a larger market without increased staff expenses, improve the quality of services provided to the Target Market, or enhance financial management so that more dollars may be directed to loan capital. For certain activities, it may help to include a timeline of when the various TA activities will be completed to show how the Applicant will deploy the TA award. Generally, all TA funds awarded must be used within 24 months of receipt.

TA Request Summary Chart: Instructions and Sample Chart

Enter one row for each item, or similar group of items, for which TA funds are being requested. Each major project to be completed or item to be purchased should be entered on a separate row. Follow these guidelines for completing the chart.

- **Use Category:** Select one of the five options from a drop down menu. More details about TA categories can be found on page 5 of this Application.
- **Provider/Vendor:** Enter the name of the company or person from whom services or products will be purchased. If Operating Expense is for staff salary, name the staff person and provide title.

- **Brief Description:** Enter up to a 15 words to describe the products or service for which funds would be used. Keep this description brief, as the detailed justification will be included in the TA narrative. For services, use language that clarifies the product that will result from the service, for example, for the Consultant category entries might be "Write draft loan policies and procedures."
- **# Hours/Items/Minimum Trainees:** Depending on the description, the # column will reflect one of the following: (1) Consulting or other Projects – # hours expected to reach completion; (2) Technology – # technology items; (3) Training – minimum # of people who will be trained with the requested dollars.
- **\$Request:** Total TA dollars requested to be used for this line item.
- **Initial Expense Date:** Enter the earliest expected date that costs will be incurred. The earliest date that TA funds can be expensed is the date on the Notice of Award. For the FY 2006 funding round Applicants should assume that date to be no earlier than September 1, 2006.

SAMPLE COMPLETED CHART

C: Technical Assistance Request Summary Chart					
Use Category	Provider/Vendor	Brief Description	# Hours or Minimum # Trainees	\$Request	Initial Expense Date
Consulting	ABC Advisory Svcs.	Plan and facilitate a 3-year strategic planning process with Applicant stakeholders.	75	5,625	11/1/2006
Consulting	TBD	Upgrade the Applicant's computer network systems at five (5) branches.	50	12,000	11/1/2006
Technology	ALM Computer Associates	Purchase Client Tracking Software.	N/A	2,500	11/1/2006
Technology	ALM Computer Associates	Purchase seven (7) new desktop computers and personal printers.	N/A	12,250	11/1/2006
Training	Nat'l XYZ Trade Assoc.	Small Business Underwriting & Childcare Lending Workshops for staff members.	2	6,500	11/1/2006
Operating Expense	John Doe, Financial Manager	Staff Salary expense to develop underwriting and asset management policies for new loan product.	80	12,000	11/1/2006
Operating Expense	MNO Training Center	Purchase full library of Low-Income Housing Tax Credit Lending Guides.	N/A	1,000	12/1/2006

EXECUTIVE SUMMARY

No Points

- Provide a narrative describing the Applicant's mission, key products and services, community development track record, and impacts to date in its Target Market.
- Summarize the key elements of the CBP, expected outcomes, and proposed uses of FA and TA, if applicable.
 - An Emerging CDFI should also discuss plans to become certified as a CDFI, particularly focusing on its plans to begin its financing activities, and to begin providing Development Services.

TIP If an Applicant is seeking TA Only, it must generally answer the same questions as an Applicant seeking FA. However, the Fund expects that the response from the TA Only Applicant will be shorter (e.g., 1-2 paragraphs versus 1-2 pages) and have less detail than for an FA Applicant. Please contact the Program staff at the Fund for further clarification.

COMMUNITY PARTNER

The Fund's statute provides specific conditions for an Applicant's working with a Community Partner through a Community Partnership. The term "community partner" means an entity that provides loans, equity investments, or Development Services, including a DIHC, an IDI, an ICU, a nonprofit organization, a State or local government agency, a quasi-governmental entity, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958. The term "community partnership" means an agreement between a CDFI and a Community Partner to provide Development Services, loans, or equity investments to a Target Market.

If the Applicant has a Community Partner, attach the written agreement between the Applicant and the Community Partner. Briefly discuss the role of the Community Partner in delivering products, services, and projects in the Target Market. Describe how the Applicant will ensure quality performance by the Community Partner, how the Community Partner will enhance the likelihood of success of the CBP, and how service to the Target Market will be better performed by a partnership than by the Applicant alone.

TIP The CBP must be written from the Applicant's perspective. An Applicant may reference activities of its Affiliates (such as a parent organization) to the extent they are relevant to the Applicant's ability to carry out its CBP.

MARKET ANALYSIS

TA-only Applicants: 25 points; Category I/SECA: 25 points; Category II/Core: 20 points

The Fund will evaluate: (i) the extent and nature of the economic distress within the designated Target Market including the Applicant's understanding of its current and prospective customers; and (ii) the extent of demand for the Applicant's Financial Products, Development Services, and Financial Services within the designated Target Market.

Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)

Narrative

1. **Briefly describe the Applicant's current or proposed Target Market.**

- What is the Applicant's Target Market (i.e., Investment Area, OTP, LITP)? Discuss the extent of economic distress within the designated Target Market including quantitative and qualitative data (e.g., unemployment, poverty, number of families needing housing, etc.).
- Discuss any market opportunities, factors or trends that may influence the Applicant's ability to deliver its products and services to its Target Market. Provide quantitative and qualitative data on the Target Market context (e.g., population, population shifts, business environment, number of small businesses, largest employers). Illustrate the Applicant's understanding of its current and prospective customers by discussing the implications.
- Indicate if the Applicant serves an area of greater economic distress (including an area located in (i) any county that is within the area declared to be a major disaster by FEMA as a result of Hurricanes Katrina and/or Rita; and/or (ii) any state that FEMA has declared a reception state).

2. **Describe the need for the CDFI by providing a sense of the financial marketplace currently available to the community.**

- Identify and discuss other sources of Financial Products, Development Services, and/or Financial Services in the Target Market (including state programs, banks, credit unions, other CDFIs, payday lenders, check cashers, pawnshops, rent-to-own merchants, car dealers, etc.).

3. **Discuss the demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the Target Market.**

- Discuss and quantify the extent of demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the current or proposed Target Market. Explain how the Applicant ascertained that there was demand for the Financial Products, Development Services, and/or Financial Services. Discussion should put the level of demand in the context of the broader market and include indicators of demand such as number of inquiries per month and/or the number of Target Market members turned away by other sources.
- Describe the distress indicators in comparison to areas that have been typically served by the Applicant over the past five years.

4. **TA Request Narrative:**

- Discuss the extent to which the Applicant lacks one of the elements above or is a start up and how the requested TA will address the deficiencies. Provide a detailed description and justification for each entry listed in the TA Request Summary Chart that will strengthen the Applicant's capacity in the area of Market Analysis.

BUSINESS STRATEGY

(TA-only Applicants: 25 points; Category I/SECA: 25 points; Category II/Core: 20 points)

The Fund will evaluate the Applicant's business strategy for addressing market demand and creating community development impact through: (i) its Financial Products, Development Services, and/or Financial Services; (ii) its marketing, outreach, and delivery strategy; and (iii) the extent, quality and nature of coordination with other similar providers of Financial Products and Financial Services, government agencies, and other key community development entities within the Target Market. The Fund will take into consideration whether the Applicant is proposing to expand into a new Target Market.

Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)

Narrative

5. Describe the Applicant's Financial Products and Financial Services.

- List each of the Applicant's current or proposed Financial Products and/or Financial Services. For each: identify the dollar range, interest rate, terms, and describe the customer profile.
- Discuss how their design or proposed design is appropriate for the Target Market (e.g. flexible underwriting criteria, nontraditional forms of collateral, low down payment requirements, closing costs assistance, etc.).
- Discuss how the Applicant's current or proposed Financial Products and/or Financial Services are or will be similar or different from other sources within the Target Market.
- If the Applicant is expanding its Financial Products and/or Financial Services, identify the new products and/or services and explain why the Applicant decided to provide such to its Target Market. If the Financial Products and/or Financial Services are to be developed, briefly discuss the Applicant's development strategy, including timelines, expected deliverables, and progress to date.
- Discuss any activities the Applicant regularly engages in to develop, test, and adapt its Financial Products and/or Financial Services in response to customer needs, demand, and market opportunities.
- Provide an example of a past, current, or anticipated project or initiative and how this project or initiative addresses the current level of needs and demand of the Target Market.

6. Describe the Applicant's Development Services.

- Discuss how Development Services are linked to Financial Products and/or Financial Services?
- What are Applicant's plans for pre-and post-loan support?
- Who provides (include description of partners) Development Services?

7. Describe the Applicant's marketing, outreach, and delivery strategy.

- Describe the Applicant's strategies to deliver and build demand for its current or proposed Financial Products, Development Services, and/or Financial Services to the Target Market.
- Discuss how the Applicant will sustain its delivery mechanisms.

8. Discuss the Applicant's collaboration, coordination, and partnerships.

- To the extent not previously discussed, describe other collaboration, coordination, and partnerships with other providers of Financial Products, Development Services, and Financial Services (e.g., banks, credit unions, loan funds, CDFIs); local, state and tribal government agencies; and other relevant public and private entities (Affiliates, community organizations, etc.). Illustrate how coordinating enables the Applicant to better serve its Target Market.
- Discuss the extent of community support in the Target Market for the Applicant and its activities.
- Discuss the extent to which the Applicant's activities are consistent with existing economic, community, and housing development plans adopted by or applicable to the Target Market.
- Discuss the Applicant's strategy for leveraging assistance from the Fund with support from private sector financial resources and other government programs.

9. TA Request Narrative.

- Discuss the extent to which the Applicant lacks one of the elements above or is a start up and how the requested TA will address the deficiencies. Provide a detailed description and justification for each entry listed in the TA Request Summary Chart that will strengthen the Applicant's capacity in the area of Business Strategy. Examples may include requests to support partnership development or other collaborations, marketing activities and material, or other outreach tools.

COMMUNITY DEVELOPMENT PERFORMANCE AND EFFECTIVE USE

TA-only Applicants: 20 points; Category I/SECA: 20 points; Category II/Core: 20 points

The Fund will evaluate (i) the Applicant's vision for its Target Market, specific outcomes or impacts for measuring progress towards achieving this vision, and the extent to which this award will allow it to achieve them; (ii) the Applicant's track record in providing Financial Products, Financial Services, and Development Services to the Target Market; (iii) the extent to which proposed activities will benefit the Target Market; (iv) the likelihood of achieving the impact projections, including the extent to which the activities proposed in the Comprehensive Business Plan will expand economic opportunities or promote community development within the designated Target Market by promoting homeownership, affordable housing development, job creation or retention, the provision of affordable financial services, and other community development objectives; and (v) the extent to which the Applicant will maximize the effective use of the Fund's resources.

If an Applicant has a prior track record of serving Investment Areas(s) or Targeted Population(s), it must demonstrate that (i) it has a record of success in serving said Investment Area(s) or Targeted Population(s) and (ii) it will expand its operations into a new Investment Area or to serve a new Targeted Population, offer more products or services, or increase the volume of its current business.

Charts and Attachments

- Activities Level Chart (Chart D in the Application Charts Excel Workbook)
- Community Development Impacts Chart (Chart E in the Application Charts Excel Workbook)

Narrative

- 10. Describe the Applicant's community development objectives and how progress toward those objectives is measured.**
 - Discuss the Applicant's long-term vision for its Target Market and describe how this award will allow the Applicant to realize it.
 - Describe key data the Applicant uses to measure impact over time and how that data is captured. Describe the strategy, procedures and systems in place (or that will be developed) that will allow the Applicant to track the impacts listed in the Community Development Impacts Chart (E).
 - Discuss strategies for organizational self-sufficiency and for achieving the long-term vision for the Target Market. The Applicant's vision should be consistent with – and build from – the described community development impacts.
- 11. Describe the Applicant's track record in providing Financial Products, Development Services, and/or Financial Services.**
 - Discuss the Applicant's past activities focusing on those specifically provided to clients in the designated Target Market. As appropriate, utilize historic data from the Activities Level Chart to support the Applicant's discussion.
 - If an Applicant has a prior track record of serving Investment Areas(s) or Targeted Population(s), discuss (i) its record of success in serving said Investment Area(s) or Targeted Population(s) and (ii) whether it will use an award from the Fund to expand its operations into a new Investment Area or to serve a new Targeted Population, offer more products or services, or increase the volume of its current business.

- Discuss the extent to which past activity levels are realistic in light of the Applicant's organizational structure, current/proposed products and services, and external/market factors.
- Describe how the Applicant's track record of generating community impacts will increase the likelihood of the Applicant being able to achieve projected impacts. Describe the potential market risk of not receiving this award.

12. Discuss how the requested award will enable the Applicant to build its capacity as a CDFI.

- Address the projections and timelines provided in the Activities Level Chart, including: the extent to which the Applicant will increase the volume and/or quality of activities, offer more products or services, and/or expand to serve a new Target Market.
- Explain how all projected figures and timelines were calculated.

TIP The Fund is looking for clearly defined specific outcomes or impacts that will be achieved during the performance period. For example, as a result of the Applicant's activities, it may successfully increase homeownership opportunities for Low Income residents of the Target Market. In structuring this discussion, keep in mind that outcomes are ultimate goals. Benchmarks or outputs are interim activities or products that lead to the ultimate achievement of the Applicant's goals.

13. Discuss why the Applicant should receive a Fund award given the Fund's limited resources.

- For example, will the award enable the Applicant increase its activity or community development impact, develop new products, serve a new Target Market, or attract additional resources to the Target Market?
- Describe the Applicant's request for an award. Discuss what modifications the Applicant would make to its Business Plan if it did not receive an award from the Fund.
- Provide a timeline for achieving the major objectives of the CBP. For example, if the Applicant's projected activities include creating or becoming certified as a CDFI, the timeline should address the following:
 - ~ Appoint or Elect Governing Board
 - ~ Hire First Staff Person / Hire Executive Director (or equivalent)
 - ~ Approve Lending Policies and Procedures
 - ~ Disburse First Loan
 - ~ Receive CDFI Certification
- **Applicants seeking FA** should address how (1) the Applicant plans to use the FA award (for equity capital, lending capital, to fund loan loss reserves, to fund a new product, etc.); (2) the FA award will benefit the Applicant; and (3) any leverage that will be created by the FA award in terms of funding or other resources.
- **Applicants seeking TA grants** should address how each component of the TA request will improve the Applicant's capacity to serve its Target Market; address specific weaknesses in the CBP; and/or get certified (if not already certified).

14. Prior Awardees. If the Applicant or an Affiliate has received an award under any of the Fund's programs, discuss the extent to which the Applicant has been successful in utilizing the award(s) to build its capacity. Discuss the extent to which the Applicant has been successful in meeting

performance goals and reporting requirements. Additionally, please include the following information:

- Name of the entity that received the award(s) and relationship to the Applicant.
- Previous FA Awardees: At any time during the performance period, did the Awardee fail to meet a performance measure or a financial soundness covenant? If yes:
 - ~ What caused the failure?
 - ~ Have the issues leading to the failure been addressed/resolved? How?
 - ~ Is the Awardee requesting FA for the same type of activities? If yes, do the projected activity levels coincide with that of the previous award?
- Previous TA Awardees:
 - ~ Did the Awardee expend all the TA funds? If not, why?
 - ~ Did the Awardee expend all the TA funds within the 2-year period? If not, why?
 - ~ Is the Awardee requesting TA funds in this Application for activities previously funded by a TA Award? If yes, identify the activities and state the reasons why?
- If a previous TA award was to assist the Awardee in becoming a certified CDFI but this objective was not achieved, explain why. If the Applicant is again requesting TA Funds to assist in achieving CDFI certification, explain why the additional assistance is needed and how the Applicant will achieve certification.

15. TA Request Narrative:

- Discuss the extent to which the Applicant lacks one of the elements above or is a start up and how the requested TA will address the deficiencies. Provide a detailed description and justification for each entry listed in the TA Request Summary Chart that will strengthen the Applicant's capacity in the area of Community Development Performance. Examples may include requests to develop, monitor or report on impact measures.

MANAGEMENT

TA-only Applicants: 20 points; Category I/SECA: 20 points; Category II/Core: 20 points

The Fund will evaluate the Applicant's organizational capacity to achieve the objectives set forth in its Comprehensive Business Plan as well as its ability to use its award successfully and maintain compliance with its Assistance Agreement through an evaluation of: (i) the capacity, skills, size and experience of the Applicant's current and proposed Governing Board, management team, and key staff; and (ii) the Applicant's management controls and risk mitigation strategies including policies and procedures for portfolio underwriting and review, financial management, risk management, management information systems.

Charts and Attachments

- Organizational Chart
 - Chart should illustrate all positions as of the date of the Application including (i) Governing Board; (ii) management; (iii) all staff including shared or donated staff from other organizations or Affiliates; and (iii) volunteers and consultants who are an integral part of the Applicant's operations. Show reporting relationships for all positions.
- Up-to-date resumes of Key Board Members (chairpersons of the Governing Board, advisory board (if applicable), and key committees), Management Team, and Key Staff

Narrative

16. Describe the capacity, skills, size and experience of the Applicant's current and/or proposed Governing Board.

- List the members of the Applicant's Governing Board, advisory board, and any key committees that are an integral part of the Applicant's operations (e.g., loan/investment committee, audit committee).
- For each member, provide a brief (one paragraph) description of that individual's capacity, skills, and experience – especially as it relates to his or her position on the board or committee.
- If the Applicant's has an Advisory Board, describe its role in advising policies and mission.

17. Describe the capacity, skills, and experience of the Applicant's current and/or proposed management team and key staff

- For each member of the management team and any key staff who are integral to implementing the Comprehensive Business Plan (e.g., loan officers or marketing professional) provide a brief (1-2 paragraph) description of: (i) the position held by the individual including role and responsibilities; (ii) the individual's capacity, skills, and experience as it relates to his or her position; and (iii) the individual's role in carrying out the Comprehensive Business Plan.
- For any vacancies or new positions, describe the status of filling the position and the strategy for doing so, as well as the expected date of filling the position.

18. Describe the Applicant's underwriting policies and procedures.

- Describe the underwriting process and review criteria for each product. Note whether the Applicant has written, board-approved policies in place and the date the policy was most recently approved or updated by the Governing Board.

- **FA Applicants Only:** Address the roles and responsibilities for due diligence, initial recommendation, setting the interest rate, determining the risk level, and making the final loan decision.
- **FA Applicants Only:** Describe the methodology for Write-Off/Charge-Offs of unrecoverable loans. Explain if Applicant does not Write-Off/Charge-Off loans delinquent greater than 120 days.

19. Describe the Applicant’s portfolio monitoring policies and procedures.

- Discuss the Applicant’s methodology for portfolio review, including the role of staff and/or Governing Board and/or committee members. Note whether the Applicant has written, board-approved policies in place and the date the policy was most recently approved or updated by Governing Board.
- **FA Applicants Only:** Address the types of reports that borrowers or investees are required to submit.
- **FA Applicants Only:** Describe the frequency of portfolio review (e.g., monthly, quarterly, semi-annual, annual).
- **FA Applicants Only:** Describe how the Applicant addressed delinquencies and defaults in its portfolio.
- If the Applicant is requesting an award for a new product, explain if policies and procedures have been developed or the timeframe for doing so.
- **FA Applicants Only:** If Applicant provides Equity Investments:
 - ~ Address how the Applicant determines performance (impact) and financial benchmarks with investees.
 - ~ Address how the Applicant would be alerted if the investee is experiencing financial and/or managerial difficulties;
 - ~ Describe the Applicant’s role in company management and board decisions.
 - ~ Describe the types of corrective actions/enforcement/activities that will be taken if benchmarks are not met.
 - ~ Discuss how the Applicant re-values its investees. Describe the methodology for portfolio valuation. Discuss if the Applicant revalues its portfolio annually or explain why it does not revalue its investees at least annually.

20. Describe the Applicant’s financial and risk management policies and procedures.

- Discuss the Applicant’s:
 - ~ Management of financial accounts;
 - ~ System for tracking and reporting on use of funds from public and private sources;
 - ~ Methodology for determining liquidity and operating reserves; and
 - ~ Process for producing internal and audited Financial Statements.

21. Describe the Applicant’s Management Information Systems (MIS).

- Describe the Applicant’s MIS including software and other technology used for: underwriting, portfolio monitoring, data and impact tracking, developing internal Financial Statements. For each item, provide the name of the current MIS in use and briefly describe the types of reports that are generated or explain the Applicant’s strategy for acquiring and implementing an effective MIS.
- To the extent the Applicant lacks a system or procedure, explain the strategy for acquiring and implementing the appropriate information systems and technology.

22. **Discuss the extent to which the Applicant has in place the systems and procedures to ensure ongoing compliance with of a CDFI Fund Assistance Agreement, focusing on the ability to:**
- Submit reports in a timely manner based on the applicable reporting periods;
 - Report electronically through the Community Investment Impact System (CIIS) on its financial management, institutional level, and transaction level data required to meet the Fund's annual reporting requirements.
 - **FA Applicants Only:** Identify the geographic location and/or Targeted Populations to which its Financial Products and/or Financial Services will be deployed;
23. **Describe any plans in place or being developed for the Applicant to merge with, acquire, or be acquired by another entity.**
- Identify the entity and whether it is a certified CDFI. Explain the expected timeframe and strategy for the merger, acquisition, and/or operational joint venture and what impact it will have on the Applicant's staffing, operations and ability to serve its Target Market.
24. **TA Request Narrative:**
- Discuss the extent to which the Applicant lacks one of the elements above or is a start up and how the requested TA will address the deficiencies. Provide a detailed description and justification for each entry listed in the TA Request Summary Chart that will strengthen the Applicant's capacity in the area of Management and Underwriting. Examples may include requests to develop or enhance policies and procedures or train staff and or board members in specific areas related to CDFI management and financing. Describe the applicable activities and/or purchases and how they will improve the organization's ability to achieve community development impact.

FINANCIAL HEALTH AND VIABILITY

TA-only Applicants: 10 points; Category I/SECA: 10 points; Category II/Core: 20 points

The Fund will evaluate the Applicant's: (i) audited or otherwise prepared Financial Statements; (ii) safety and soundness, including an analysis of the Applicant's financial services industry ratios (capital, liquidity, deployment and self-sufficiency) and ability to sustain positive net revenue; (iii) projected financial health, including its ability to raise operating support from sources other than the Fund and its capitalization strategy; and (iv) portfolio performance including loan delinquency, loan losses, and loan loss reserves. If an Applicant does not have 100 percent of the required matching funds in-hand (versus committed), the Applicant must demonstrate to the satisfaction of the Fund that it will raise the outstanding balance of matching funds within the time table set forth in the NOFA.

Financial Ratio Minimum Prudent Standards (MPS)			
Measure	Non-Regulated CDFIs	Insured Credit Unions	IDIs / DIHCs
Capital Measures the underlying financial strength of an Awardee and whether it has sufficient cushion of assets to cover unexpected losses. The capital ratio identifies the percentage of the CDFI's total assets unencumbered by debt.	Net Asset Ratio $\geq 20\%$ Net Assets divided by Total Assets	Net Worth Ratio $\geq 6\%$ Net Worth divided by Total Assets	Tier 1 Leverage Capital $\geq 8\%$
Asset-Liability Management Is the structure of the Applicant's debt appropriate for its financial products?	Current Ratio = 1.25: 1 Current assets divided by current liabilities.		
Deployment Measures how much of the Applicant's available funds are lent out or invested.	Deployment Ratio $\geq 50\%$		Net Loans & Leases To Deposits $>50\%$
Self-Sufficiency Measures the percentage of operating costs a CDFI can cover with earned revenue.	Self-Sufficiency Ratio = $\geq 40\%$ (non-profit) $\geq 70\%$ (for-profit)	N/A	N/A
Operating Liquidity Measures whether the Applicant has sufficient cash to cover at least 3 months of operating expenses. The operating ratio reports the availability of cash to cover short-term operating expenses.	Operating Liquidity Ratio = 1: 1 Cash, Cash Equivalents, and Marketable Securities that are not restricted in a manner that prevents their use in satisfying obligations represented by operating expenses DIVIDED BY 25% of total operating expenses for the four most recently completed quarters.	N/A	N/A
Earnings Measures whether the Applicant is earning sufficient revenue to cover its expenses.	Net Income = \$0 Gross Revenues (including grants or other contributions) less Total Expenses. For-profit Applicants should deduct total pre-tax expenses from Total Revenue.	Break Even (\$0)	Break Even (\$0)

TIP Failure to meet any of the historic and/or projected MPS does not necessarily preclude the Applicant from receiving a Financial Assistance and/or Technical Assistance award. However, the Applicant must explain why it believes it is financially sound despite not meeting the MPS.

Charts and Attachments

- ❑ Financial Data Input Chart (Chart F in the Application Charts Excel Workbook).
 - Chart F summarizes both the historic and projected financial performance of the application. Complete the chart entering data in the green cells only. Yellow cells are formula calculations. Refer to the CDFI Fund Glossary for definitions of terms. Applicant will enter historic data using its last three years of financial statements and portfolio data, if necessary. Applicant should develop the three years of projected financial information based on portfolio projections, expected revenue, and other business planning information.
- ❑ Submit Financial Statements for the Applicant's three most recently completed fiscal years (or as many years as are available if the Applicant has been in operation less than three years).
 - Non-Regulated Applicants: Submit audited or reviewed Financial Statements. If audited or reviewed Financial Statements are not available, submit internally generated balance sheets (statements of financial position) and Income and Expense Statements (statements of activities), and respond to question 25, below.
 - Applicants with Affiliate(s): If the audited Financial Statements of the Applicant are consolidated with its Affiliate(s) and do not include separate schedules of the Applicant's financial position and Income and Expense Statements, submit a separate set of internally generated Financial Statements for the Applicant.
 - ICUs, IDIs, and DIHCs: Submit Financial Statements for the last three completed fiscal years that have been reviewed by the Applicant's Appropriate Federal Banking Agency (e.g., National Credit Union Administration Form 5300, or Uniform Bank Performance Report). Submit Financial Performance Ratios (FPR) prepared by the Applicant's Appropriate Federal Banking Agency for the last three completed fiscal years.
- ❑ Loan Portfolio Quality Chart (Chart G in the Application Charts Excel Workbook).
- ❑ Equity Investment Portfolio Valuation Chart (Chart H in the Application Charts Excel Workbook)

Narrative:

25. **Describe the type of Financial Statements included with the Application, audited, reviewed, internally prepared.**
- If applicable, explain why anything less than the most recent three years of audited Financial Statements were not included. If applicable, explain measures being taken to address any negative findings reported in the audits.
26. **Provide key assumptions underlying the projections for the projected three years (FY 2006-FY 2008) identified in the Financial Data Input Chart. Address the following:**
- Explain the basis for the change in outstanding financing during the projected years. For example, is this based on a % increase, if so what percentage. If not based on a percentage increase, what data was used to identify the projection pattern.
 - Identify new products or services impacting the outstanding financing figure for the three projected years. These should correspond to the products or services on the Activities Level Chart.
 - Explain any significant non-earned revenue sources embedded in the chart and the likelihood of those being realized.
 - Describe the figures used to determine expenses, i.e., assumptions about new hires, new offices/branches, etc.

- Does the Applicant have sufficient financing capital to meet the current and projected level of demand for its Financial Products and/or Financial Services? (When discussing, refer back to discussion of product demand.)

27. For each Financial Ratio:

- State the Applicant's ratio result as calculated on the Financial Data Input chart and whether that result meets the Fund's minimum prudent standard.
- Explain the organization's expectation or goal for this ratio and how those expectations were developed and documented.
- For regulated Applicants, discuss any regulatory constraints or agreements affecting the MPS.
- If the ratio does not meet the MPS add the following to the narrative:
 - ~ Explain why the Applicant is financially sound although it does not meet the MPS. Include specific information relative to that ratio. For example, a capital ratio statement may address the Sources and terms of the debt that might mitigate the organization's financial risk, i.e., (20 different EQ2 investments, the earliest of which is due to roll over in 2020);
OR
 - ~ Explain how the requested FA and/or TA will help increase the Applicant's ratio.
 - ~ Capital Ratio: Explain why the Applicant's debts exceed 80% of its total assets and how the organization protects itself from financial risks related to this debt level.
 - ~ Earnings Ratio. Explain such factors as unusual losses, plans for preventing such losses in the future, strategy for increasing earnings, and how the requested FA and/or TA will help the Applicant increase its earning potential. The Fund expects CDFIs to sustain positive net revenue each year but recognizes the nature of CDFI funding sources makes that difficult. The Fund's MPS is therefore based on a three-year time frame.
 - ~ Operating Liquidity [Non-Regulated] or Capital Liquidity [Regulated] Ratio. Address the factors affecting the Applicant's ability to meet its liabilities with off-balance sheet resources or other strategies.
 - ~ Self-Sufficiency Ratio. (Not applicable for ICUs, IDIs, and DIHCs.) Describe the Applicant's strategy and timeline for increasing total earned income and/or decreasing expenses. Explain any inflexible impediments to self-sufficiency and why they are considered inflexible (e.g., product mix or market served discussions.)

(Continued on next page)

28. **Portfolio Management Ratios.** Review the chart below, which outlines the MPS for each of three portfolio management ratios: Portfolio-at-Risk (PAR), Annual Net Loan Loss Ratio, and Loan Loss Reserves (LLR) or Provision for Losses.

Loan Portfolio Quality Minimum Prudent Standard (MPS) for Non-Regulated Entities			
Product Grouping	Portfolio-at-Risk (PAR)	Annual Net Loan Loss Ratio	Loan Loss Reserves (LLR) Or Provision for Losses
Affordable Housing-First Lien	≤ 7.00%	≤ 1%	Loan Loss Reserves are expected to be no less than half the actual Portfolio-at-risk and no more than one and a half times the actual portfolio at risk: .5 PAR ≤ LLR ≤ 1.5 PAR
Affordable Housing-Subordinate Lien	≤ 7.00%	≤ 3%	
Business	≤ 10.00%	≤ 5%	
Consumer & Micro-enterprise	≤ 12.00%	≤ 9%	
Overall MPS	≤ 15.00%		
Loan Portfolio Quality Minimum Prudent Standard (MPS) for Regulated Entities			
Institution Type	Portfolio-at-Risk (PAR)	Annual Net Loan Loss Ratio	Loan Loss Reserves (LLR) Or Provision for Losses
Insured Credit Unions	Delinquent Loans/Total Loans ≤ 3.5%	Net Charge offs/Average Loans ≤ 0.75%.	Comparing FY03 and FY04, Applicant's dollar amount of provision for loan losses changed by at least the same percentage and direction as the change in the dollar amount of delinquent loans.
IDIs / DIHCs	Non current Loans & Leases/Total Loans & Leases ≤ 2.0%	Net Loss/Avg Total Loans & Leases ≤ 0.5%	Loans & Leases Allowance/Total Loans & Leases ≥ 0.5% PAR

- Applicants will complete the Loan Portfolio Quality Chart (Chart G) and compare their three-year average historical ratios to the MPS above. Use the narrative responses to explain any discrepancies.
- Overall MPS should be based on the product with the largest dollar percentage in your portfolio at the close of your last fiscal year.
- For each portfolio management ratio, the Applicant will address the following results reported in the Loan Portfolio Quality Chart:
 - ~ State whether the Applicant met the MPS. For the Delinquency (PAR) Ratio, the narrative should address each product grouping PAR ratio. For Net Loan Loss (NLL) and Loan Loss Reserve (LLR), address the aggregate portfolio result as they compare to the MPS.
 - ~ Explain the organization's expectation or goal for the portfolio ratio and how it was developed and documented.
 - ~ If the Applicant failed the portfolio MPS further explain why the Applicant believes it has reasonable risk management despite not meeting the MPS or, describe the steps being taken to address this failure.

29. **Equity Investor Financial Health [applicable only for Venture Capital Funds]**

- Complete the Equity Investment Portfolio Valuation Chart (Chart H) and briefly answer the following questions:
 - ~ Describe the terms of the Equity Investments made by the Applicant.
 - ~ Explain the Fund's life cycle and where the Applicant is in that life cycle.
 - ~ Describe the Fund's status in meeting both capitalization and investment goals compared to the original plans.

- Provide a summary of investments including total number, breakout by investment type (i.e., pure equity vs. equity-like), and investment age.

30. TA Request Narrative:

- Discuss the extent to which the Applicant lacks one of the elements above or is a start up and how the requested TA will address the deficiencies. Provide a detailed description and justification for each entry listed in the TA Request Summary Chart that will strengthen the Applicant's capacity in the area of Financial Health and Viability. Examples may include requests for training in financial management or capital development, or operating expenses related to capitalization. Describe the applicable activities and/or purchases and how they will improve the organization's ability to achieve community development impact.

APPLICATION CHARTS

- The charts are included in this Application for visual ease only. All Application charts are available – and must be submitted – as an Excel file. The forthcoming instructions on submitting the Application via Grants.gov will provide information on obtaining the Application Charts Excel Workbook and submitting it via Grants.gov.
- Applicants will complete each chart and save the completed Workbook.
- Applicants must upload the completed Excel workbook into the online interface via Grants.gov by the application deadline.
- Applicant should print and retain a hard copy of all charts submitted for future reference. Applicant should NOT submit hard copies to BPD.
- **Excel tip:** To print all worksheets in a workbook choose “Print” then in the “Print What” box in the lower left corner select the radio button for “Entire Workbook.”

Chart B1: Retained Earnings Calculator #1

Retained Earnings Calculator for Non-Regulated CDFIs (Both For-Profit and Non-Profit)

Retained Earnings Definition Updated: Section 1805.504 of the CDFI Fund Interim rule updated the Retained Earnings definition for CDFI Program applications. The revision was made to ensure that for-profit and nonprofit entities were treated the same. In addition, that section was revised to clarify what the Fund means by retained earnings: specifically, an entity's operating income minus operating expenses less any dividend payments. The specific definition from the rule now reads:

In the case of an Applicant that is **not** an Insured Credit Union or a State-Insured Credit Union, retained earnings that may be used for matching funds purposes shall consist of:

(i) The increase in retained earnings (meaning, operating income minus operating expenses less any dividend payments) that has occurred over the Applicant's most recent fiscal year (e.g., retained earnings at the end of fiscal year 2003 less retained earnings at the end of fiscal year 2002); **or**

(ii) The annual average of such increases that has occurred over the Applicant's three most recent fiscal years.

Instructions for completing the Calculator: Fill in the green shaded cells of the table using line items from the Applicant's "Statement of Activities" or equivalent financial report for the last three fiscal years. A positive result in either of the bottom two rows of the table can be proposed as a Retained Earnings Match. The Fund will verify the table entries against the financial statements provided with the application.

Financial Statement Data	Most Recent FYEnd-2	Most Recent FYEnd-1	Most Recent FYEnd
Total Operating Income/Revenue			
[Less] Total Operating Expenses			
[Less] Dividends Paid Out (For-profit CDFIs only)			
= Change in Net Assets	0	0	0

Either Result Below Can Be Used for FY 2006 Application

Retained Earnings Increase from Most Recent FY	\$0
Three Year Average Retained Earnings Increase	\$0

Chart B2: Retained Earnings Calculator #2

Retained Earnings Calculator for Credit Union CDFIs

Instructions: Complete the yellow-shaded cells. Only those Applicants who are Insured Credit Unions seeking to use Retained Earnings as Matching Funds need to complete this Chart.

Step 1: Determine whether the Applicant will designate (a) the increase in Retained Earnings over the Applicant's most recently completed fiscal year; (b) the annual average increase in Retained Earnings over the Applicant's three most recently completed fiscal years; or (c) Retained Earnings accumulated since its inception.

Step 2: Fill out the applicable sections. For choice (a), fill in only column "Increase over Last Fiscal Year (FY)." For choice (b), fill in the three left columns, 1 column for each of the last three fiscal years. For choice (c), fill in only the column "Since Inception."

Step 3: For Insured Credit Unions using choice (c), the Applicant must ALSO increase its Member and/or Non-Member Shares or total loans outstanding by an amount that is equal to the amount of Retained Earnings that is committed as Matching Funds by the end of the Awardee's second performance period, as set forth in its Assistance Agreement. For example, if Retained Earnings since inception is equal to \$50,000 and the Applicant designates the entire amount as match, the Applicant must raise its Total Member/Nonmember Shares or loans outstanding by \$50,000.

Applicants using Retained Earnings under choice (c) must include a narrative in the box below discussing its strategy for raising the required shares or loans.

	Call Report and other Financial Data	Since Inception	Last FY -2 Years Data	Last FY -1 Year Data	Increase Over Last Fiscal Year (FY)
a	Undivided earnings				
b	Regular Reserves				
c	Other Reserves				
d	Subtotal	0	0	0	0
e	Reserves dedicated to losses				
f	Value of grants and donated assets placed in <i>Retained Earnings</i>				
g	Value of <i>Retained Earnings</i> used to match a Federal grant or previous <i>Fund</i> award				
h	Subtotal	0	0	0	0
i	Available <i>Retained Earnings</i>	0	0	0	\$0
j	Designated <i>Retained Earnings</i> since inception (must be equal to or less than i)				
k	Annual average <i>Retained Earnings</i>				\$0

Narrative in support of Option C: If using option C -- in box below explain strategy for raising the required shares or loans.

Replace text here with applicant's strategy for raising required shares.

Chart B3: Retained Earnings Calculator #3

Retained Earnings Calculator for Bank and Thrift CDFIs

Retained Earnings Definition Updated: Section 1805.504 of the CDFI Fund Interim rule updated the Retained Earnings definition for CDFI Program applications. The revision was made to ensure that for-profit and nonprofit entities were treated the same. In addition, that section was revised to clarify what the Fund means by retained earnings: specifically, an entity's operating income minus operating expenses less any dividend payments. The specific definition from the rule now reads:

In the case of an Applicant that is **not** an Insured Credit Union or a State-Insured Credit Union, retained earnings that may be used for matching funds purposes shall consist of:

- (i) The increase in retained earnings (meaning, operating income minus operating expenses less any dividend payments) that has occurred over the Applicant's most recent fiscal year (e.g., retained earnings at the end of fiscal year 2003 less retained earnings at the end of fiscal year 2002); **or**
- (ii) The annual average of such increases that has occurred over the Applicant's three most recent fiscal years.

Instructions for completing the Calculator: Fill in the green shaded cells of the table using line items from the Applicant's Call Reports from the last three fiscal years. A positive result in either of the bottom two rows of the table can be proposed as a Retained Earnings Match. The Fund will verify the table entries against the Call Reports available online at the FFIEC website.

Call Report Data Make sure to add zeroes to figures from Call Report Entries if necessary.	Most Recent FYEnd-2	Most Recent FYEnd-1	Most Recent FYEnd
Retained earnings (Schedule RC, line 26a)			
Accumulated other comprehensive income (Schedule RC, line 26b):			
[Subtract] Other noninterest income (Schedule RI, line 5l)			
Retained earnings for purposes of CDFI Program matching funds calculation	0	0	0
Either Result Below Can Be Used for FY 2006 Application			
Retained Earnings Increase from Most Recent Fiscal Year		0	
Three Year Average Retained Earnings Increase		0	

D: Activities Level Chart

Instructions: Use this chart to identify up to five (5) primary financing and service activities in which the Applicant is engaged. Report actual figures for the 3 most recently completed fiscal years. Report projected activity for the current fiscal year and the next three fiscal years. For each Financial Product, Development Service or Financial Service provide the following:

Activity: Select each activity from the drop down options available in the first column. Report on the activity as follows:

Total # and % of Total to TM: Under the # sign enter the total number of transactions closed (or customers served in the case of Development and Financial Services). Under the % enter percent of those total transactions or customers that would be credited to the Applicant's Target Market.

Total \$ and % of Total to TM: Under the \$ sign indicate the total dollar amount of transactions (as applicable) closed for that year. Under the % enter percentage of total \$ amount that can be credited to the Applicant's Target Market.

Note: If the Applicant is a start-up or a Sponsoring Entity, enter information on its parent or its own activities (if it has applicable activities), or N/A if it has not yet started to provide financing or Development Services.

Activity	Historic Activity						Projected Activity			
	Last FY End-2		Last FY End-1		Last FY End		Current FY End	Current FY End + 1	Current FY End + 2	Current FY End + 3
	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%

E: Community Development Impacts Chart

Instructions: Use this chart to identify up to five (5) primary community development impacts related to the financing and service activities identified on the Activities Level Chart. Follow same rules for reporting on the impacts. Again, you'll select impacts from the options in the dropdown menu. For each impact identify total # and % of total to Target Market. Note that these figures may not be appropriate for all impacts. Identify impact but leave figures blank if so. Explain any "Other" entry in the appropriate CBP question #10 narrative response.

Note: If the Applicant is a start-up enter information on its parent or its own activities (if it has applicable activities), or N/A if it has not yet started to provide financing or Development Services.

Impact Measure	Last FY End-2		Last FY End-1		Last FY End		Current FY End		Current FY End + 1		Current FY End + 2		Current FY End + 3	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%

F: Financial Data Input Chart (Historic)

	Financial Data (Use financial statements and portfolio data)	Historic: End of Last FY - 2	Historic: End of Last FY - 1	Historic: End of Last FY
	Assets			
a	Total cash and cash equivalents	\$ -	\$ -	\$ -
b	Unrestricted cash and cash equivalents	\$ -	\$ -	\$ -
c	Current: Gross Loans Receivables	\$ -	\$ -	\$ -
d	Total Commitments	\$ -	\$ -	\$ -
e	Total Current Assets	\$ -	\$ -	\$ -
f	Noncurrent: Gross Loans Receivables	\$ -	\$ -	\$ -
g	Less: Loan Loss Reserve	\$ -	\$ -	\$ -
h	Total Outstanding Equity Investment Portfolio	\$ -	\$ -	\$ -
i	Less: Net Unrealized Loss	\$ -	\$ -	\$ -
j	Total Gross Loans Receivables and/or Equity Investment Portfolio	\$ -	\$ -	\$ -
k	Total Assets	\$ -	\$ -	\$ -
	Liabilities			
l	Total Current Liabilities	\$ -	\$ -	\$ -
m	Total Notes Payable	\$ -	\$ -	\$ -
n	Total Adjusted Notes Payable	\$ -	\$ -	\$ -
o	Total Off-Balance Sheet Resources	\$ -	\$ -	\$ -
p	Total Liabilities	\$ -	\$ -	\$ -
	Net Assets			
q	Total Net Assets Available for Financing	\$ -	\$ -	\$ -
r	Total Net Assets	\$ -	\$ -	\$ -
	Income and Expenses			
s	Interest Payments from Financial Products	\$ -	\$ -	\$ -
t	Fee Income from Financial Products, Financial Services, and other activities	\$ -	\$ -	\$ -
u	Total Earned Income	\$ -	\$ -	\$ -
v	Total Grants and Contributions	\$ -	\$ -	\$ -
w	Total Income	\$ -	\$ -	\$ -
x	Total pre-tax Expenses	\$ -	\$ -	\$ -

	Financial Health and Viability - MPS Ratios	Historic: End of Last FY - 2	Historic: End of Last FY - 1	Historic: End of Last FY	Historic Ratios
y	Net Asset Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
z	Total Financing Capital	\$ -	\$ -	\$ -	\$ -
aa	Deployment Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
bb	Net Income	\$ -	\$ -	\$ -	\$ -
cc	Self-Sufficiency Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
dd	Operating Liquidity Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ee	Current Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

F: Financial Data Input Chart (Projected)

	Financial Data (Use financial statements and portfolio data)	Projected: End of Current FY	Projected: End of FY Current+1	Projected: End of FY Current+2	Projected: End of FY Current+3
	Assets				
a	Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
b	Unrestricted cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
c	Current: Gross Loans Receivables	\$ -	\$ -	\$ -	\$ -
d	Total Commitments	\$ -	\$ -	\$ -	\$ -
e	Total Current Assets	\$ -	\$ -	\$ -	\$ -
f	Noncurrent: Gross Loans Receivables	\$ -	\$ -	\$ -	\$ -
g	Less: Loan Loss Reserve	\$ -	\$ -	\$ -	\$ -
h	Total Outstanding Equity Investment Portfolio	\$ -	\$ -	\$ -	\$ -
i	Less: Net Unrealized Loss	\$ -	\$ -	\$ -	\$ -
j	Total Gross Loans Receivables and/or Equity Investment Portfolio	\$ -	\$ -	\$ -	\$ -
k	Total Assets	\$ -	\$ -	\$ -	\$ -
	Liabilities				
l	Total Current Liabilities	\$ -	\$ -	\$ -	\$ -
m	Total Notes Payable	\$ -	\$ -	\$ -	\$ -
n	Total Adjusted Notes Payable	\$ -	\$ -	\$ -	\$ -
o	Total Off-Balance Sheet Resources	\$ -	\$ -	\$ -	\$ -
p	Total Liabilities	\$ -	\$ -	\$ -	\$ -
	Net Assets				
q	Total Net Assets Available for Financing	\$ -	\$ -	\$ -	\$ -
r	Total Net Assets	\$ -	\$ -	\$ -	\$ -
	Income and Expenses				
s	Interest Payments from Financial Products	\$ -	\$ -	\$ -	\$ -
t	Fee Income from Financial Products, Financial Services, and other activities	\$ -	\$ -	\$ -	\$ -
u	Total Earned Income	\$ -	\$ -	\$ -	\$ -
v	Total Grants and Contributions	\$ -	\$ -	\$ -	\$ -
w	Total Income	\$ -	\$ -	\$ -	\$ -
x	Total pre-tax Expenses	\$ -	\$ -	\$ -	\$ -

	Financial Health and Viability - MPS Ratios	Projected: End of Current FY	Projected: End of FY Current+1	Projected: End of FY Current+2	Projected: End of FY Current+3	Projected Ratios
y	Net Asset Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
z	Total Financing Capital	\$ -	\$ -	\$ -	\$ -	\$ -
aa	Deployment Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
bb	Net Income	\$ -	\$ -	\$ -	\$ -	\$ -
cc	Self-Sufficiency Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
dd	Operating Liquidity Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
ee	Current Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

G: Loan Portfolio Quality Chart

Instructions: Provide data for the overall total loan portfolio in the first table. The other two tables are optional and allow the Applicant to provide portfolio data for up to two products within the portfolio. Applicants may choose to use these tables to demonstrate how a particular product's delinquency figures impact the overall portfolio. For example in one table the Applicant could summarize the business portfolio and in the 2nd the microenterprise portfolio. Enter information in the green shaded cells only. NOTE: **Insured Credit Unions and Insured Depository Institutions are NOT required to complete this chart.**

Overall Portfolio Information		Current FY to Date:		Current FY End - 1		Current FY End - 2		Current FY End - 3		Historic PAR: 0.0%	
a. Portfolio Outstanding											
	Non-Regulated Institutions	Insured Credit Union	#	\$ Delinquent	#	\$ Delinquent	#	\$ Delinquent	#		\$ Delinquent
b.	90+ days	12+ months									
c. Total Portfolio-at-Risk or Delinquency Ratio (b / a)				0.0%		0.0%		0.0%		0.0%	

Optional Product #1: _____		Current FY to Date:		Current FY End - 1		Current FY End - 2		Current FY End - 3		Historic PAR: 0.0%	
a. Portfolio Outstanding											
	Non-Regulated Institutions	Insured Credit Union	#	\$ Delinquent	#	\$ Delinquent	#	\$ Delinquent	#		\$ Delinquent
b.	90+ days	12+ months									
c. Total Portfolio-at-Risk or Delinquency Ratio (b / a)				0.0%		0.0%		0.0%		0.0%	

Optional Product #2: _____		Current FY to Date:		Current FY End - 1		Current FY End - 2		Current FY End - 3		Historic PAR: 0.0%	
a. Portfolio Outstanding											
	Non-Regulated Institutions	Insured Credit Union	#	\$ Delinquent	#	\$ Delinquent	#	\$ Delinquent	#		\$ Delinquent
b.	90+ days	12+ months									
c. Total Portfolio-at-Risk or Delinquency Ratio (b / a)				0.0%		0.0%		0.0%		0.0%	

Loan Loss and Loan Reserve History for Aggregate Portfolio		Current FY to Date:		Current FY End - 1		Current FY End - 2		Current FY End - 3		Historic NLL: 0.0%
A. Total Outstanding Loan Portfolio										
B. Net Write-Offs or Net Charge-Offs										
C. Annual Net Loan Loss Ratio (B/A)		0.0%		0.0%		0.0%		0.0%		Historic LLR: 0.0%
D. Loan Loss Reserve (cash)										
E. Loan Loss Reserve (accrual)										
F. Loan Loss Reserve Ratio ((D + E) / A))		0.0%		0.0%		0.0%		0.0%		

H: Equity Investment Portfolio Valuation Chart

Instructions: Complete the green-shaded cells only. Enter information on your *Equity Investment* portfolio as of the last day of your organization's fiscal year for the last three years (if applicable), and the current year to date. Follow-on investments into the same company should be counted as unique investments.

	Investment Portfolio Measures	End of FY 2002		End of FY 2003		End of FY 2004		Current Year to Date:	
		Number	Dollars gained (lost)	Number	Dollars gained (lost)	Number	Dollars gained (lost)	Number	Dollars gained (lost)
a	Average holding period (# of months) of all investments in portfolio								
b	<i>Equity Investments</i> exited during the year		\$ -		\$ -		\$ -		\$ -
c	<i>Equity Investments</i> written-off during the year		\$ -		\$ -		\$ -		\$ -
d	Unrealized Gains (losses)								
e	Realized Gains (losses)		\$ -		\$ -		\$ -		\$ -
f	Projected Rate of Return Since Inception								
g	Actual Rate of Return Since Inception								