

Term	Definition
Adjusted Notes Payable	Notes payable that may be used to support lending or Equity Investment activities. Adjusted Notes Payable is calculated by deducting from total notes payable, all notes payable that are specifically used for non-financing activities (e.g. if an organization has an outstanding mortgage on its office building, the outstanding principal should be deducted from total notes payable).
Affiliate	Any company or entity that Controls or is Controlled by, or is under common Control with another company. See 12CFR 1805.104(b).
Affordable Housing	Activities that: (a) promote the supply of housing through the provision of acquisition, pre-development financing, construction, permanent and rehabilitation financing and other similar financing, and related Development Services, and/or (b) increase homeownership through the provision of first mortgage financing, subordinate mortgages (for home purchase and rehabilitation). The housing must be the primary residence of a household or family that qualifies as Low-Income and that household or family must not pay more than 30% of their income on housing.
African American or Black	A person having origins in any of the black racial groups of Africa.
Alaska Native	See American Indian.
Alaska Native Village	As defined by 43 U.S.C. 1602 et seq.
American Indian or Alaska Native	A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
Annual Net Loan Loss Ratio	Calculated by dividing Net Write-Offs or Net Charge-offs by Total Outstanding Loan Portfolio for a particular fiscal year. The Annual Net Loan Loss Ratio represents the portion of an organization's Total Outstanding Loan Portfolio that is so delinquent that it has been deemed uncollectible and assumed to be a loss.
Appalachia	Appalachia is a 200,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of twelve other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. For a map, see https://www.cdfifund.gov/myCDFI/mapping/docs/Appalachia_Map.pdf .
Appropriate Federal Banking Agency	Same meaning as in Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), and also includes the National Credit Union Administration with respect to Insured Credit Unions.
Arms-length Transaction or Arms-length Financing	A financing transaction (such as a loan or Equity Investment) made with a third party that is not an Affiliate of the Financing Entity. See 12 CFR 1805.104(s).
Asian	A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
Asset	Anything having commercial or exchange value that is owned by a business, institution, or individual.

Term	Definition
Assistance Agreement	A written agreement between the CDFI Fund and an Awardee specifying the terms and conditions of assistance including, without limitation, performance and financial soundness, if applicable. See 12 <i>CFR</i> 1805.104(e)
Authorized Representative	An officer, or other individual, who has been designated by the Board of Directors to sign for and make representations on behalf of the Applicant.
Average Assets - Banks & Thrifts	A year-to-date average of the total assets reported in the Report of Condition Schedule RC-K. Thus for the first quarter of the year the average assets from Call Schedule RC-K first quarter will appear, while at the end-of-year, assets for all four quarters would be averaged.
Average Assets - Insured Credit Unions	Total assets for the current period plus total assets for the prior year end divided by 2.
Average Outstanding Loan Portfolio	Calculated by averaging the organization's Total Outstanding Loan Portfolio between two points in time. For example, Average Outstanding Loan Portfolio in 2003 equals Total Outstanding Loan Portfolio at 12/31/02 plus Total Outstanding Loan Portfolio at 12/31/03 divided by 2. The Average Outstanding Loan Portfolio reflects the average amount of loans disbursed by an organization to its borrower throughout the course of the organization's fiscal year.
Balance Sheet	A snapshot of financial position at an instant of time. Sometimes called the Statement of Financial Position.
Balloon Payment	Final payment on a debt that is substantially larger than the preceding payments. Loans or mortgages are structured with balloon payments when some projected event is expected to provide extra cash flow or when refinancing is anticipated.
Bank Holding Company	See Depository Institution Holding Company.
Borrower	An individual, a for-profit or not-for-profit entity that signs a promissory note in favor of the Lender.
Business	A for-profit or not-for-profit entity that has more than five employees or that receives a loan or investment amount of greater than \$35,000.
Business Loan	Loan to a for-profit or not-for-profit entity that has more than five employees or in an amount greater than \$35,000 for the purpose of expansion, working capital, equipment purchase/rental, or similar use. Assets that are either used for lending or Equity Investments or that are available for such use; Net Assets and Adjusted Notes Payable for not-for-profit entities; Shareholders Equity and Adjusted Notes Payable for for-profits entities; Deposits and Adjusted Notes Payable for Insured Depository Institutions; Shares and Adjusted Notes Payable for Insured Credit Union.
Capital Available for Financing	
Capital Liquidity	One of the Fund's financial indicators captured using the Minimum Prudent Standards based on organization type. Capital Liquidity of Non-Regulated For-profit organizations and Non-Regulated Not-for-profit organizations is assessed using a current ratio (current assets/current liabilities). Capital Liquidity for Insured Credit Unions and Insured Depository Institutions is also referred to as Asset Liability Management.

Term	Definition
Capital Minimum Prudent Standards (MPS)	One of the Fund's financial indicators captured using the Minimum Prudent Standards based on organization type. Ratios used to measure Capital are: <i>Net Asset Ratio</i> for non-regulated non-profit CDFIs; <i>Equity Ratio</i> for non-regulated for-profit CDFIs, <i>Net Worth/Total Assets</i> for Insured Credit Unions; and Tier 1 leverage capital for <i>Insured Depository Institutions</i> .
CDFI Intermediary	An entity that meets CDFI certification eligibility requirements described in 12 <i>CFR</i> §1805.200 and whose primary business activity is the provision of Financial Products to CDFIs and/or emerging CDFIs.
Charge-off or Write-off	Open account balance or loan receivable that has proven uncollectible and is written off.
Collateral	Asset pledged to a lender until a loan is repaid. If the borrower defaults, the lender has the legal right to seize the collateral and sell it to pay off the loan.
Colonias	The Fund generally considers as Colonias communities to be rural communities and neighborhoods within unincorporated communities adjacent to or near the U.S.-Mexico border that lack adequate infrastructure and have high levels of poverty. A map of the counties that are generally believed to have Colonias communities may be found at https://www.cdfifund.gov/myCDFI/mapping/docs/Colonias_Map.pdf .
Combination Hot Zones	Investment Areas that qualify as Economic Development Hot Zones and Housing Hot Zones.
Commercial Real Estate	Real property with intended commercial use, including retail, office, and industrial.
Commercial Real Estate Development	Construction, rehabilitation, acquisition or expansion of non-residential property used for office, retail, or industrial purposes.
Commercial Real Estate Loan	An origination of a loan (other than an Affordable Housing Loan) that is secured by real estate and used to finance the acquisition, rehabilitation, construction and/or development of property used for commercial purposes.
Commitment	A CDFI's intent to provide a loan or Equity Investment to a borrower evidenced with a legally binding document such as a note or commitment letter AND the CDFI has reserved cash, cash equivalents, or other assets to fund at a later date, but the CDFI has not yet disbursed.
Community Development	Activities purposefully improving the social or economic conditions of Low-Income or other underserved people or residents of distressed communities, such as Hot Zone(s) or Investment Area(s).
Community Development Financial Services	Includes Financial Services, financial education and other similar Development Services, appropriate consumer loans, and re-financing of predatory loans.
Community Facility	A facility in which health care, childcare, educational, cultural or social services are provided.

Term	Definition
Community Facility Clients	Maximum number of students at a school, beds at a hospital, estimated maximum patients that can be served annually at a health clinic, child slots at a childcare center, slots at an eldercare center, educational slots at a school or job training program, etc.
Community Governed	An entity in which the residents of an Investment Area(s) or members of a Targeted Population(s) represent greater than 50 percent of the governing body. See 12 <i>CFR</i> § 1805.104(k).
Community Organization Support	Financial Products related to the acquisition, construction, development or rehabilitation of Community Facilities; business loans to non-profit organizations; and related Development Services to nonprofit organizations. In the FY2004 FA application, these products are reported as part of Economic Development Products.
Community Partner	An entity (other than an individual) that provides loans, Equity Investment, or Development Services and enters into a Community Partnership with an Applicant. A Community Partner may include, a Depository Institution Holding Company, an Insured Depository Institution, an Insured Credit Union, a nonprofit or for-profit organization, a State or local government entity, a quasi-government entity, or an investment company authorized pursuant to the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.). See 12 <i>CFR</i> § 1805.104(m)
Community Partnership	An agreement between an Applicant and a Community Partner to collaboratively provide Financial Products or Development Services to an Investment Area(s) or a Targeted Population(s). See 12 <i>CFR</i> § 1805.104(n).
Community-Owned	An entity in which the residents of an Investment Area(s) or members of a Targeted Population(s) have an ownership interest of greater than 50 percent. See 12 <i>CFR</i> § 1805.104(l).
Comprehensive Business Plan	A document covering not less than the next five years which meets the requirements described in an applicable Notice of Funds Availability (NOFA)
Consumer Loans	Personal (secured and unsecured) loans to one or more individuals for health, education, emergency, credit repair, debt consolidation and consumer purposes. To the extent possible, personal loans for business purposes should be identified as microenterprise or business loans, and personal loans for home improvement or repair should be identified as housing loans.
Control	1) Ownership, control or power to vote 25% or more of the outstanding shares of any class of Voting Securities of any company, directly or indirectly or acting through one or more other persons; (2) Control in any manner over the election of a majority of the directors, trustees or general partners (or individuals exercising similar functions) of any company; or (3) the power to exercise, directly or indirectly, a controlling influence over the management, credit, or investment decisions or policies of any company. Nothing in this definition, however, should be construed to indicate that an Appropriate Federal Banking Agency Controls an Insured Credit Union, Insured Depository Institution, or Depository Institution Holding Company, by virtue of exercising its regulatory authority.

Term	Definition
Credit Union	A not-for-profit, cooperative financial institution owned and run by its members. Members pool their funds to make loans to one-another. The volunteer board that runs each credit union is elected by the members.
Current Assets	Assets which can be converted to cash within the next 12 months.
Current Liabilities	Liabilities that are due to be paid within the next 12 months.
Current Ratio	Total Current Assets divided by Total Current Liabilities
Debt Service Coverage	The amount, usually expressed as a ratio, of cash flow available to meet annual interest and principal payments on debt.
Debt-with-equity-features	Includes convertible debt, as well as debt with warrants, participation agreements, royalties, or any other feature that links the investment's rate of return to the performance of the company that received the investment.
Deployment Ratio	Consists of Total Outstanding Loan Portfolio and/or Total Outstanding Equity Investment Portfolio divided by Total Capital Available for Financing (the sum of Total Adjusted Notes Payable and Total Equity Capital Available for Financing). The Deployment Ratio indicates the extent to which debt capital and equity capital (both restricted and unrestricted) are actually deployed in loans or Equity Investments, and serves as an indicator of how aggressive an organization has been in using available capital.
Deposit Liabilities	Time or savings deposits or demand deposits, accepted from Residents at offices of the Applicant, or a Subsidiary of the Applicant, located within the Distressed Community. Depository Liabilities may only include deposits held by individuals in transaction accounts (i.e., demand deposits, NOW accounts, automated transfer service accounts and telephone or preauthorized transfer accounts) or no transaction accounts (i.e., money market deposit accounts, other savings deposits and all time deposits), as defined by the Appropriate Federal Banking Agency.
Depository Institution Holding Company	A bank holding company or a savings and loan holding company as defined in Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813 (w)(1)).
Deposits	Funds placed in a depository institution by individuals or organizations, typically earning interest and insured by governmental agencies.
Development Services	Activities that promote community development and are integral to the Applicant's provision of Financial Products and Financial Services. Such services shall prepare or assist current or potential borrowers or investees to utilize the Financial Products and Financial Services of the Applicant. Such services include, for example: financial or credit counseling to individuals for the purpose of facilitating home ownership, promoting self-employment, or enhancing consumer financial management skills; or technical assistance to borrowers or investees for the purpose of enhancing business planning, marketing, management, and financial management skills.
Earned Income	Interest income, loan fees and other program income, excluding all grants and contributions.

Term	Definition
Earnings Minimum Prudent Standards	One of the Fund's financial indicators captured using the Minimum Prudent Standards based on organization type. The earnings indicators are: net income for non-regulated not-for-profits organizations; net revenue for non-regulated for-profit organizations; Return on Average Assets for Insured Credit Unions; and Net (pre-tax) Operating Income/Average Assets.
Economic Development	Activities that support the development and retention of jobs and the start up and growth of businesses through (i) loans, Equity Investments and other similar financing to for-profit small businesses, microenterprises, and commercial real estate other than Community Facilities, (ii) related Development Services, and (iii) Community Organization Support.
Eligible Loan Guarantee	Assures the lender that in the event the borrower does not repay their obligation and a payment default occurs, the guarantor will reimburse the lender for its loss, up to the percentage of the guarantee. To be an Eligible Loan Guarantee, the guarantee must be provided on a loan made by a non-Affiliated lender up to \$1 million where the guarantor can verify that the loan would not have been made without the guarantee.
Emergency Loan	A Consumer Loan for the purpose of addressing a borrower's unexpected event but for which the borrower would seek a loan from a lender employing abusive lending practices.
Empowerment Zone	An area designated pursuant to section 1391 of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1391).
Equity Equivalent Investment	Unsecured debt that has some of the same advantages as equity because it is subordinate to all other debt and carries a rolling term, the investor has limited right to accelerate payment, and interest is not tied to income.
Equity Investment	Investments that support or enhance activities that serve an Investment Area or Targeted Population(s) and must be made through an arms-length transaction with a third party that does not have a relationship with the Applicant as an Affiliate. An Equity Investment may include a stock purchase, a purchase of a partnership interest, a purchase of a limited liability company membership interest, a loan made on such terms that it has sufficient characteristics of equity (and is considered as such by the Fund); or any other investment deemed to be an Equity Investment by the Fund. See 12 <i>CFR</i> § 1805.104(s).
Equity Investment Approved	The total dollar amount of Equity Investments for which the CDFI has given initial approval or a contingent commitment, the investee has not signed an agreement, and the CDFI has reserved cash, cash equivalents or other assets to fund at a later date. This does not include amounts not yet disbursed on Equity Investments already closed.
Equity Investment Closed	An Equity Investment is closed when a legally binding investment document has been signed by the investee in favor of the investor.
Equity Investment Committed	The total dollar amount of equity investments for which the CDFI has provide a legally binding agreement to the investee, and the CDFI has reserved cash, cash equivalents, or other assets to fund at a future date. This does not include amounts not yet disbursed on Equity Investments Closed.
Equity Investment Disbursed	The total dollar amount of equity investments disbursed by a CDFI to an investee in connection with a legally binding agreement signed by the investee in favor of the CDFI.

Term	Definition
Equity Investment-to-Asset Ratio	The Total Outstanding Equity Investment Portfolio divided by Total Assets.
Equity-like Loan	A loan that has certain equity-like provisions, including required payments only from cash flow and a flexible maturity. Note that the definition under the CDFI Program is more flexible than under the BEA Program.
Ethnicity	Refers to Hispanic or non-Hispanic origin. The Office of Management and Budget (OMB) defines Hispanic as "a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race."
Executive Director/Chief Executive Officer	Person approved by the governing board or shareholders of the corporation and manage the financial assets and operations of the organization.
Faith-Based Organization	An organization whose founding (through capitalization or otherwise), governance, or membership is derived from a religious institution.
Fee Income from Lending Portfolio and Retail Financial Services	Includes fees charged fro originating and managing loans, including any late fees.
Financial Assistance	Funds provided by the CDFI Fund through the CDFI Program in the form of an equity investment (including, in the case of certain insured credit unions, secondary capital accounts) a grant, loan, deposit, credit union shares, or any combination thereof.
Financial Products	Loans, Equity Investments, and similar financing activities (as determined by the Fund), including the purchase of loans originated by certified CDFIs and the provision of loan guarantees; in the case of CDFI Intermediaries, grants to CDFIs and/or emerging CDFIs and Deposits in Insured Credit Union CDFIs and/or emerging Insured Credit Union CDFIs. See 12 <i>CFR</i> § 1805.104(t).
Financial Services	Checking, savings accounts, check cashing, money orders, certified checks, automated teller machines, deposit-taking, safe deposit box services and other similar services.
Financial Statements	Financial reports that reflect the financial condition of an organization at a specific point in time. Generally, such statements consist of balance sheets or statements of financial position; income and expense statements; statements of cash flows and, if applicable, auditors' opinion letters and any reports of findings (management letter), single audit reporting package (i.e., report on compliance with requirements applicable to each major program and on internal controls over compliance in accordance with OMB Circular A-133), or any letters prepared by the auditor in compliance with OMB Circular A-133.
Financing Entity	An entity whose predominant business activity is the provision, in Arms-Length Transactions, of Financial Products, Development Services, and/or other similar financing. Such entity may be a: <ol style="list-style-type: none"> 1) Depository Institution Holding Company; 2) Insured Depository Institution or State Insured Credit Union; or 3) An organization which is deemed by the Fund to have such a predominant business activity as a result of analysis of its financial statements, organizing documents, and any other information required to be submitted as part of its application, use of personnel and total assets. See 12 <i>CFR</i> § 1805.201(b)(2).

Term	Definition
Financing-Related Activities	Activities that support the Applicant's provision of Financial Products, including: 1) Pre-development grants, provided that, in the sole determination of the Fund, they are offered to the Applicant's borrowers or potential borrowers in order to enhance such borrower's or potential borrower's ability to use the Applicant's lending or investment products; and 2) The provision of loan packaging, provided that, in the sole determination of the Fund, the Applicant is financing more than a nominal portion of the loan that is being packaged for another lender.
Firm Commitment for Matching Funds or Matching Funds Firmly Committed	Matching Funds for which the Applicant has entered into or received a legally binding commitment from the Matching Funds source that the Matching Funds have been committed to be disbursed to the Applicant and the Applicant has documentation (such as a copy of a loan agreement, promissory note or grant agreement) to evidence such firm commitment.
First Accounts	A low-cost account and such other services designed to expand access to financial services for Low-and Moderate-Income individuals, provided pursuant to grants made under the Consolidated Appropriations Act, 2001 (Public Law 106-554, 114 Stat. 2763, 2763A-126), and the Department of Transportation and Related Agencies Appropriations Act, 2001 (Public Law 106-346, 114 Stat. 1356, 1356A-44).
First-time Homebuyer	An individual or spouse who meets any one of the following criteria: 1) an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property; 2) a single parent who has only owned a home with a former spouse while married; 3) an individual who is a displaced homemaker and has only owned with a spouse; 4) an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; 5) an individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
Full Time Equivalent	An employee that works at least a 35-hour workweek. In calculating the number of full-time equivalents, part-time employees should be aggregated to full-time equivalents. For example, two part-time employees that each work 17.5 hours/week should be aggregated to count as one full-time equivalent. Include volunteers who fill regular staff positions. Exclude temporary staff and professional services conducted outside of the office by third parties such as accounting, bookkeeping, and legal counsel.
Gains/Losses (realized/unrealized)	The change in the value of a capital asset when it is sold or transferred (realized), compared to its initial worth or due to market valuation not related to the sale or transfer (unrealized) of the capital asset. Gains are increases in value; losses are decreases in value.
Gains/Losses on Equity Investments	The amount of Gains/Losses resulting from institution's Equity Investments.
Geographic Units	A county (or equivalent area), minor civil division that is a unit of local government, incorporated place, census tract, block numbering area, block group, or American Indian area or Alaska Native area as such units are defined or reported by the U.S. Bureau of the Census). However, Geographic Units in metropolitan areas that are used to comprise an Investment Area shall be limited to census tracts, block groups and American Indian areas or Alaskan Native areas.

Term	Definition
Gross Loans Receivable	The Total Outstanding Loan Portfolio at the end of a period. Loans outstanding equals the aggregate dollar amount of all loans receivable without giving effect to any allowance for the collectability thereof (i.e. before deducting for Loan Loss Reserves). Gross Loans Receivable may also be referred to as Total Loans in the case of Banks or Thrifts.
Hispanic or Latino	A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino." Note that Hispanic is not a Race but an Ethnicity.
Homeownership Counseling	Assisting borrowers, who are new or existing homeowners, make informed decisions related to budgeting, selecting a home; types of mortgage insurance; homeowner tax benefits; equity build up; home maintenance and energy conservation, and foreclosure prevention.
Hot Zone	A subset of Investment Areas that are most economically distressed. Economic Development Hot Zones have high unemployment and poverty rates, and low median family incomes. Housing Hot Zones have high housing cost burdens and poverty rates, and low median family incomes. Specific information on Hot Zones may be found at: http://www.cdfifundhelp.gov/index.asp?section=CDFI&goto=CDFI%20Investment%20Area%20Designation%20Instructions#hz .
Income and Expense Statement	A report of all revenues and expenses pertaining to a specific time period.
Indian Areas or Native American Areas	A geographic unit as defined by the 2000 Census that includes Federal and state American Indian Reservations, Off-Reservation Trust Lands, Oklahoma Tribal Statistical Areas, Hawaiian Home Lands, and Alaska Native Village Statistical Areas.
Indian Reservation	Any geographic area that meets the requirements of section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)), and shall include land held by incorporated Native groups, regional corporations, and village corporations, as defined in and pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1602); public domain Indian allotments; and former Indian reservations in the State of Oklahoma.
Indian Tribe (also, American Indian Tribe)	Indian Tribe, band, pueblo, nation or other organized group or community, including Alaska Native Village or regional or village corporation, (as defined in or established pursuant to the Alaska Native Claims Settlement Act), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians. See 12 <i>CFR</i> § 1805.104(x).
Individual Development Account	A matched savings accounts used by low-income households to purchase homes, seek post-secondary education, capitalize small businesses, or engage in other types similar asset-building activities.
Insured Credit Union	Any credit union, the member accounts of which are insured by the National Credit Union Share Insurance Fund and/or the State in which the credit union is located.
Insured Depository Institution	Any bank or thrift, the deposits of which are insured by the Federal Deposit Insurance Corporation. See 12 <i>CFR</i> § 1805.104(bb).

Term	Definition
Interest Earned on Cash & Marketable Securities	Includes all interest earned on cash and marketable securities and considered as earned income in calculating the self-sufficiency ratio.
Interest Expense	The payments of interest related to Notes Payable that a CDFI makes to its lenders.
Interest Payments from Loans or Investments	Includes interest earned on the CDFI's outstanding loans and/or Equity Investments.
Investee	The recipient of an Equity Investment.
Investment Area	<p>A Geographic Unit or contiguous Geographic Units that:</p> <ol style="list-style-type: none"> 1. Is entirely located within the geographic boundaries of the United States and either: 2. Meets at least one of the criteria of economic distress as defined under 12 <i>CFR</i> §1805.201(b)(3)(ii)(D) and has significant unmet needs for Loans, Equity Investments, or Financial Services, as described under 12 <i>CFR</i> §1805.201(b)(3)(iii)(E); or 3. Encompasses or is located wholly within an Empowerment Zone or Enterprise Community designated under section 1391 of the Internal Revenue Code of 1986. See 12 <i>CFR</i> § 1805.104(cc).
Investments with Maturity or Repricing Period of Less than 1 Year	This information is captured in NCUA's 5300 Call report, Schedule C. Taken as a percentage of total investments, the ratio is the indicator used to evaluate the Asset Liability Management (Capital Liquidity) of an Insured Credit Union.
Lien	A creditor's claim against property. For example, a mortgage is a lien against a house; if the mortgage is not paid on time, the house can be seized to satisfy the lien.
Lien Position	Refers to the order by which a creditor's claim against a property is to be satisfied in the event of default. For example, a creditor with a first lien has first claim on the property; a creditor with a subordinate lien will be paid only after other debts with higher claim have been satisfied.
Line of Credit	A commitment, to make loans to a particular borrower up to a specified maximum during a specified period, which may include disbursements and repayments on a revolving basis.
Loan Approved	Total dollar amount of loans for which the CDFI has given initial approval or a contingent commitment, and the CDFI has reserved cash, cash equivalents, or other assets to fund at a future date.
Loan Closed	A loan is counted as closed when a legally binding note has been signed by the borrower in favor of the lender.
Loan Disbursed	Total dollar amount of loans disbursed in connection with a legally binding note signed by the borrower in favor of the CDFI.
Loan Fund	A legal entity, not regulated by a state or Federal agency, whose predominant business activity is the provision of loans.

Term	Definition
Loan Loss Provision	The Loan Loss Provision should appear as an expense item on any active lending institution's Statement of Activities (Income and Expense Statement). It is a non-cash expense that gets reflected as a change in the Loan Loss Reserve account on the Balance Sheet. The Loan Loss Provision captures Loan Loss Reserve adjustments resulting from the following 1) Loans written off (decreases LLR), 2) new loans made (increases LLR), and 3) loans paid in part or full (decreases LLR). While it is a non-cash expense, it is treated as a direct operating expense when the provision is made, usually annually.
Loan Loss Reserve	Funds set aside in the form of cash reserves or through accounting-based accrual reserves that serve as a cushion to protect an organization against future losses. Loan Loss Reserves typically show up as a contra asset on a balance sheet. Loan Loss Reserves are not the expense listed on the income/expense statement.
Loan Loss Reserve Ratio	The total dollar amount of Loan Loss Reserves (cash and accrual) divided by the Total Outstanding Loan Portfolio. The Loan Loss Reserve Ratio describes the amount of an organization's Total Outstanding Loan Portfolio that it assumes it may lose. The Loan Loss Reserve Ratio is also known as the Loan Loss Allowance to Insured Credit Unions, and is defined by the National Credit Union Administration.
Loan Losses	Amount of a loan that the Lender deems uncollectible from its borrower and is charged off or written off. Losses are reported after default, foreclosure, and liquidation and are the net of any recovered assets. If any amount is reclaimed in the current fiscal year on loans/investments that are written off in previous years, that amount is subtracted from the amount written off in the current fiscal year.
Loan Purchase	Purchase of loans originated and disbursed by another entity.
Loan/Investments Underwriting	The process by which a lender determines the soundness of a loan or equity investment, including assessment of collateral, risk and return (social a/o financial).
Loans Outstanding	The loans for which principal is outstanding as of the last day of the fiscal year. These loans may have originated during the fiscal year or in a previous year. This includes any loans that have been restructured, but not those loans that have been written off.
Loan-to-Asset Ratio	Total Outstanding Loan Portfolio divided by Total Assets.
Loan-to-Deposit Ratio	Total Outstanding Loan Portfolio divided by the total dollar value of deposit liability accounts held by a bank or thrift.
Loan-to-Share Ratio	For an Insured Credit Union, Total Outstanding Loan Portfolio divided by the sum of the dollar value of Total Member Shares and Total Non-Member Shares.
Loan-to-Value Ratio	Ratio of money borrowed to fair market value, usually in reference to real property.

Term	Definition
Lower Mississippi Delta	A 240-country/parish area in an 8-state region comprising parts of Mississippi, Louisiana, Alabama, Arkansas, Tennessee, Kentucky, Missouri and Illinois. A coverage map can be found at https://www.cdfifund.gov/myCDFI/mapping/docs/Lower_Mississippi_Delta_Map.pdf .
Low-Income	An income, adjusted for family size, of not more than: For metropolitan areas, 80 percent of the area median family income; and For non-metropolitan areas, the greater of: (i) 80 percent of the area median family income; or (ii) 80 percent of the statewide non-metropolitan area median family income. See 12 <i>CFR</i> § 1805.104(dd).
Low-Income Designated Credit Union	A credit union designated as such by the appropriate National Credit Union Administration Regional Director in accordance with the criteria set forth in 12 <i>CFR</i> §701.34.
Low-Income Targeted Population	Individuals or an identifiable group of individuals, or persons that lack adequate access to Financial Products or Financial Services in the Applicant's service areas; who are Low-Income and who reside within the boundaries of the United States. 12 <i>CFR</i> § 1805.201(b)(3)(F)(iii).
Major Urban Area	Metropolitan Statistical Area with population equal to or greater than 1 million. Include both central city and surrounding suburbs.
Matching Funds	All financial assistance awarded under this the CDFI Program shall be matched with funds from sources other than the Federal government. Except as provided in 12 <i>CFR</i> § 1805.502, such matching funds shall be provided on the basis of not less than one dollar for each dollar provided by the Fund. Funds that have been used to satisfy a legal requirement for obtaining funds under either the CDFI Program or another Federal grant or award program may not be used to satisfy the matching requirements described in this section. Community Development Block Grant Program and other funds provided pursuant to the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), shall be considered Federal government funds and shall not be used to meet the matching requirements. Matching funds shall be used as provided in the Assistance Agreement. Funds that are used prior to the execution of the Assistance Agreement may nevertheless qualify as matching funds provided the Fund determines in its reasonable discretion that such use promoted the purpose of the Comprehensive Business Plan that the Fund is supporting through its assistance.
Matching Funds In-hand or In-hand Matching Funds	Matching Funds that the Applicant has actually received the matching funds and has documentation (such as a copy of a check) to evidence such receipt.
Member Shares	A deposit in the form of a share, share certificate or a share draft account owned by a member of an Insured Credit Union, as defined by the National Credit Union Administration (NCUA).
Microenterprise	A for-profit or non-profit enterprise that has five or fewer employees (including the proprietor, in the case of a for-profit) and has received, or has requested a loan or investment totaling no more than \$35,000.
Minimum Prudent Standards (MPS)	Indicators, based on organization type, used by the CDFI Fund to evaluate the loan portfolio quality and the financial track record and projections of CDFIs applying for Financial Assistance or Technical Assistance.
Minor Urban Area	Metropolitan Statistical Area with population less than 1 million. Include both central city and surrounding suburbs.

Term	Definition
Native American	See American Indian.
Native American Community	Any Native American, Alaska Native or Native Hawaiian population, land or Census-equivalent entity, with the exception of State or Tribal Designated Statistical Areas.
Native Hawaiian	A person having origins in any of the original peoples of Hawaii.
Net Asset Ratio	Net Assets divided by Total Assets.
Net Assets	Total Assets less Total Liabilities as reported in an organization's statement of financial condition. Net Assets is applicable to nonprofit organizations and indicates the extent to which an organization's Total Assets exceed its Total Liabilities.
Net Capital Ratio	The total dollar value of an Insured Credit Union's Net Capital (or Net Worth) divided by its Total Assets.
Net Charge-off	The total dollar amount of loans that are determined to be a loss or non-recoverable during the course of an organization's fiscal year and eliminated as an asset, less loan amounts charged-off but later collected. A Net Charge-Off is also known as a Net Write-Off to non-regulated organizations.
Net Income	Total Income or Revenue minus total pretax expenses. For non-profits it should appear on the "Statement of Activities" as total income (earned income plus contributed income) minus total expenses. For for-profits it appears on the Income and Expense Statement as total "revenue" minus total pre-tax expenses. For an Insured Credit Union, Net Income or loss is the same as reported on the NCUA 5300. For Insured Depository Institutions, Net Income or loss is the same as reported on the Uniform Bank Performance Report.
Net Loan Losses	The net amount charged off. Losses are reported after default, foreclosure, and liquidation and are net of any recovered assets. If any amount is reclaimed in the current fiscal year on loans that were written off in previous years, that amount should be subtracted from the amount lost (i.e., written off) in the current fiscal year.
Net Non Core Funding Dependence	One of the Fund's financial indicators captured using the Minimum Prudent Standards based on organization type. This indicator is used to capture Asset Liability Management (Capital Liquidity) for Insured Depository Institutions and appears in Summary Page of the Uniform Bank Performance Report.
Net Worth	For a for-profit organization, it is the total dollar value of its Shareholders Equity and is comprised of the sum of common stock, paid-in capital and Retained Earnings. Net Worth is also commonly known as Total Equity. For an Insured Credit Union, it is the total dollar value of its equity and is comprised of undivided earnings, regular reserves, appropriation for non-conforming investments state-chartered credit unions only), Other Reserves (appropriations of undivided earnings and unsecured Secondary Capital (Low-Income Designated Credit Unions only).
Net Worth Ratio	For a for-profit organization's Net Worth is divided by its Total Assets. The Net Worth Ratio is also commonly known as the Equity Ratio.

Term	Definition
Net Write-off	Total dollar amount of loans that are determined to be a loss or non-recoverable during the course of an organization's fiscal year and taken off the books less loan amounts written-off but later collected. A Net Write-Off is also known as a Net Charge-Off to Insured Credit Unions and Banks and Thrifts.
Non-Member Shares	Non-member share accounts deposited in an organization that is an insured credit union, as defined by the National Credit Union Administration (NCUA). Non-member shares are those deposits made into an Insured Credit Union by a depositor who is not a member nor eligible to be a member. A deposit may be in the form of a share, share certificate or a share draft account.
Notice of Funds Availability	The public notice, published in the Federal Register, that announces the availability of program funds and advises Applicants with respect to obtaining application materials, establishes application submission deadlines, and establishes other requirements or restrictions applicable to the particular funding round.
Off-Balance Sheet Resources	Loan or other financial resources committed by third party funders to support an organization's lending or equity investment activities (e.g., undrawn lines of credit), which are available to, but which have not been drawn upon or otherwise utilized by such organization. This measure excludes all grants or contributions committed by a third party funder to a nonprofit organization, but not yet disbursed.
Operating Liquidity Ratio	The total unrestricted cash and cash equivalents divided by the product of Total Pre-Tax Expenses multiplied by 0.25. The Operating Liquidity Ratio is a measure of the extent to which an organization has sufficient operating reserves on hand to pay its expenses. A ratio of 1.0 or greater means that an organization has at least three months of liquid assets on hand to cover three months of expenses. A ratio of less than 1.0 means that an organization may be experiencing operating liquidity problems and has insufficient operating reserves.
Other Pacific Islander	A person having origins in any of the original peoples of Guam, Samoa or other Pacific Islands.
Other Targeted Population	Identifiable groups of individuals in the applicant's service area for which there exists a strong basis in evidence that they lack access to loans, Equity Investments and/or Financial Services.
Outstanding Equity Investment Portfolio	The total dollar amount of Equity Investments held by an organization in portfolio companies in which it owns stock or other forms of ownership interest. Total Outstanding Equity Investment Portfolio should reflect the valuation of the organization's interests after making adjustments for any investment gains or losses.
Past Due Loans	Gross Loans Receivable or Total Loans with payments 30 days or more past due (2 months for Insured Credit Unions). Loans should be considered past due if any part of the payment is past due.
Performance Period	The period of time for which an Awardee reports to the CDFI Fund on its performance measures and financial soundness covenants.
Permanent (as applied to Affordable Housing Loans)	A mortgage loan usually with a 15-, 20- or 30-year term, the proceeds of which are used to repay a construction loan or bridge loan.

Term	Definition
Portfolio-at-Risk	The total dollar amount of loans with payments 90 days or more past due divided by the Total Outstanding Loan Portfolio. This is calculated based on Past Due Loans and includes the entire outstanding balance of loans with payments that are past due. Loans should be considered past due if any part of the payment is past due. In the case of a for-profit or non-depository nonprofit organizations, the Portfolio-at-Risk is measured using a schedule of the aging of total loan receivables at 30, 60 and 90 days. In the case of Insured Credit Unions, the aging schedule is calculated at 2 months, 6 months and 12 months. Banks and Thrifts also have a category of loans called non-accrual for which the Banks and Thrifts are no longer accruing interest due to poor payment performance. The Portfolio-at-Risk is also commonly known as the Delinquency Ratio.
Predatory Loan	A loan that meets at least one of the following predatory practices: 1) Making unaffordable loans based on the assets of the borrower rather than on the borrower's ability to repay an obligation; 2) Inducing a borrower to refinance a loan repeatedly in order to charge high points and fees each time the loan is refinanced ("loan flipping"); or 3) engaging in fraud or deception to conceal the true nature of the loan obligation, or ancillary products, from an unsuspecting or unsophisticated borrower; or 4) other similar practices.
Professional Fees	All costs of hiring contractual employees, who are not full- or part-time direct employees of the organization. Contractual employees can include individuals in any position.
Program-Related Investment	Program-related investments, typically low-interest senior or subordinated loans to nonprofit or for-profit organizations whose work closely corresponds with a Foundation's programmatic interests. A Program-related investments (PRI) may also be in the form of a loan guarantee or equity investment.
Project Leverage	The difference between the total project costs and the amount of the total CDFI loan or investment.
Remittance	Transfer of money from immigrant populations in the U.S. to their countries of origin generally through money transfer firms with a distribution network in the country of origin.
Retained Earnings	<ol style="list-style-type: none"> 1. In the case of a for-profit, Retained Earnings that may be used for matching an Equity Investment shall consist of: (a) the increase in Retained Earnings (excluding the after-tax value to an Applicant of any grants and other donated assets) that has occurred over the Applicant's most recent fiscal year; or (b) the annual average of such increases that have occurred over the Applicant's three most recent fiscal years. 2. In the case of a nonprofit Applicant (other than an Insured Credit Union), Retained Earnings that can be used for Matching Funds purposes for a grant shall consist of: (a) the increase in an Applicant's Net Assets (excluding the amount of any grants and value of other donated assets) that has occurred over the Applicant's most recent fiscal year; or (b) the annual average of such increases that has occurred over the Applicant's three most recent fiscal years. 3. In the case of an Insured Credit Union Applicant, Retained Earnings that may be used for Matching Funds purposes for a grant shall consist of: (a) the increase in retained earnings that have occurred over the Applicant's most recent fiscal year; the annual average of such increases that have occurred over the Applicant's three most recent fiscal years; or (b) the entire retained earnings.
Revenue	Funds obtained by an organization, including earned income, grants and contributions. Does not include in-kind contributions.

Term	Definition
Salaries and Benefits	All salary and benefit expenses incurred by an organization for individuals directly employed by that organization on a full-time or part-time basis.
Secondary Capital	Monies committed to an uninsured account with a Low-Income Designated Credit Union for a minimum of five years. Funds in the Secondary Capital account (including both principal and interest earned) must be available to cover operating losses realized by such credit union (i.e. losses that exceed its net available reserves and undivided earnings). See 12 <i>CFR</i> § 701.34.
Self-sufficiency	The percentage of operating costs that are covered by earned income. Earned income does not include grants or contributions.
Self-sufficiency Ratio Minimum Prudent Standard	One of the Fund's financial indicators captured using the Minimum Prudent Standards for Non Regulated for-profit and not-for-profit organizations. Total Earned Income divided by Total Expenses.
Shareholders Equity	Ownership interest possessed by shareholders in a corporation. Reported in a for-profit organization's balance sheet and indicates the extent to which an organization's Total Assets exceed its Total Liabilities. This is comparable to the Net Assets for a nonprofit organization. Calculated as total Asset less total Liabilities.
Shareholders Equity Available for Financing	The portion of Shareholders Equity restricted or available for lending or equity investment activities. It may include unrestricted, temporarily restricted or permanently restricted assets.
Shares	Shares means deposits, shares, share certificates, share drafts, or any other depository account into an Insured Credit Union authorized by federal or state law.
Shares or Deposits Available for Financing	Total dollar amount of shares (Insured Credit Unions) or deposits (banks and thrifts) that the organization has available to make loans or investments.
Short-term (as applied to Affordable Housing loans)	All non-permanent loans, such as acquisition, pre-development, construction, rehab, bridge or interim loans.
Start-up Business	A business that has been in operation for fewer than 12 months.
Subordinate Lien	A claim against a property, such as a mortgage loan, with a lower priority or claim against a borrower.
Subsidiary	Any company which is owned or Controlled directly or indirectly by another company and includes any service corporation owned in whole or part by an Insured Depository Institution or any Subsidiary of such a service corporation, except as provided in 12 <i>CFR</i> § 1805.200(b)(4). See 12 <i>CFR</i> § 1805.104(hh).
Target Market	An Investment Area(s) and/or a Targeted Population(s). See 12 <i>CFR</i> § 1805.104(jj).
Targeted Population	Individuals, or an identifiable group of individuals, who are Low-Income people (e.g., a Low-Income Targeted Population) or lack of adequate access to loans or Equity Investments in the Applicant's service area (an Other Targeted Population). See 12 <i>CFR</i> § 1805.104(ii).

Term	Definition
Technical Assistance	Funds, provided in the form of a grant by the Fund, to fund the purchase of technology, consulting services, training, in some cases staff salary to enhance the capacity of the Awardee, and/or such other uses as have been approved by the Fund.
Tier 1 Capital	Tier 1 Capital includes the purest and most stable form of capital. Capital is the cushion that protects banks and their customers and shareholders against loss from the assumption of risk.
Tier 1 Capital Ratio	Tier 1 Capital divided by Average Assets. The Fund uses this ratio as a proxy for Tier 1 Leverage Capital, given the difficulty of projecting adjustments to Average Assets required in the calculation of Tier 1 Leverage Capital (Tier 1 Capital divided by Adjusted Average Assets).
Total Expenses	Includes total operating expenses plus non-operating expenses such as pass-through grants, taxes, etc. Does not include losses on fixed assets and idle funds (accounted for in total revenue).
Total Outstanding Loan Portfolio	Gross loans receivable as reported in an organization's statement of financial condition or balance sheet. Gross loans receivable are the principal amount of loans receivable held by an organization that represents the amount still owed to the organization by its borrowers without giving effect to any allowance for the collectability thereof (i.e. before loan loss reserves are calculated).
Undivided Earnings	The total dollar amount of accumulated income or surplus for an Insured Credit Union. As a post-closing amount, it includes the net income (loss) from operations. This amount appears in the NCUA 5300 Call Report, Statement of Financial Condition.
United States	The 50 states, the District of Columbia, any territory of the United States, including, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.
Unrestricted Net Assets	Net Assets derived from unrestricted funds or funds released from restrictions during the fiscal year.
Venture Capital Fund	An organization that predominantly invests funds in businesses, typically in the form of either Equity Investments or subordinated debt with equity features such as a revenue participation or warrants, and generally seeks to participate in the upside returns of such businesses, via such Equity Investments or equity features in an effort to at least partially offset the risk investments.
Very Low-Income	An annual income, adjusted for family size, of not more than 60 percent of the area median family income.

Term	Definition
Voting Securities	Shares of common or preferred stock, general or limited partnership shares or interests, or similar interests if the shares or interest, by statute, charter, or in any manner, entitle the holder: 1. To vote for or select directors, trustees, or partners (or persons exercising similar functions of the issuing company); or 2. To vote on or to direct the conduct of the operations or other significant policies of the issuing company. See 12 <i>CFR</i> § 1805.104(kk)(1).
White	A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
Write-off	See Charge-off.