



Small Dollar Loan Program

FY 2024 Pre-Application Webinar
October 4, 2023

FY 2024 Small Dollar Loan Program Pre-Application Webinar



Welcome to the FY 2024 Small Dollar Loan Program (SDL Program) Pre-Application Webinar! As a reminder, participants will be muted until we open the phone lines for questions at the end of the presentation.

Webinar Agenda



- SDL Program Staff
- SDL Program Overview
- SDL Program Application Logistics
- Questions
- We Will Not Cover:
 - Application components, submission, and review
 - Instructions on how to enter data into an Application in the CDFI Fund's Awards Management Information System (AMIS)

Program Staff



SDL Program Staff:

- Eddie Tsibulevskiy, Program Manager
- Julie Sandler, Associate Program Manager
- Michael Fulton, Management and Program Analyst
- Amy Apitz, Management and Program Analyst

Program Overview



- Authorized by the Dodd -Frank Wall Street Reform and Consumer Protection Act of 2010.
- The FY 2024 SDL Program funding round is a double round. The funding amount will be based on \$9 million from the FY 2023 appropriations and the FY 2024 appropriations (amount to be determined).
- The SDL Program was created to help:
 - Certified Community Development Financial Institutions (CDFIs) address the issue of expanding consumer access to mainstream financial institutions and provide alternatives to high cost small dollar loans; and
 - Unbanked and underbanked populations build credit, access affordable capital, and allow greater access into the mainstream financial system.

FY 2022 SDL Program Funding Round and Impact



In FY 2022, the most recent SDL funding round, the SDL Program awarded \$11.4 million to 66 Certified CDFIs headquartered in 23 states, the District of Columbia, Guam, and Puerto Rico. Three types of Certified CDFIs received awards:

- 22 loan funds received \$2.8 million;
- 34 credit unions receiving \$6.6 million; and
- 10 banks or bank holding companies received \$2 million.

17 awards totaling nearly \$3.7 million—or 32.8% of the total funds awarded—were made to CDFIs with headquarters located in Persistent Poverty Counties, which exceeds the Congressional mandate of 10%.

Applicant Eligibility



- The SDL Program statute allows for three types of eligible Applicants:
 - Certified CDFIs; or
 - Partnerships between a Certified CDFI and any Federally Insured Depository Institution (FDI) with a primary mission to serve targeted Investment Areas; or
 - Partnerships between two or more Certified CDFIs.

Applicant Eligibility (continued)



- **501(c)4 Status:** An organization that engages in lobbying activities is not eligible to receive a SDL Program grant.
- **Affiliates:** An Applicant must meet all eligibility requirements on its own behalf and not rely on a parent company or affiliate. An Applicant that applies on behalf of another organization will be rejected without further consideration, other than Depository Institution Holding Companies.

Program Parameters



Per the SDL Program statute (12 U.S.C. 4719), SDL Program grants may only be used to support small dollar loan programs that offer small dollar loans to consumers that:

- are made in the amount of \$2,500 or less;
- must be repaid in installments;
- have no prepayment penalty;
- have payments that are reported to at least one of the consumer reporting agencies that compiles and maintain files on consumers on a nationwide basis; and
- are underwritten with standards that consider the consumer’s ability to repay.

Eligible Uses of Awards



- Awards must be used for:
 - Loan Loss Reserves (LLR) to cover losses on small dollar loans associated with starting a new small dollar loan program or expanding an existing small dollar loan program, or
 - Technical Assistance (TA) for technology, staff support, and other costs associated with establishing or maintaining a small dollar loan program.
- Note:** SDL Program grants cannot be used to provide direct loans to consumers.

Eligible Uses of Awards – Examples from Past Successful Applicants



- Attract additional capital to increase deployment. Because of the historic loss rates that occur with small dollar lending programs, many investors require at least a 15% reserve. (LLR Award)
- Track the impact outcomes of its small dollar lending program by assessing credit pulls at the time the Applicant applied for an Award and one year later. (TA Award)
- Partner with a technical services company to provide quick processing capabilities and a user friendly interface for its small dollar lending program. (TA Award)
- Increase its loan loss reserves for a new small dollar loan product that is unsecured and available to borrowers with a lack of credit history or lower than average credit scores. (LLR Award)

Applicant Eligibility- Title VI of the Civil Rights Act



- All SDL Program Applicants will be required to submit the Title VI Compliance Worksheet to assist the CDFI Fund in determining whether Applicants are compliant with the Treasury regulations implementing Title VI of the Civil Rights Act (Title VI), set forth in 31 CFR Part 22.
- Title VI of the Civil Rights Act prohibits discrimination based on race, color, or national origin in programs or activities receiving federal financial assistance from the Department of the Treasury.
- This requirement also applies to Applicants' prospective sub-recipients that are not direct beneficiaries of federal financial assistance (e.g., Depository Institutions Holding Company and their Subsidiary Depository Institutions).
- The Title VI Compliance Worksheet is submitted via AMIS on an annual basis.
- The User Guide for the Title VI Compliance Worksheet can be found [here](#).

Applicant Eligibility by Award Type



Per statute, eligible Applicants are allowed to receive the following types of awards:

- For LLR grants
 - applies to a Certified CDFI; or
 - a partnership between a Certified CDFI and a FIDI with a primary mission to serve targeted Investment Areas.
- For TA grants
 - applies to a Certified CDFI; or
 - a partnership between two or more Certified CDFIs.
- For both an LLR grant and TA grant
 - applies to a Certified CDFI.

Prohibited Practices



SDL Program Awards will not be eligible for programs/products with the following lending practices and loan characteristics:

- High-rate loans
- Coerced automated loan payments
- Excessive number of refinancings
- Loan add-ons, e.g., credit insurance
- Security interests in household goods, vehicles, or deposit accounts
Exception: loans with a savings account component or credit builder loans
- Excessive late fees on missed loan payments
- Abusive overdraft practices
- Aggressive debt collection practices
- Forced arbitration clause, class action ban , and other legal bans

SDL Program Award Sizes



Award sizes will be based on demand and the following factors:

- Due diligence review
- The Applicant's requested amount
- The Applicant's three-year projected total small dollar loans to be closed
- Whether preferred lending practices and loan characteristics stated in the NOFA are proposed
- Risk rating

Application Submission



The CDFI Fund has a two-step process that requires the submission of Application documents on separate deadlines and different online systems.

- **Step 1:** The Standard Form-424 (SF-424) (submitted through Grants.gov). This form starts your Application and contains important fields about your organization's tax and payment information.
- **Step 2:** The SDL Program Application (submitted through AMIS). The SDL Program Application will ask for information about your organization, such as your organization's financial data; the small dollar loan products and development services you currently provide (if applicable); and your organization's objectives for your SDL Program Award. As part of the Application submission in AMIS, Applicants are required to submit the Title VI Compliance Worksheet.

Timeline for Applicants



Description	Deadline
Round Opening and Notice of Funds Availability (NOFA) Release	Fall 2023
SF-424 Application for Federal Assistance	Approximately 30 days after NOFA publication
Enter Employer Identification Number (EIN) and Unique Entity Identifier (UEI) into AMIS Account	Approximately 30 days after NOFA publication
Title VI Compliance Worksheet submitted in AMIS for Applicants and prospective sub-recipients (e.g., Depository Institutions Holding Company and their Subsidiary Depository Institutions)	Approximately 60 days after NOFA publication
SDL Program Application due in AMIS	Approximately 60 days after NOFA publication

Getting Started



- Obtain an Employer Identification Number (EIN) and Unique Entity Identifier (UEI) number.
- Register and/or update your accounts in the following systems:
 1. System for Award Management (SAM.gov)
 2. Grants.gov
 3. AMIS
- Download and familiarize yourself with the FY 2024 SDL Program NOFA and Application materials found on the SDL Program website.

EIN and UEI Number



- An Applicant should ensure the accuracy and uniformity of its EIN and UEI number across its SAM.gov, Grants.gov, and AMIS accounts.
- The CDFI Fund reserves the right to reject an Application if the EIN and UEI number in an Applicant's AMIS account do not match the EIN and UEI number in its SAM.gov and Grants.gov accounts.
- The CDFI Fund will reject an Application submitted with the EIN or UEI of a parent or affiliate organization.

SAM.gov (System for Award Management)



- New SAM.gov users should register as soon as possible. Existing users should ensure that their account is active and up-to-date. The CDFI Fund does not maintain SAM.gov, so please visit their website at [SAM.gov](https://sam.gov).
- The CDFI Fund will not consider Applications from organizations that fail to register or activate their SAM.gov account and, as a result, are unable to submit their SF-424 through Grants.gov by the deadline (30 days after NOFA publication).



- **Only the SF-424 will be submitted via Grants.gov.**
- All Applicants **MUST** submit their SF-424 through Grants.gov by the deadline (approximately 30 days after NOFA publication).
 - *Note:* If the SF-424 is not successfully accepted in Grants.gov by the deadline listed in the SDL Program NOFA, the CDFI Fund will not review any of the materials submitted in AMIS and the Application will be deemed ineligible.
- The SF-424 must be submitted under the correct Program Funding Opportunity Number
 - Applicants that submit their SF-424 under the incorrect Program Funding Opportunity Number will be deemed ineligible.
- If the amount of the SDL Program award requested on the SF-424 is different from the amount an Applicant requests in its Application submitted via AMIS, the CDFI Fund will only consider the amount requested in the Application submitted in AMIS.

Awards Management Information System (AMIS)



- Each Applicant and prospective sub-recipients **must register as an organization in AMIS** and submit all required applicable Application materials via AMIS.
 - The SF-424 is the only required Application document that will not be submitted via AMIS. The SF-424 **MUST** be submitted in Grants.gov.
- All Applicants must enter their EIN and UEI number in AMIS by the deadline in the NOFA (approximately 30 days after NOFA publication).
- An Applicant is required to designate at least one Authorized Representative and Point of Contact in its AMIS account (Authorized Representatives may **not** be consultants).
- An Applicant that fails to properly register and update its AMIS account may miss important communications from the CDFI Fund and may not be able to successfully submit an Application. To ensure you receive email communications, replyd@cdfi.treas.gov should be listed as a safe sender by your email system.

Questions and Next Steps



Three Ways to Contact Us:

1. Submit a Service Request in the CDFI Fund's Awards Management Information System (AMIS).
 2. Email sdlp@cdfi.treas.gov.
 3. Contact the CDFI Fund Help Desk at (202) 653-0421.
- Watch for the NOFA in the Federal Register.
 - Register in GovDelivery to hear about additional webinars and CDFI Fund announcements. Here's the link to subscribe:
<https://service.govdelivery.com/accounts/USTREASCDFI/subscriber/new>

Contact Information



Department	Phone	Electronic Contact Method	Description
SDL Program	202-653-0421 (option 3)	Submit a Service Request in AMIS (preferred) or email sdlp@cfdi.treas.gov	Questions regarding the SDL Program, Program Application or related materials.
Office of Compliance Monitoring and Evaluation (OCME)	202-653-0423	Submit a Service Request in AMIS (preferred) or email ccme@cfdi.treas.gov	Questions related to CDFI compliance.
Office of Certification Policy and Evaluation (OCPE)	202-653-0423	Submit a Service Request in AMIS (preferred) or email ccme@cfdi.treas.gov	Questions related to CDFI Certification.
IT Support (AMIS)	202-653-0422	Submit a Service Request in AMIS (preferred) or email AMIS@cfdi.treas.gov	Questions related to registering or creating an account in AMIS.
Grants.gov	800-518-4726	support@grants.gov	Questions related to the SF-424 submission process.
SAM.gov (Federal Service Desk)	866-606-8220	SAM.gov	Questions related to registering an organization in order to apply for Federal grants via Grants.gov.

Questions and Answers



...for participating in today's webinar!