



# FY 2024 Capital Magnet Fund Recipient Training Webinar

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**Overview of the FY 2024 CMF Assistance Agreement  
and Compliance Requirements**

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND**

[www.cdfifund.gov](http://www.cdfifund.gov)

# Training Goals



At the conclusion of the webinar, participants will understand:

1. The next steps to review and accept their Assistance Agreement and (a) request modifications, in limited cases, or (b) execute and receive Payment of their Award.
2. Notable Performance Goals, obligations, and deadlines of the Assistance Agreement.
3. Changes to the CMF program regulations published in the Federal Register on June 25, 2024.  
(★ Stars throughout the presentation indicate new or changed items.)

Note: Capitalized terms used in this presentation are defined in the CMF Interim Rule (effective June 25, 2024) and/or this year's CMF Assistance Agreement.

# Assistance Agreement is Your Contract



- ❑ The Assistance Agreement is a binding legal contract.
- ❑ By signing the Assistance Agreement, you agree to its terms and conditions and the requirements of the CMF Interim Rule, effective date June 25, 2024 (12 C.F.R. Part 1807).
- ❑ The required Performance Goals in the Assistance Agreement may be different than what was proposed in your Application.
- ❑ **Caution:** Do not assume that everything proposed in your Application is permissible under the Program rules. Not sure?...Please ask us for guidance!
- ❑ FY 2024 Assistance Agreement ≠ FY 2023 Assistance Agreement
- ❑ This presentation is NOT a substitute for reviewing the Assistance Agreement.

# Agenda



- 1. Next Steps on Reviewing the CMF Assistance Agreement and Accepting the Terms of the Award**
2. Overview of the Assistance Agreement
3. Understanding Required Performance Goals, Specific to Your Organization
4. Highlights of Changes to the CMF Program from the Interim Rule (effective June 25, 2024)
5. Contact Info & Resources
6. Question & Answer Opportunity

# Next Steps for the Assistance Agreement



- ❑ The Transmittal Packet was sent via email on 10/23/2024 from AMIS.
  
- ❑ Contains all the key dates and instructions in its three attachments:
  - i. FY 2024 CMF Award Transmittal Letter
  
  - ii. AMIS Instructions for the CMF Award Record and Assistance Agreement
  
  - iii. CDFI Fund Certificate of Good Standing (COGS) requirements from the CMF Assistance Agreement

# Award Closing Timeline



**November**

Kick-off Calls, if applicable



**10/23**

Awards Announced & AA available in AMIS



**11/13**

Assistance Agreement Webinar



**11/13**

1<sup>st</sup> day the AA can be signed by Recipient. Recipient must wait until AFTER the webinar to sign the AA.



**12/12**

Final day for Recipients to sign AA or request a modification to the AA. Submit COGS or Legal Opinion, if applicable.



**Mid-late December**

1<sup>st</sup> batch of AAs executed by CDFI Fund. AAs with modification requests will be executed in subsequent batches after the modification request is processed.



**Approx. 2 weeks of AA Execution by CDFI Fund**

**Payment**

# December 12: Accept or Request Modifications



## ❑ Option 1: Accept the Assistance Agreement:

If you accept the terms of the CMF Award after reviewing the terms and conditions, participating and/or viewing the Getting to Know your Assistance Agreement webinar, an Authorized Representative can sign the Award record and accept the Assistance Agreement in AMIS. If applicable, upload the Certificate of Good Standing (COGS) or Legal Opinion, per Appendix 3 of the Assistance Agreement.

## ❑ Option 2: Request Modifications to the Assistance Agreement:

If you wish to request a modification to your Assistance Agreement, a modification request should be submitted via a Service Request as early as possible, but no later than December 12. Modification requests received after the deadline will significantly delay the execution of your Assistance Agreement and Payment of the Award.

# Eligible Modifications (with compelling rationale)



1. Service Area Geographies (modifications will only be considered if the proposed changes do not impact underserved states or the geographic diversity of areas being served by this year's Recipients).
    - If a state/territory is indicated as needing to have a "At least 1 Project Required" in Section 3.2(f): Service Area Requirements, it cannot be removed.
  2. Changes to Lump Sum Payment versus Initial Payment and Subsequent Payment option.
  3. Notify the CDFI Fund of potential errors and administrative changes to the Assistance Agreement.
- ❑ Changes to Schedule 2 will **NOT** be considered.
  - ❑ Any changes made to the Assistance Agreement are at the discretion of the CDFI Fund.



# Signing Your Assistance Agreement



- ❑ The Assistance Agreement must be signed by an Authorized Representative listed and active in the Recipient's AMIS account.
- ❑ All Authorized Representatives must have the legal authority to enter into the Assistance Agreement and their titles must reflect a leadership position with the authority to sign on behalf of the Recipient's organization.
- ❑ Consultants cannot sign the Assistance Agreement on behalf of the Recipient's organization.
- ❑ Must complete attestations on Award Record regarding required CDFI Fund Assistance Agreement and compliance trainings.

# Signing Your Assistance Agreement



Recognized Authorized Rep. Signatory Titles	Authorized Rep. Titles Requiring Follow-up
<ul style="list-style-type: none"><li>• Any C-Suite position</li><li>• Chief Executive Officer</li><li>• Chief Financial Officer</li><li>• Chief Operating Officer</li><li>• President/Vice President</li><li>• Partner (Venture Capital Funds)</li><li>• Compliance Manager/Supervisor (or related position)</li><li>• Senior Accountant or any senior-level title</li><li>• Director</li><li>• Board Officer</li><li>• Board Chair</li><li>• Chairman</li><li>• Chairperson</li><li>• Vice Chair (Vice Chairman, Vice Chairperson)</li><li>• Treasurer</li><li>• Board Secretary</li><li>• Manager</li><li>• Or any similar titles that reflect the incumbent authority within the organization</li></ul>	<ul style="list-style-type: none"><li>• Assistant/Executive Assistant</li><li>• Secretary/Receptionist</li><li>• Loan Officer</li><li>• Community Development Officer</li><li>• Intern</li><li>• Analyst</li><li>• Board Member</li><li>• Associate Treasurer</li><li>• Associate Director</li><li>• Secretary</li><li>• Comptroller</li><li>• Controller</li><li>• Staff Accountant</li></ul> <p><b><i>NOTE: Consultants are not allowed to sign on behalf of an organization.</i></b></p>

# Payment of the CMF Award



- ❑ CMF Awards will be paid after conditions in Section 3.7 of the Assistance Agreement have been met.
- ❑ CMF Awards should be kept in an interest-bearing account until fully expended.
- ❑ Recipients with prior CDFI Fund Awards/allocations will be assessed for compliance and certification requirements prior to receiving Payments.
- ❑ For all prior CDFI Fund award Recipients/Allocatees/Borrowers – Be sure to submit your reports for your open agreements during the closing period!

# Agenda



1. Next Steps on Reviewing the CMF Assistance Agreement and Accepting the Terms of the Award
2. **Overview of the Assistance Agreement**
3. Understanding Required Performance Goals, Specific to Your Organization
4. Highlights of Changes to the CMF Program from the Interim Rule (effective June 25, 2024)
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# Assistance Agreement Overview



- ❑ Recipients should read the entire Assistance Agreement.
  - ❑ Recipients must adhere to reporting requirements, Performance Goals, and associated deadlines for the Assistance Agreement.
- ❑ Recipients are strongly encouraged to keep a copy of their Assistance Agreement on file, and to share with all staff working on the administration of the CMF program and compliance reporting.
  - ❑ Once executed, Recipients can find a copy of the Assistance Agreement in their organization's Award record in AMIS.
- ❑ Recipients are strongly encouraged to create calendar reminders with due dates for reports.
  - ❑ Recipients may use the reporting schedule in AMIS to find the report due dates, which are also listed in Schedule 1 of the Assistance Agreement.

# Structure of the Assistance Agreement



- ❑ **Signature Page:** Contains signatures, Effective Date, Award amount, and Lump Sum Payment amount or the Initial Payment amount and Subsequent Payment amount (for those opting for two Payments and approved by the CDFI Fund), as well as other basic information.
  
- ❑ **Schedule 1:**
  - ❑ 1-A. Performance Goals
  - ❑ 1-B. Annual Reporting
  - ❑ 1-C. Annual Report Submission Deadlines
  - ❑ 1-D. Performance Report
  
- ❑ **Schedule 2: General Award Terms and Conditions**  
(applicable to all Recipients)

# Schedule 1A and Schedule 2 Work Together

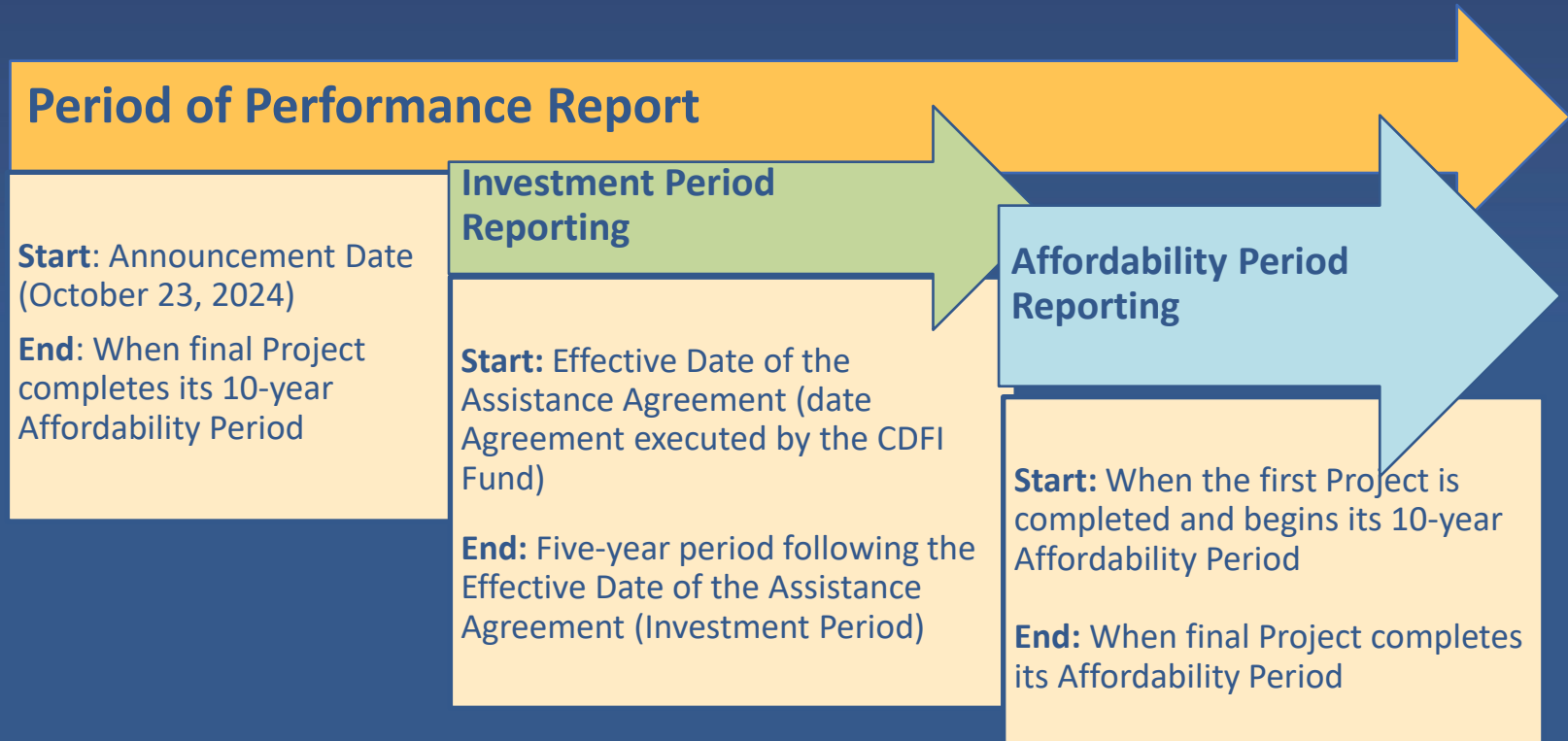


- ❑ Customized Performance Goals (and some regulatory requirements) appear in Schedule 1.
  - ❑ Includes your specific Performance Goals (requirements and metrics).
  - ❑ Based on, or prorated from, information provided in your Application.
- ❑ However, don't forget that additional performance requirements applicable to ALL Recipients are in Schedule 2.
- ❑ Schedule 1-A and 2 are integral to each other. Schedule 2 often refers to Schedule 1 requirements, and together they make up all performance requirements.

# Schedule 1B: Annual Report – Investment and Affordability Reporting



## Reporting Timelines





# Period of Performance



- ❑ Begins on the Announcement Date (not the Effective Date of your Assistance Agreement)
- ❑ All FY 2024 Awards: begins on October 23, 2024. Example:
  - ❑ If your FYE is 12/31, your first Period of Performance will be 10/23/2024 – 12/31/2024.
  - ❑ Year 1 Annual Performance Report due date will be 03/31/2025.
  - ❑ All Recipients must submit – there is a “No Activity Report” if applicable. See Compliance FAQs.
  - ❑ Look-back period: Provisions also apply that may allow Eligible Project Costs (EPCs) on CMF Projects that were incurred up to 36 months prior to the Project Commitment date. (Only applies to Projects not completed before the Announcement Date.)

# Schedules 1-B, 1-C, and 1-D: Annual Report and Deadlines; Performance Report



- ❑ **Submission Deadlines:** Review in detail all the components of reporting requirements, including Financial Condition, Performance, and Environmental Notification Reports. Deadlines are outlined in Schedule 1-C and Schedule 1-D. All reporting is completed through AMIS.
- ❑ Compliance reporting schedules: based on **your** fiscal year end (FYE).
  - ❑ Three (3) months after your FYE for Performance Report submission,
  - ❑ Six (6) months after your FYE for Financial Audit submission, and
  - ❑ Nine (9) months after your FYE for Single Audit submission (if applicable).
- ❑ SF-425 reporting tied to **Federal** fiscal year end.

# SF-425 Reporting



- SF-425 Federal Financial Report – used in other Federal programs.
- Required by the CDFI Fund, for CMF and other programs.
- Submit annually during the Investment Period. Report on how much of the CMF Award funds were expended during the Federal government's fiscal year, which runs from October 1 through September 30.
- NOT tied to your organization's fiscal year (like other CMF reports).
- Always due October 15. See Schedule 1 of the Assistance Agreement:

<b>Federal Financial Report / OMB Standard Form 425 Annual Periods and Due Dates</b>			
<b>Schedule</b>			
<b>Federal Fiscal Year Ending On:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Due Date:</b>
9/30/2025	10/1/2024	9/30/2025	<b>10/15/2025</b>
9/30/2026	10/1/2025	9/30/2026	<b>10/15/2026</b>
9/30/2027	10/1/2026	9/30/2027	<b>10/15/2027</b>
9/30/2028	10/1/2027	9/30/2028	<b>10/15/2028</b>
9/30/2029	10/1/2028	9/30/2029	<b>10/15/2029</b>
9/30/2030	10/1/2029	9/30/2030	<b>10/15/2030</b>

# Schedule 2: General Award Terms & Conditions



- ❑ Schedule 2 applies to all Recipients
- ❑ Incorporates CMF Interim Rule, effective date June 25, 2024 (12 CFR Part 1807)
- ❑ Includes key definitions
- ❑ Discusses key standards, including commitment, Project Completion, and others
- ❑ Specifies affordability requirements
- ❑ Notes environmental review requirements
- ❑ Describes other covenants, sanctions, and includes a list of Material Events

# Compliance with Schedules 1 & 2



- ❑ The CDFI Fund expects Recipients to fulfill all terms and conditions set forth in the Assistance Agreement and meet deadlines therein.
- ❑ Throughout the Period of Performance of the Assistance Agreement, Recipients are required to report their use of CMF Award funds. This reporting data will be used to evaluate compliance with the terms and conditions of the Assistance Agreement.

# Structure of the Assistance Agreement



## ☐ Schedule 3:

- ☐ 3-A. Certificate of Good Standing
- ☐ 3-B. Opinion of Counsel

## ☐ Schedule 4:

- ☐ 4-A. Representation and Warranties: Consortium Approach
- ☐ 4-B. CMF Recipient Consortium Member Agreement Criteria

# Agenda



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# Eligible Uses and Activities

## Sections 3.2(a) and 3.2(b)



- ★  **NEW:** FY 2024 major changes: to be consistent with the CMF statute (Housing and Economic Recovery Act, 2008), the terms Eligible Uses and Eligible Activities have been aligned in the Interim Rule (effective June 25, 2024) and in the FY 2024 Assistance Agreement. Specifically:

### Section 3.2(a) Eligible Uses:

- Capitalize Loan Loss Reserves (All Recipients)
- Capitalize a Revolving Loan Fund (All Recipients)
- Capitalize an Affordable Housing Fund (All Recipients)
- Capitalize a fund to support Economic Development Activities (EDA only)
- Make Risk-Sharing Loans (All Recipients)
- Provide Loan Guarantees (All Recipients)

### Section 3.2(b) Eligible Activities:

- Homeownership Affordable Housing
- Rental Affordable Housing
- Economic Development Activities (EDA)
- Direct Administrative Expenses (up to 5%; All Recipients)
- Feasibility Determination Expenses (up to 5%; All Recipients)




# Eligible Uses and Activities

## Sections 3.2(a) and 3.2(b) (cont.)



### What you Need to Know:

-   **NEW:** All Recipients are approved for all Eligible Uses (i.e., the financing mechanisms), except the option to “Capitalize a fund to support Economic Development Activities.”
  - Note: The Eligible Use specific to EDA requires explicit approval of Economic Development Activities as an Eligible Activity.
- Recipients are **NOT** required to undertake all approved Eligible Uses.
- Recipients can only undertake approved Affordable Housing Eligible Activity (i.e., Homeownership Affordable Housing or Rental Affordable Housing) as indicated in the Assistance Agreement.
- Recipients can only undertake Economic Development Activities as an Eligible Activity if approved and indicated in the Assistance Agreement.

# Eligible Uses and Activities

## Sections 3.2(a) and 3.2(b) (cont.)



### What you Need to Know (cont.):

- All Recipients are approved for the Eligible Activities of Direct Administrative Expenses (DAE) and Feasibility Determination Expenses (FDE). Up to 5% of the CMF Award may be used for Direct Administrative Expenses.
- NEW:** up to 5% of the CMF Award may be used for Feasibility Determination Expenses. These are expenses incurred to assess the feasibility of potential projects **BEFORE** commitments are made to Projects. Feasibility Determination Expenses may **NOT** be counted as Eligible Project Costs.
  - For example: A Recipient could use 90% of its Award to provide financing to Projects; spend 5% on Direct Administrative Expenses (DAE); and spend another 5% on Feasibility Determination Expenses (FDE).
- Recipients can only use their CMF Award for the Eligible Activities that are approved in their Assistance Agreements.

# Production Target - Section 3.2(c)



- ❑ Review Your Production Target
- ❑ Indicates the minimum number of required CMF Units produced by the end of the Investment Period (five (5) years after the CDFI Fund's execution of the Assistance Agreement).
- ❑ Reflects a prorated number from what you may have projected in your Application if your Award amount was less than what you requested.

# Rental – Portfolio-level Income Targeting

## Sections 3.2(d) and 5.2(a)



- ❑ Review Portfolio-level Targeted Incomes
  - ❑ Performance Goals are based on data inputted in the Application.
  - ❑ Rental Housing looks at Very-Low Income (VLI) Families and below

★ ❑ **NEW:** VLI defined as **60% AMI and below**

### ☑ What you Need to Know:

- ❑ These Performance Goals will be measured based on the number of CMF Units produced by the end of the Investment Period.
  - ❑ Example: Production Target = 100 CMF Units (Rental only) and the Rental VLI or below Performance Goal = 50% (i.e., one-half of all CMF Units serve VLI or below). At the end of the Investment Period, the Recipient reports 110 CMF Units produced. 55 CMF Units (110 units \* 50%) must be set aside for VLI or below.

# Rental – Project-level Income Targeting

## Section 5.2(b)



- ❑ Review Project-level requirement for rental Projects
  - ❑ At least 20% of units in each Multi-family rental Project must be leased by Low-Income Families (80% AMI or below).
  - ❑ Requires deed restriction, or similar mechanism.
  - ❑ All other income measures are at the portfolio-level.
- ☑ What you Need to Know:
  - ❑ Measured annually for each Multi-family rental Project that achieves Project Completion.
  - ❑ Based on units occupied by Families at 80% AMI or lower once building achieves Initial Occupancy.
  - ❑ This requirement applies to each Multi-family rental Project.
  - ❑ CMF Program AMIS instructions provide guidance for reporting vacant units and units that turnover to a new lessee during a performance year.

# Geographies and Low-Income Percentage Sections 3.2(d) and 3.2(e)



- ❑ Review Performance Goals in this section (up to 4):
  - ❑ **Homeownership** - % of Affordable Housing CMF Units for:
    - (A)** Families with incomes above 80% and no greater than 120% of AMI located in Areas of Economic Distress; or
    - (B)** Low- Income Families (up to 80% of the AMI) in or outside of an AED; or
    - (C)** a combination of A and B.
  - ❑ **Rental** - % of Affordable Housing CMF Units located in Areas of Economic Distress and/or High Opportunity Areas.
  - ❑ **Economic Development Activities (EDA)** - located in Low-Income Areas (if approved for EDA).
  - ❑ **Rural Areas** - % of CMF Award dollars to invest in Rural Areas

# Geographies and Low-Income Percentage Sections 3.2(d) and 3.2(e)



## What you Need to Know:

- ❑ Performance Goals will be measured based on Projects that achieve Project Completion by the end of the Investment Period.
- ❑ Use the CDFI Fund’s [CDFI Information Mapping System \(CIMS\)](#) to check for Areas of Economic Distress, High Opportunity Areas, Low-Income Areas, and Rural Areas.
- ❑ The data in CIMS is also available as a Microsoft Excel file, titled “FY 2024 Capital Magnet Fund Areas of Economic Distress, High Opportunity, Rural, Low-Income Area Data Set,” on the [CMF website](#).
- ❑ Low-Income Areas requirement applies only to EDA.
- ❑ The Recipient must meet or exceed the Rural Areas percentage in the Assistance Agreement. If your Rural Areas percentage is 0%, then there is no minimum percentage required. Recipients are never precluded from making Rural Areas investment.

# Service Area Requirements

## Section 3.2(f)



- ❑ Review the Service Area Geographies table
  - ❑ Your geographic areas are based on your Application request and statutory goals for geographic diversity.
  - ❑ One of the few customized goals that the CMF Program will consider modifying upon request, prior to executing the Assistance Agreement. A compelling justification must be provided.
  - ❑ Changes to Service Area Geographies will only be considered if states key to the geographic diversity of the funding round are not affected.



# Service Area Requirements

## Section 3.2(f) (cont.)



- What you Need to Know:
  - Up to 15% of the CMF Award can be invested outside of your approved Service Area Geographies.
  - In addition, Program Income (PI) can be invested anywhere in the United States and its territories, not just your approved Service Area Geographies.
  - Recipients serving multiple states may be required to undertake at least one Project in a particular geography listed in their Application to ensure CMF's geographical coverage. This requirement will be noted in their Assistance Agreement.

# Leveraging Requirements

## Section 3.2(g)



- ❑ All Recipients must meet an overall leverage multiplier of at least 10x.
  - ❑ The overall leverage multiplier is calculated by dividing Eligible Project Costs by the Award amount.
  - ❑ To count towards overall leverage, Projects must be completed within the 5-year Investment Period.
- ❑ Review your specific Private Leverage Capital multiplier.
  - ❑ Based on information provided in the Application.
  - ❑ Private Leverage Capital multiplier Performance Goal will never exceed 10x.

# Leveraging Requirements

## Section 3.2(g) (cont.)



- What you Need to Know:
  - The Private Leverage Capital multiplier Performance Goal is measured as of the end of the Investment Period (five (5) years after Agreement execution).
  - Determining whether leverage is public or private is not always obvious (e.g., tax credit investment, pass-through grants).
  - The CMF Program encourages you to ask for technical assistance early in a Project investment decision, as a misunderstanding could impact your compliance.

# Eligible Project Costs (EPC) and Leveraged Capital – Section 3.4



- ❑ Review Section 3.4(e) of the Assistance Agreement for a complete list of Eligible Project Costs (EPC). EPCs include:
  - ❑ Development hard costs
  - ❑ Refinancing costs
  - ❑ Financing costs
  - ❑ Acquisition costs
  - ❑ Related soft costs
  - ❑ Relocation costs
  - ❑ Loan Loss Reserves and Loan Guarantees

# Eligible Project Costs (EPC) and Leveraged Capital – Section 3.4 (cont.)



- What you Need to Know:
  - Restrictions on the Use of CMF Award are found in Section 3.5.
  - Eligible Project Costs may include costs incurred up to 36 months prior to the CMF Award being Committed to the Project. Applies only to Projects that achieve Project Completion on or after the Announcement Date (10/23/2024).
  - For any given Project, EPC will not exceed total development cost. In other words, costs may only be counted once, even if they are financed by different sources at different phases. If you have any questions about calculating EPC for a specific Project, please submit a Service Request in AMIS.

# Commitment – Section 3.2(h)



- ❑ Review the following milestone dates:
  - ❑ Lump Sum or Initial Payment Amount: 100% of the amount must be Committed for Use within two (2) years of the Assistance Agreement Effective Date.
  - ❑ Subsequent Payment (applicable if a two-Payment option is selected): This amount must be Committed for Use within three (3) years of the Effective Date.
  - ❑ All Award funds must have Project Commitments within three (3) years of the Effective Date.

# Commitment – Section 3.2(h) (cont.)



## What you Need to Know:

- NEW:** The commitment process has changed. It is now a two-step process.
  - Step 1: The Award must be Committed for Use within two years (for Lump Sum Payments or Initial Payments). Uses include capitalizing an Affordable Housing Fund, a Revolving Loan Fund, an Economic Development Activities Fund; establishing a Loan Loss Reserve or Guarantee; or making Risk-Sharing Loans. (For Subsequent Payments, funds must be Committed for Use within three years.)
  - Step 2: Project Commitments must be made to specific Projects within three years.
- The Committed for Use date cannot be extended.
- Dates will not appear in draft or final draft versions of the Assistance Agreement; they will be inserted into the Assistance Agreement when CDFI Fund executes it. Dates are based on the Effective Date of the Assistance Agreement.
- Failure to meet the Committed for Use may result in recapture of CMF Award dollars and possible imposition of sanctions.

# Disbursement & Project Completion Deadlines – Sections 3.2(i)-(j)



- ❑ Review the following milestone dates:
  - ❑ Initial Disbursement (three (3) years After Effective Date) – At least \$1
  - ❑ Project Completion (five (5) Years After Effective Date) – All Projects

## ☑ What you Need to Know:

- ❑ Initial Disbursement Date does not require disbursement of Award funds to every Project. Guidance is available regarding when Loan Guarantees and Loan Loss Reserves are considered disbursed.
- ❑ \$1 disbursement to a single Project satisfies the Initial Disbursement Date deadline requirements.
- ❑ The Investment Period End Date is a critical deadline for determining compliance with many Performance Goals.
- ❑ The Project Commitment and Project Completion deadlines do not change with the use of the two-Payment option.



# Program Reinvestment Requirements

## Section 3.8



- ❑ Review which Program Income Reinvestment requirements apply to your organization.
- ❑ **Section 3.8(a)** – You indicated in Application Q. 14 that you planned to reinvest the CMF Award and count it toward meeting your Performance Goals. Projects must be completed within the 5-year Investment Period to count towards Performance Goals.
- ❑ **Section 3.8(b)** – You indicated in Application Q. 14 that you expected to achieve your Performance Goals with the initial deployment of the CMF Award. You are not required to use Program Income to meet your Performance Goals.

# Program Reinvestment Requirements

## Section 3.8 (cont.)



### What you Need to Know:

- Program Income is principal or equity repayments of the CMF Award, earned during the Investment Period, and must be reinvested.
- Program Income generated from earned interest or any Program Income earned after the Investment Period must be used solely to further the objectives of the Recipient's mission.
- If Section 3.8(b) applies, there is some additional reinvestment flexibility.
- Program Income rules can be complicated. Additional guidance is available along with technical assistance, as requested.
- Recipients must track Program Income annually.
- More resources on Program Income available on the [CMF website](#).

# Agenda



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# ★ Changes from the Revised Interim Rule



- ❑ CMF's program regulations were updated and published in the Federal Register on June 25, 2024.
- ❑ All FY 2024 CMF Recipients are subject to the Interim Rule (effective June 25, 2024).
- ❑ Changes are accounted for in the FY 2024 CMF Assistance Agreement. Key highlights include:
  - ❑ Commitment Process
  - ❑ Very Low Income (VLI) definition
  - ❑ Purchase Price Limits
  - ❑ Presumptive Compliance Designations (PCD)
  - ❑ Preservation
  - ❑ Homeownership Resale
  - ❑ Tenant Recertification
  - ❑ Three Year Compliance for EDA Projects

# ★ Commitment Process



<u>Milestone</u> (years counted from the Effective Date of the AA)	All funds, if <u>Lump Sum Payment</u> , -or- Funds received in <u>Initial Payment</u> , if two payments	Funds received in <u>Subsequent Payment</u> , if two payments <i>(n/a if Lump Sum Payment)</i>
Committed for Use	2 years	3 years
Project Commitment	3 years	3 years
Initial expenditure of funds	3 years	3 years
Project Completion	5 years	5 years

# ★ Definition of Very Low-Income (VLI)



- Under the Interim Rule (effective June 25, 2024) Very Low-Income (VLI) is at 60% of the Area Median Income and below.

# ★ Purchase Price Limits



- ❑ CMF is using a new index to determine the Purchase Price Limits for Homeownership
- ❑ FHA 203(b) Mortgage Limits will now be used
- ❑ Lookup [here](#) on HUD's website.

# ★ Presumptive Compliance Designations (PCD)



- ❑ The CDFI Fund may designate compliance with certain provisions under other Federal housing programs as compliant with CMF.



# ★ Preservation



Two approaches to Preservation:

- ❑ 1) Preservation of existing properties without any existing rent restrictions, where new 10-year rent restrictions will be imposed.
- ❑ 2) Preservation of existing properties with existing rent restrictions in place, but imminently at risk of loss.
  - ❑ Existing rent restrictions must expire within the Investment Period.

# ★ Homeownership Resale



- ❑ If the home is sold in the first five years, the home:
  - ❑ Must either be sold to a new qualifying family, or
  - ❑ If sold to a non-qualifying family, the CMF investment must be recouped, and the housing replaced.
  
- ❑ If the home is sold after five years but before the end of the 10-year Affordability Period, the home:
  - ❑ Must either be sold to a new qualifying family, or
  - ❑ If sold to a non-qualifying family, a proportional amount of the CMF investment must be recouped (10% per year left in the Affordability Period), but the home does not need to be replaced.

# ★ Changes in Tenant Recertification



- ❑ Tenant recertification must be done annually, except:
  - ❑ When 100% of the units are subject to CMF rent restrictions; or
  - ❑ When the rent and income restrictions are tied to a specific unit with a fixed address.

# ★ Three Year Compliance for Economic Development Projects



- ❑ Economic Development Activities must retain an allowable EDA use for a minimum of three years.

# Agenda



1. Next Steps on Reviewing the CMF Assistance Agreement and Accepting the Terms of the Award
2. Overview of the Assistance Agreement
3. Understanding Required Performance Goals, Specific to Your Organization
4. Highlights of Changes to the CMF Program from the Interim Rule (effective June 25, 2024)
5. **Contact Info & Resources**
6. Question & Answer Opportunity

# CMF Compliance Resources



- ❑ Compliance Resources and Reporting documents for the Capital Magnet Fund are available on the [CMF website](#).
  
- ❑ **Resources include:**
  - ❑ FY 2024 CMF Geographic Data Set
  - ❑ CMF Compliance Frequently Asked Questions
  - ❑ CMF Program Income Recorded Webinar & Slides
  - ❑ AMIS CMF Compliance Guide
  - ❑ Material Events Form
  - ❑ Amendment Guidance & Process

# Contact Info & Support + Questions?



## AMIS or Technical Questions

- **AMIS User Guide:** A step-by-step AMIS User Guide can be found on the AMIS homepage at <https://amis.cdfifund.gov/s/AMISHome>

AMIS Help Desk Contact Information		
Type of Question	Telephone	Email
AMIS Support	202-653-0422	<a href="mailto:AMIS@cdfi.treas.gov">AMIS@cdfi.treas.gov</a>

## CMF Program Questions

For Program Support, the CDFI Fund recommends submitting a Service Request in AMIS. Select “Capital Magnet Fund” for Program and clearly indicate the issue in the subject line.

# Agenda



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# Q&A Session - Ground Rules



- The Q&A session will be conducted verbally utilizing the hand raise feature in Zoom:
  - To ask a question, raise your hand via the button on the toolbar in Zoom.
  - When it is your turn to ask your question, the host will enable you to speak.
  - Unmute and ask your question. Once your question has been answered the host will disable your microphone
  - Please do NOT type questions in the Q&A feature on Zoom unless you are unable to ask your question verbally. If you must type your question in the Q&A, the host will verbally ask the question on your behalf once there are no hands raised. Answers will ONLY be provided verbally.
- If the Q&A session ends before your question is answered, please submit your question(s) to the CMF team via an AMIS Service Request.



**END**

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**Thank you for participating!**

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND**

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