



DEPARTMENT OF THE TREASURY  
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND  
601 THIRTEENTH STREET, NW, SUITE 200 SOUTH  
WASHINGTON, DC 20005

**CDFI PROGRAM  
COMBINED APPLICATION  
FINANCIAL ASSISTANCE (FA) AND TECHNICAL ASSISTANCE (TA)  
FY 2011**

DRAFT

# CONTENTS

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**SECTION I: REQUEST AMOUNT**

**SECTION II: FINANCIAL ASSISTANCE (FA) APPLICATION**

**SECTION II: TECHNICAL ASSISTANCE (TA) APPLICATION**

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## SECTION I: REQUEST AMOUNT

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Enter the type of assistance (FA or TA) and the amount of assistance requested in Table 2 below.

<b>TABLE 1 – CDFI PROGRAM ELIGIBILITY</b>	
Type of Assistance	Eligible Applicants
FA	Certified and Emerging CDFIs only
TA	All applicants are eligible but Certified and Emerging CDFIs must apply for either FA or TA; not both.

After entering the type of assistance requested, please follow the instructions regarding which section of the combined application to complete. FA applicants should only complete Section II of the combined application, while TA applicants should only complete Section III.

<b>TABLE 2 – CDFI PROGRAM REQUEST</b>		
Type of Assistance	Amount of Assistance	Instructions
FA		Complete Section II of Application Form
TA		Complete Section III of Application Form

## SECTION II: FINANCIAL ASSISTANCE REQUEST

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### PART I – EXECUTIVE SUMMARY

#### 1. APPLICANT PROFILE

A. Provide the following information, using the sample template in the text box below:

1. Organization name
2. Certification status
3. Year organization was established
4. Major products offered
5. Geographic and, if applicable, population-based Target Market(s) served
6. Expected use of funds (summarize categories, high cost items, and unique uses)

**SAMPLE PROFILE TEMPLATE:** SMITHTOWN LOAN FUND IS A CERTIFIED CDFI ESTABLISHED IN 1973 THAT PROVIDES MICRO-LOANS AND SMALL BUSINESS TRAINING TO A TARGETED POPULATION IN ORANGE COUNTY, CALIFORNIA. SMITHTOWN LOAN FUND WILL USE THE FY 2011 FINANCIAL ASSISTANCE AWARD AS CAPITAL FOR ITS MICRO-LENDING PROGRAM. (44 WORDS)

- ▶ SCORE: NOT SCORED  
▶ TEXT LIMIT: NOT TO EXCEED 55 WORDS

#### 2. EXECUTIVE SUMMARY

A. Provide a one page summary of the Applicant's proposal, including the following key points:

1. Mission statement
2. Brief description of main products and services offered
3. Community development track record
4. Impacts to date in the Target Market
5. Exact amount of the total award request
6. Details of FA request, if applicable, including the exact amount and intended use of funds. (The FA total must match the amount requested on the Data Request Form within the Applicant Excel Workbook.)
7. Brief description of the Comprehensive Business Plan's key elements and expected outcomes if an FA award is received

- ▶ SCORE: NOT SCORED
- ▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE

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## PART II – HIGH IMPACT NARRATIVE

### 3. SIGNIFICANCE OF REQUESTED AWARD

- A. Provide a one page narrative explaining why the application should be funded, assuming limited funding for the CDFI Program and a very competitive applicant pool.

The narrative should address the following key points:

1. Describe in detail, how the Applicant will use the CDFI Fund's award.
2. Explain why the Applicant needs an award from the CDFI Program.
3. Provide a timeline for achieving the major Comprehensive Business Plan's objectives and the Applicant's capacity to deploy the FA award during the next three years.
4. Discuss how the requested award will enable the Applicant to build its capacity as a CDFI.
5. Discuss the impacts of the FA award on the Target Market.

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| <ul style="list-style-type: none"><li>▶ SCORE: 10 POINTS MAXIMUM</li><li>▶ TEXT LIMIT: NOT TO EXCEED TWO PAGES</li></ul> |
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## **PART III – TARGET MARKET NEEDS**

### **4. TARGET MARKET PROFILE**

- A. Provide a brief description of the Applicant's Target Market.
1. Describe the Target Market (in terms relevant to the Investment Area and Targeted Population) as defined in the CDFI Program's Notice of Funding Availability (NOFA) and the CDFI Program Regulations (12 CFR Part 1805).
  2. Provide a brief overview of the Target Market's principal characteristics, such as demographic, economic, or household characteristics.
  3. Discuss the Target Market in terms of customers or end-users of the Applicant's financial products, financial services, and/or Development Services.
  4. For CDFIs serving a national market, or statewide markets, provide the geographic areas served in the past five years with the Applicant's financial products, financial services, and/or development services. (To identify the geographic areas, please use either county level areas and/or census tracts.)

### **5. ECONOMIC DISTRESS AND PRIORITY POINTS**

- A. Discuss the needs of the Applicant's Target Market.
1. Discuss the extent of economic distress within the Applicant's Target Market or if a national or state CDFI, the geographic service area as described in 4A.
  2. Review the CDFI Fund's Distress Indicator Index at [www.cdfifund.gov/distressindicatorindex](http://www.cdfifund.gov/distressindicatorindex) (placeholder web page address) to identify the distress ranking of the counties that the Applicant is proposing to serve with the CDFI Fund's award. (The Index is a county-level composite index based on the most recent estimates by the American Community Survey of poverty and unemployment rates and area median family income.)
  3. Provide additional quantitative and qualitative data, if desirable, that substantiates the distress in the Target Market or if a national or statewide organization, the geographic service area described in 4A. If the Index is not adequate to describe your target market, provide additional data and information from relevant studies and documentation, or census tract level data from the American Community Survey that demonstrates the characteristics of the distressed area or targeted populations to be served.
  4. Discuss the need in the distressed community/communities for credit, capital, and financial services.
  5. Discuss how the customer profile in Chart D compares with the Target Market as described.
  6. Cite all data sources.

▶ THE CDFI FUND WILL AWARD UP TO 5 PRIORITY POINTS FOR APPLICANTS SERVING THE NATION'S MOST DISTRESSED COMMUNITIES. DETAILED DISCUSSION OF THE FACTORS USED TO SCORE THE EXTENT OF DISTRESS CAN BE FOUND IN THE APPLICATION RESOURCE GUIDANCE.

- ▶ SCORE: 10 POINTS MAXIMUM; INCLUDING 5 PRIORITY POINTS
- ▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES

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## PART IV – RESPONSIVENESS TO TARGET MARKET NEEDS

### 6. FINANCIAL PRODUCTS AND FINANCIAL SERVICES

A. Describe the Applicant's relevant Financial Products and/or Financial Services.

1. Discuss the Financial Products and/or Financial Services listed on Chart E. **Chart E should include all relevant Financial Product and/or Financial Services.**
2. Describe how each Financial Product and/or Financial Service addresses the needs of the distress in the Target Market as described in Part III (Question 5) of this application.
3. Describe how each Financial Product and/or Financial Service is appropriate for the Target Market's population. If applicable, include such items as: flexible underwriting criteria, nontraditional forms of collateral, low down payment requirements, and closing costs assistance.
4. Provide examples of past customers and impacts made by the products.
5. Describe the financial returns generated by each Financial Product and/or Financial Service. Be sure to discuss sources and costs of capital, the returns generated by each product/service, and the financial sustainability of each.
6. Discuss how the Applicant's Financial Products and/or Financial Services are leveraged with other resources (public and private) to achieve greater impact.

- ▶ SCORE: 30 POINTS MAXIMUM; A MINIMUM THRESHOLD OF 10 POINTS IS REQUIRED TO BE CONSIDERED FOR AN AWARD
- ▶ TEXT LIMIT: NOT TO EXCEED FIVE PAGES

### 7. SERVICE TO THE TARGET MARKET

A. Describe the Applicant's Development Services.

1. Describe the services the Applicant offers, such as credit and financial counseling, homebuyer classes, or business development classes. Include an overview of the curriculum, qualifications of the instructors, frequency of the offerings, any fees or costs charged to the client, and systems used to evaluate effectiveness. Also describe the format of the instruction such as one-on-one sessions, group training, and on-line counseling.
2. Discuss how Development Services are linked to Financial Products and/or Financial Services. What is the relationship between the number of clients receiving Development Services and ultimately qualifying for Financial Products?
3. Explain how the Applicant determined the services were needed in the Target Market.

B. Discuss Marketing and Outreach efforts that show the Applicant's efforts are appropriate for the Target Market.

1. Describe how the Applicant markets its products and services.
2. Discuss the methods that the Applicant uses to expand the reach of its marketing.
3. Discuss efforts to reach out to marginalized or isolated populations.

C. Describe other relevant services undertaken by the Applicant.

1. Describe the full range of services provided by the Applicant that address the needs of the Target Market.

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| <ul style="list-style-type: none"><li>▶ SCORE: 10 POINTS MAXIMUM</li><li>▶ TEXT LIMIT: NOT TO EXCEED FOUR PAGES</li></ul> |
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## **PART V – DELIVERY CAPACITY**

### **8. MARKET DEMAND**

- A. Provide a narrative on the demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the Target Market.
1. Discuss and quantify the demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the Target Market.
  2. Discuss the indicators used to determine the demand in the Target Market such as market studies for specific products, trends in product deployment, and/or the number of applications/inquiries per month.
  3. Describe why residents within the Target Market are not able to meet their needs via other financial institutions.
  4. Describe the characteristics of the Applicant's pipeline of borrowers that shows they are "ready" to borrow.
  5. Discuss demand and how it will relate to the Applicant's ability to deploy an FA award and the timeline for deployment.

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| <p>▶ SCORE: 10 POINTS MAXIMUM</p> <p>▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES</p> |
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### **9. ORGANIZATIONAL CAPACITY**

- A. Describe the Applicant's track record in providing Financial Products, Development Services, and/or Financial Services.
1. Discuss the Applicant's past activities focusing on those specifically provided to clients in the designated Target Market. As appropriate, use historic data from the Activities Level Chart (Chart D) as support.
  2. Discuss the underlying circumstances supporting the Applicant's track record. For instance, relate growth patterns in the Target Market to explain the increased activities in the Activities Level Chart. If the Applicant has experienced alternating periods of growth and decline, explain why this has occurred.
  3. Discuss the impacts and outcomes that have resulted from the Applicant's activities.
  4. Discuss the Applicant's ability to leverage funds, specifically awards the Applicant received from the CDFI Program within the past three years.
  5. Discuss projected activity levels and impacts. (Include a discussion on the amount of leverage the Applicant is projecting to obtain with the CDFI Program proposed award.)
  6. Explain how the Applicant will expand or increase its activities if a CDFI Program award is received, including additional financial or programmatic risks, if any, that may be related to the expansion.

- B. Complete tables FA2 and FA3 briefly describing the Applicant's management team and key staff. (Please include additional board or staff members as needed.)
1. Describe the status of new or vacant positions and the strategy for filling the positions, as well as the expected date of filling them.
  2. List any key committees that are an integral part of the Applicant's operations (e.g., loan/investment committee, audit committee).

<b>Table FA2 - Board Summary Information</b>			
<b>Name</b>	<b>Title</b>	<b>Years On Board</b>	<b>Role in Implementing Comprehensive Business Plan</b>

<b>Table FA3 - Staff Summary Information</b>			
<b>Name</b>	<b>Title</b>	<b>Years Experience</b>	<b>Role in Implementing Comprehensive Business Plan</b>

- C. Describe the Applicant's systems, policies and procedures.
1. Underwriting process: Describe the underwriting process and review criteria for each product. Address the roles and responsibilities for due diligence and the initial recommendation; also describe how the interest rate, the risk level, and the final loan decisions are made. Explain how the underwriting policies are responsive to the needs of the Target Market. For example, does the Applicant make accommodations for low credit scores or blemished credit histories? If so, how are these accommodations applicable to the Target Market? Provide an example illustrating these policies in practice.

2. Portfolio review: Discuss the Applicant's methodology for portfolio review, including the role of staff and/or Governing Board and/or committee members. Describe when and how portfolio review is conducted. Describe how the Applicant addresses delinquencies and defaults in its portfolio.
3. Management of financial accounts: Discuss the Applicant's management of financial accounts. State whether the Applicant conducts annual audits. Describe the Applicant's systems for tracking and reporting on use of funds from public and private sources.
4. Management Information System (MIS): Describe the Applicant's MIS including software and other technology used for: underwriting, portfolio monitoring, data and impact tracking, and developing internal Financial Statements.

D. Describe the financial capacity of the Applicant.

1. Discuss the Applicant's overall financial health and viability, capitalization, and portfolio performance.
2. Describe the type of Financial Statements included with the Application; if applicable, explain why anything less than the most recent three years of audited Financial Statements were not included or why the most recent tax return was not included.
3. Explain any major discrepancies between key financial statement line items and corresponding entries in Chart G. Include information about any transactions (such as off-balance sheet lending, activities undertaken by affiliates, etc.) that remain unclear on Chart G.
4. Does the Applicant have sufficient financing capital to meet the current and projected level of demand for its Financial Products and/or Financial Services?
5. Discuss the Applicant's cost of capital.
6. Discuss the Applicant's operating budget. Discuss costs associated with program activity as opposed to management/administration.
7. Discuss each Financial Ratio from Chart G in terms of the Applicant's financial soundness.
8. Discuss loan performance (or equity investment) performance and discuss each MPS measure (from Chart H) in terms of the Applicant's capacity to manage its loan (or investment) portfolio.

- ▶ SCORE: THE ORGANIZATIONAL CAPACITY SECTION IS WORTH A TOTAL OF 30 POINTS MAXIMUM. THIS INCLUDES THE COMBINED TOTAL FOR COMPONENTS A, B, C AND D OF THE ORGANIZATIONAL CAPACITY SECTION. A MINIMUM THRESHOLD OF 10 POINTS FROM THE FOUR COMPONENTS COMBINED IS REQUIRED TO BE CONSIDERED FOR AN AWARD.
- ▶ TEXT LIMITS: THE ORGANIZATIONAL CAPACITY SECTION IS NOT TO EXCEED A TOTAL OF NINE PAGES FOR THE FOUR COMPONENTS COMBINED EXCLUDING TABLES FA2 AND FA3.

### **9A. ACTION PLAN FOR FINANCIAL HEALTH AND VIABILITY (IF APPLICABLE)**

- If the Applicant fails two or more Minimum Prudent Standards on Chart G, Financial Data, provide a detailed description of steps taken to address risks to organizational financial soundness.
- If a regulated Applicant has been subject to a Prompt Corrective Action plan or similar plan by its regulator at any period during the past 24 months, provide a detailed description of the circumstances behind this and steps taken to address deficiencies.
- If the Applicant received anything other than an unqualified opinion in any of the three most recent audits, or findings such as material weaknesses or reportable conditions, provide a detailed explanation of steps taken to address them.

<ul style="list-style-type: none"><li>▶ THIS NARRATIVE IS OPTIONAL AND SHOULD ONLY BE COMPLETED BY APPLICANTS WHO MEET THE CONDITIONS DESCRIBED ABOVE.</li><li>▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE.</li></ul>
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### **9B. ACTION PLAN FOR PORTFOLIO MANAGEMENT ( IF APPLICABLE)**

- If the Applicant fails the Minimum Prudent Standards for Delinquency or Net Write-Offs on Chart H, Loan Portfolio Quality (or reports a negative rate of return on equity investments on Line G of Chart I, Equity Investment Portfolio Valuation), provide a detailed description of steps taken to address risks to loan (investment) quality.
- If the Applicant received any findings related to portfolio quality or management in any of the three most recent audits, provided a detailed explanation of steps taken to address them.

<ul style="list-style-type: none"><li>▶ THIS NARRATIVE IS OPTIONAL AND SHOULD ONLY BE COMPLETED BY APPLICANTS WHO MEET THE CONDITIONS DESCRIBED ABOVE.</li><li>▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE</li></ul>
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## PART VI – PERFORMANCE ON PAST AWARDS (IF APPLICABLE)

### 10. PRIOR AWARDEES

A. If the Applicant or an Affiliate has received an award under any of the Fund’s programs between FY 2006-2009, discuss the extent to which the Applicant has been successful in meeting performance goals and reporting requirements. Additionally, please include the following information:

1. Has the Applicant and/or any Affiliate previously received any Awards (including any awards made under the CDFI, Native American, and BEA Programs) or NMTC Allocations from the CDFI Fund? (Yes or No). If yes, please list all of those previous awards and/or allocations and indicate the relationship to the Applicant if relevant.

TABLE FA4 - PREVIOUS AWARDEES				
NAME OF AWARDEE	EIN OF AWARDEE	AWARD CONTROL NUMBER	TOTAL AWARD/ALLOCATION AMOUNT	AWARD TYPE

2. Previous FA Awardees: At any time during the performance period, did the Awardee fail to meet a performance measure or a financial soundness covenant? If yes:
  - a. What caused the failure?
  - b. How were the issues leading to the failure been addressed and/or resolved?
3. Is the Awardee requesting FA for the same type of activities? If yes, do the projected activity levels coincide with the previous award’s level of activity?
4. Previous TA Awardees:
  5. Is the Awardee requesting TA funding in this Application for activities previously funded by a TA Award? If yes, identify the activities and state the reasons why.
  6. If a previous TA award was to assist the Awardee in becoming a certified CDFI, but this objective was not achieved, explain why. If the Applicant is again requesting TA funds to assist in achieving CDFI Certification, explain why the additional assistance is needed and how the Applicant will achieve Certification

▶ SCORE: NOT SCORED; NARRATIVE RESPONSE WILL BE USED AS PART OF THE COMPLIANCE REVIEW PROCESS.

▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE.

## SECTION III: TECHNICAL ASSISTANCE REQUEST

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### PART 1 – EXECUTIVE SUMMARY

#### 1. APPLICANT PROFILE

- A. Provide the following information, using the sample template in the text box below:
1. Applicant name
  2. Certification status
  3. Year organization was established
  4. Major products offered
  5. Geographic and, if applicable, population-based Target Market(s) served
  6. Expected use of funds (summarize categories, high cost items, and unique uses)

**SAMPLE PROFILE TEMPLATE:** SMITHTOWN LOAN FUND IS A CERTIFIED CDFI ESTABLISHED IN 1973 THAT PROVIDES MICRO-LOANS AND SMALL BUSINESS TRAINING TO A TARGETED POPULATION IN ORANGE COUNTY, CALIFORNIA. SMITHTOWN LOAN FUND WILL USE THE FY 2011 TECHNICAL ASSISTANCE AWARD TO HIRE PERSONNEL, ENGAGE PROFESSIONAL SERVICES PROVIDERS, AND PURCHASE COMPUTER SOFTWARE.

- ▶ SCORE: NOT SCORED  
▶ TEXT LIMIT: NOT TO EXCEED 50 WORDS

#### 2. EXECUTIVE SUMMARY

- A. Provide a one-page narrative describing the Applicant's:
1. Mission
  2. Key products and services
  3. Community development track record
  4. Impacts to date in its Target Market
  5. Exact amount of the total award request
  6. Summary of key elements of the Business Plan, expected outcomes, and proposed uses of TA
  7. An Emerging CDFI should discuss plans to become a Certified CDFI, particularly focusing on plans to begin lending and providing Development Services

- ▶ SCORE: NOT SCORED  
▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE



## **PART II – TECHNICAL ASSISTANCE PROPOSAL (TAP)**

The TAP supports the overall TA grant request and is the Applicant’s narrative explanation and justification for each item of TA requested. The CDFI Fund will evaluate the TAP to determine the eligibility and appropriateness of the requested TA. The TAP consists of the following two components:

- Detailed narrative explanation and justification for each requested TA use
- TA Requested Budget (Chart C)

### **3. TAP – NARRATIVE AND JUSTIFICATION FOR EACH REQUESTED USE OF FUNDS**

A. Provide the following information:

1. Brief summary of how the requested TA grant will address the organizational improvements needed to achieve the Comprehensive Business Plan’s objectives
2. Narrative for each requested TA item entered in the TA Budget (Chart C). Each description must include:
  - a. Detailed description of the requested TA item.
  - b. Detailed description of how the TA item will improve the Applicant’s capacity to serve its Target Market and/or become a certified CDFI, achieving the Business Plan’s objectives.
  - c. Explanation of how the Applicant calculated each activity.
  - d. Timeline including when the activity/purchase will be initiated and completed.
  - e. If the Applicant received a TA award in the past for the same item, a description of how the item further builds the Applicant’s capacity. The CDFI Fund will not provide funding for the same activities funded through prior awards without a compelling justification.

<p>▶ SCORE: 20 POINTS MAXIMUM</p> <p>▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES</p>
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B. CDFI Certification Checklist - Please indicate in the table below the Applicant's current status for meeting CDFI Certification requirements. Please refer to the CDFI Fund's Certification webpage at <http://www.cdfifund.gov/docs/certification/CDFI/CDFIcertificationApplication.pdf>

<b>Table TA1 - Certification Checklist</b>			
☐ Check the box next to the statement that best describes the Applicant's status			
<b>1. Primary Mission Requirement</b>			
My organization <b>DOES</b> currently meet this requirement		My organization <b>DOES NOT</b> currently meet this requirement	
<b>2. Target Market Requirement</b>			
My organization <b>DOES</b> currently meet this requirement		My organization <b>DOES NOT</b> currently meet this requirement	
<b>3. Development Services Requirement</b>			
My organization <b>DOES</b> currently meet this requirement		My organization <b>DOES NOT</b> currently meet this requirement	
<b>4. Accountability Requirement</b>			
My organization <b>DOES</b> currently meet this requirement		My organization <b>DOES NOT</b> currently meet this requirement	
<b>5. Non-Government Entity Requirement</b>			
My organization <b>DOES</b> currently meet this requirement		My organization <b>DOES NOT</b> currently meet this requirement	

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| <ul style="list-style-type: none"> <li>▶ SCORE: NOT SCORED</li> <li>▶ TEXT LIMIT: COMPLETE ITEMS RELEVANT TO CURRENT STATUS</li> </ul> |
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<b>POINTS TO REMEMBER FOR THE TAP AND THE BUSINESS PLAN</b>
☐ Usually, all TA grants must be used and activities completed within 24 months of receipt as indicated in the Awardee's Assistance Agreement.
☐ TA grants <u>cannot</u> be expensed prior to the execution of a Notice of Award.
☐ The CDFI Fund will evaluate the TAP for the eligibility and appropriateness of the requested TA grant.
☐ The CDFI Fund will not provide funding for construction costs.
☐ If the Applicant identifies a capacity-building need related to any section of the Business Plan, the CDFI Fund will assess its plan to use the TA request to address such need. (For example, if the Applicant requires a market needs analysis, the CDFI Fund will assess the Applicant's Business Plan to determine how the TA will be used to address the need.)
☐ The Applicant's plan should be clearly detailed in the TAP narrative and corresponding section of the Business Plan.
☐ If the Applicant is not a certified CDFI and requests TA to address certification requirements, the Applicant must explain how the TA will help meet the certification requirements. The CDFI Fund will assess the reasonableness of the plan to become certified by December 31, 2014, taking into account the requested TA.

## Part III – Target Market Needs

### 4. TARGET MARKET PROFILE

- A. Briefly describe the Applicant's Target Market or geographic service area
1. Describe the Target Market or if a national or state CDFI, the geographic service area according to the CDFI Fund's definitions, such as Investment Area, Other Targeted Population (OTP), Low-income Targeted Population (LITP).
  2. Provide a brief overview of the area's principal characteristics, such as demographic, economic, or household characteristics.
  3. Discuss the Target Market or geographic service area in terms of customers or end-users of the Applicant's financial products, financial services, and/or Development Services.

### 5. ECONOMIC DISTRESS AND PRIORITY POINTS

- B. Discuss the needs of the Applicant's Target Market.
1. Discuss the extent of economic distress within the Applicant's Target Market or if a national or state CDFI, the geographic service area as described in 4A.
  2. Review the CDFI Fund's Distress Indicator Index at [www.cdfifund.gov/distressindicatorindex](http://www.cdfifund.gov/distressindicatorindex) (placeholder web page address) to identify the distress ranking of the counties that the Applicant is proposing to serve with the CDFI Fund's award. (The Index is a county-level composite index based on the most recent estimates by the American Community Survey of poverty and unemployment rates and area median family income.)
  3. Provide additional quantitative and qualitative data, if desirable, that substantiates the distress in the Target Market or if a national or statewide organization, the geographic service area described in 4A. If the Index is not adequate to describe your target market, provide additional data and information from relevant studies and documentation, or census tract level data from the American Community Survey that demonstrates the characteristics of the distressed area or targeted populations to be served.
  4. Discuss the need in the distressed community/communities for credit, capital, and financial services.
  5. Discuss how the customer profile in Chart D compares with the Target Market as described.
  6. Cite all data sources.

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| <p>▶ THE CDFI FUND WILL AWARD UP TO 5 PRIORITY POINTS FOR APPLICANTS SERVING THE NATION'S MOST DISTRESSED COMMUNITIES. DETAILED DISCUSSION OF THE FACTORS USED TO SCORE THE EXTENT OF DISTRESS CAN BE FOUND IN THE APPLICATION RESOURCE GUIDANCE.</p> <p>▶ SCORE: 10 POINTS MAXIMUM; INCLUDING 5 PRIORITY POINTS</p> <p>▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES</p> |
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## PART IV – RESPONSIVENESS TO TARGET MARKET NEEDS

### 6. FINANCIAL PRODUCTS AND SERVICES

A. Describe the Applicant's relevant Financial Products and Financial Services.

1. Discuss the Financial Products and/or Financial Services listed on Chart E. (*Chart E should include all relevant Financial Product and/or Financial Services.*)
2. Explain how each Financial Product and/or Financial Service responds to the needs identified in Question 5A above.
3. Describe how each Financial Product and/or Financial Service is appropriate for the Target Market (for example, flexible underwriting criteria, nontraditional forms of collateral, low down payment requirements, or closing costs assistance).
4. Provide examples of past customers and impacts made by the products/services.

- ▶ SCORE: 25 POINTS MAXIMUM; A MINIMUM THRESHOLD OF 8 POINTS IS REQUIRED TO BE CONSIDERED FOR AN AWARD
- ▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES

### 7. SERVICES TO THE TARGET MARKET

A. Discuss Accountability to the Target Market, describing how the Applicant is accountable to the Target Market.

B. Describe the Applicant's Development Services

1. Describe the Development Services the Applicant offers such as credit and financial counseling, homebuyer classes, or business development coaching.
2. Discuss the curriculum, qualifications of instructors, format and frequency of offerings, fees/costs, and systems used to evaluate effectiveness for each Development Service.
3. Explain how Development Services are linked to Financial Products and/or Financial Services and the relationship between the number of clients receiving Development Services and then ultimately qualifying for Financial Products.

C. Discuss Marketing and Outreach efforts

1. Describe how Financial Products and/or Financial Services are marketed.
2. Discuss methods used to expand the reach of the Applicant's marketing.

D. Describe other relevant services the Applicant provides that addresses the needs of the Target Market.

- ▶ SCORE: 10 POINTS MAXIMUM
- ▶ TEXT LIMIT: NOT TO EXCEED THREE PAGES

## **PART V – DELIVERY CAPACITY**

### **8. MARKET DEMAND**

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

1. Describe and quantify the demand for the Applicant's products/services within the Target Market.
2. Explain how the Applicant ascertained there was demand for the products/services being offered. This should include demand indicators such as market studies for specific products, trends in product deployment, and/or the number of applications/inquiries per month.

<p>▶ SCORE: 10 POINTS MAXIMUM ▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE</p>
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### **9. ORGANIZATIONAL CAPACITY**

A. Describe the Applicant's track record in providing Financial Products, Development Services, and/or Financial Services.

1. Discuss past activities focusing on those specifically provided to clients in the designated Target Market. As appropriate, use historic data from the Activities Level Chart (Chart D) to support the discussion.
2. Discuss the circumstances behind the track record. For instance, relate growth patterns to the figures reported in Chart D. Likewise, if the Applicant has experienced alternating periods of growth and decline, explain why this has occurred.

B. Please complete Tables TA2 and TA3 briefly describing the Applicant's management team and key staff members.

1. Describe the status of new or vacant positions and the strategy for filling the positions, as well as the expected date of filling them.
2. List any key committees that are an integral part of the Applicant's operations (e.g., loan/investment committee, audit committee).

<b>Table TA2 - Board Summary Information</b>			
<b>Name</b>	<b>Title</b>	<b>Years On Board</b>	<b>Role in Implementing Business Plan</b>

<b>Table TA3 - Staff Summary Information</b>			
<b>Name</b>	<b>Title</b>	<b>Years Experience</b>	<b>Role in Implementing Business Plan</b>

C. Describe the Applicant's systems, policies and procedures.

1. Discuss the **underwriting** process and review criteria for each product.
  - a. Address the roles and responsibilities for due diligence, initial recommendation, setting the interest rate, determining the risk level, and making the final loan decision.
  - b. Discuss how the underwriting policies are responsive to the needs of the Target Market, such as considerations for low credit scores or blemished credit histories.
  - c. Provide an example illustrating these policies in practice.
2. Discuss the Applicant's methodology for **portfolio review**, including the role of staff and/or Governing Board and/or committee members.
  - a. Explain when and how portfolio review is conducted.
  - b. Describe how the Applicant addressed delinquencies and defaults in its portfolio.
3. Discuss the Applicant's **management of financial accounts**.
  - a. Describe whether the Applicant conducts annual audits.
  - b. Discuss the Applicant's systems for tracking and reporting on use of funds from public and private sources.

D. Describe the financial status of the Applicant - *Applicants will be required to meet minimum threshold considerations for financial soundness to be considered for an award.*

1. Describe the type of Financial Statements included with the Application; if applicable, explain why anything less than the most recent three years of audited Financial Statements were not included or why the most recent tax return was not included.
2. Explain any major discrepancies between key financial statement line items and corresponding entries in Chart G. Include information about any transactions (such as off-balance sheet lending, activities undertaken by affiliates, etc.) that remain unclear on Chart G.

- ▶ SCORE: THE ORGANIZATIONAL CAPACITY SECTION IS WORTH 25 POINTS MAXIMUM. THIS INCLUDES THE TOTAL FOR COMPONENTS A, B, C AND D COMBINED. A MINIMUM THRESHOLD OF 8 POINTS FROM THE FOUR COMPONENTS IS REQUIRED TO BE CONSIDERED FOR AN AWARD.
- ▶ TEXT LIMITS: THE ORGANIZATIONAL CAPACITY SECTION IS NOT TO EXCEED A TOTAL OF FIVE PAGES FOR THE FOUR COMPONENTS COMBINED EXCLUDING TABLES TA2 AND TA3.

## PART V – PERFORMANCE ON PAST AWARDS (IF APPLICABLE)

### 10. PRIOR AWARDS

If the Applicant or an Affiliate has received an award under any CDFI Fund program, discuss the extent to which the Applicant has been successful in using the award(s) to build its capacity. Please include the following information:

A. Name of the entity that received the award(s) and relationship to the Applicant.

B. Previous TA Awardees:

1. Did the Awardee expend all the TA funds within the 2-year period? If not, please explain why not.
2. Is the Applicant now requesting TA funds for activities previously funded by a TA award? If yes, identify the activities and state the reasons why the Applicant is requesting TA funds for the same previously funded activities.
3. If the Applicant received a previous TA award to assist in becoming certified but this objective was not achieved, explain why not.
4. If the Applicant is again requesting TA funds to assist in achieving certification, explain why the additional assistance is needed and how the Applicant will achieve certification if an award is made this time.

C. Previous FA Awardees:

1. At any time during the performance period, did the Awardee fail to meet a performance measure or a financial soundness covenant? If yes, what caused the failure?
2. How have the issues leading to the failure been addressed and/or resolved?
3. Has the Applicant and/or any Affiliate previously received FA? (This includes awards under the CDFI/Native American/BEA/NMTC Programs.) If yes, please complete the following table for each award.

TABLE TA4 - PREVIOUS AWARDS				
Name of Awardee	EIN of Awardee	Award Control Number	Total Award/Allocation Amount	Award Type

- ▶ SCORE: NOT SCORED; NARRATIVE RESPONSE WILL BE UTILIZED AS PART OF THE COMPLIANCE REVIEW PROCESS.
- ▶ TEXT LIMIT: NOT TO EXCEED ONE PAGE



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