

Attachment A, for Question #8 on the Supporting Statement

Summary of Public Comments and Responses

#	Comments Summarized	Commenters			Response
		A	B	C	
1	Certification should be descriptive, but not confer judgment.	X			This is consistent with current CDFI Fund policy, no change is needed.
2	The CDFI Fund should, or should consider, making the CDFI Certification application process electronic and/or web-based, either as an alternative to the current paper-based application process, or completely replacing the paper-based process.	X	X	X	The CDFI Fund is already in the planning process for developing an electronic and web-based awards management information system, which will include an electronic and web-based CDFI Certification application process. The new awards management information system will be a tremendous benefit to all CDFI Fund applicants.
3	The CDFI Fund should consider a return to a requirement that all affiliates be devoted to community development, possibly with a specific and narrow exception for venture capital CDFIs; or require that a parent of any applicant be devoted to community development.	X			The CDFI Fund will not implement this proposed requirement at this time, but may consider it during future revisions of the CDFI Certification application. Implementation of this proposed requirement would likely increase the collection burden, as applicants would have to submit additional documentation for affiliates.
4	The provision of financial products and services should constitute a majority of the CDFI's activities and financing should be an integral part of the CDFI's strategy.	X			The CDFI Fund will not implement this proposed requirement at this time, but may consider it during future revisions of the CDFI Certification application. CDFI Fund regulations state that "a CDFI shall be an entity whose predominant business activity is the provision of, in arms-length transaction, of Financial Products, Development Services, and/or other similar financing." In some cases, an organization's financing activities may be less than a majority of its activities, but is the largest and predominant major activity, and thus is considered to meet the Financing Entity criteria for CDFI Certification. However, this question of policy does not impact the burden of the collection, as in either case, the applicant must provide the same information for the CDFI Fund to make a determination.

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5	The CDFI Fund should upgrade its technology and information systems infrastructure.	X			The CDFI Fund is already in the planning process for developing an electronic and web-based awards management information system, which will include an electronic and web-based CDFI Certification application process. The new awards management information system will be a tremendous benefit to all CDFI Fund applicants. The CDFI Fund is also in the planning stages of upgrading its mapping program.
6	CDFIs should be recertified no more frequently than every three to five years, and recertification should be minimally burdensome, such as consisting only of a affirmation that the entity continues to meet the certification criteria.	X			Currently, the CDFI Fund only requires recertification every three years. Moreover, the CDFI Fund has already revised the recertification process to be minimally burdensome, requiring that CDFIs only need submit new application materials for criteria where something has changed for the CDFI since its previous certification. The CDFI Fund will continue to seek ways to minimize the burden of the recertification process and consider this comment in future revisions of the CDFI Certification process.
7	Any annual data collection requirement of certified CDFIs with no other reporting relationship to the CDFI Fund should be carefully defined and narrowly targeted to basic, easily obtainable information.	X			At present the CDFI Fund does not utilize an annual collection of Certified CDFIs, however, should this requirement be imposed, the CDFI Fund will consider this comment in its implementation.
8	The CDFI Fund should use a current satisfactory CARS™ rating as evidence of meeting appropriate certification criteria.	X			The CDFI Fund will not implement this suggestion at this time, but may consider it during future revisions of the CDFI Certification application. The CARS™ rating is proprietary product of a private third party entity. In general, the CDFI Fund does not endorse the products of private third parties. Moreover, not all CDFIs obtain this rating, nor could all CDFIs afford to obtain this rating.

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9	The CDFI Fund must tread carefully and "exercise particular diligence" in certifying organizations in conjunction with applications for the CDFI Bond Guarantee Program.	X			The CDFI Fund treats all certification applicants equally and fairly in accordance with established policy and procedure; and exercising the necessary and appropriate diligence per those policies and procedures. Moreover, the exercise of "particular diligence", at best, would not reduce the collection burden to the applicant, and, at worse, would increase the collection burden.
10	The CDFI Fund must improve the turnaround time of applications for certification.	X			The CDFI Fund concurs that turnaround time of applications for certification can and should be improved. The primary cause of the recent delays in application processing has been the addition of several new programs, which increased number of new applications dramatically in the past two years. The CDFI Fund is dedicated to clearing its backlog of applications and re-establishing a standard turnaround time.
11	The CDFI Fund should, as with its current practice, prioritize certification applications of organizations that apply for funding from the CDFI Fund.	X			The CDFI Fund already does this, as noted.
12	The CDFI Fund should amend its CDFI Certification application and materials to make portions of the application specific to the various types of CDFIs, (e.g. banks, thrifts, credit unions, loan funds, venture funds).		X	X	The CDFI Fund has already done this in some specific and carefully defined cases, and may continue to do so, at its sole discretion, on a case by case basis.
13	Periodic CDFI Recertification should be replaced with annual confirmation of the CDFI Certification designation and/or a modest information collection, coupled with the reporting of materials events at the time of funding application.		X	X	To change the current periodic CDFI Recertification regime to an annual certification confirmation model would require a substantial modification of IT systems in terms of planning and expense, which the CDFI Fund is addressing - see comment #2. The CDFI Fund will consider this comment as CDFI Fund IT infrastructure, necessary to support this kind of change, is upgraded and developed.

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14	The CDFI Fund should change the mechanism for how CDFIs establish their Target Markets to a mechanism more like the one used for the CDE Service Area. In particular, "contiguous" units dimension of Investment Area Target Markets should be eliminated.		X	X	To change the current Target Market mapping regime, as proposed in this comment, would require significant changes to IT systems, which the CDFI Fund is addressing - see comment #2. The CDFI Fund will consider this comment as CDFI Fund IT infrastructure, necessary to support this kind of change, is upgraded and developed. While the CDFI Fund will need to continue use the current mapping tool to collect Target Market information, the issue of "contiguous" units may be able to be addressed within the existing collection. The CDFI Fund will issue additional guidance on this issue. An update of the CIMS mapping system is part of the CDFI Fund's IT modernization plan and the CDFI Fund anticipates developing new functionality using the 5-year American Community Survey data to support the mapping system. Within this procurement action, the CDFI Fund will consider this issue.
15	Data collection should serve multiple purposes. The CDFI Fund should maximize its use of the data collected initially and through annual reports. For example, data provided in the certification application might auto populate in a CDFI Fund funding application or compliance report.		X	X	The use of data collected initially in the certification application for other purposes, such as auto populating funding application collections, while potentially reducing the burden of those separate and subsequent collections, will not likely affect (i.e. reduce) the burden of the initial collection of the data in the CDFI Certification application. However such functionality will be considered in the CDFI Fund's IT modernization planning and development.
16	Data collection should provide a public benefit. The CDFI Fund should provide a list of certified CDFIs that contains profile and contact information, as well as the addresses of CDFI websites.		X	X	The CDFI Fund is already developing this kind of report, and should be published in the near term.
17	Eliminate the Financing Entity Narrative requirement for credit unions.			X	Credit unions are already exempted from completing the Financing Entity Narrative. However, this component of the application must stay a part of the application, as credit unions are only one of five types of organizations that apply to be CDFIs.

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18	Eliminate the Accountability Narrative requirement for credit unions.			X	An accountability narrative is only required of CDFI Certification applicants if they choose to demonstrate that they meet the Accountability requirement through an advisoryboard and/or other methods of accountability. If, as the commenter indicates, credit unions demonstrate accountability through their governing boards, then credit unions, as with all CDFIs using governing boards to demonstrate accountability, are already not required to complete an accountability narrative.
19	Eliminate the Accountability and Non-Governmental Entity Table requirement for credit unions.			X	The CDFI Fund has found that the Accountability and Non-Government Entity Table is not redundant and should not be eliminated as a requirement for all credit unions. The CDFI Fund has already identified some limited circumstances where a credit union may be able to demonstrate that it meets the Accountability requirement for CDFI Certification without the data collected in the table, and is currently researching whether there are additional such circumstances. The CDFI Fund will issue additional guidance when this analysis is completed. However, the table is still necessary for all applicants to help ensure that the applicants meet the Non-Government Entity criteria, which requires that a CDFI not be controlled by a government entity. The CDFI Fund's definition of control extends beyond simple ownership control. Moreover, this component of the application must also stay a part of the application, as credit unions are only one of five general types of organizations that apply to be CDFIs.

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20	Eliminate the Development Services Table requirement for credit unions and embed a new table in the Development Services narrative.			X	It is not clear how the suggestion of a table within a narrative substantially differs from the existing format, which also includes a table and a narrative. The separate table and narrative are designed to work together precisely as the Commenter suggests they should - i.e. the narrative explains the table, providing additional necessary information not contained in the table. The CDFI Fund will keep the Development Services narrative and table separate.
21	Eliminate the requirement to answer Question 15 on the Certification Questionnaire.			X	This question is necessary to help ensure that all applicants, including credit unions, meet the Non-Government Entity criteria, which requires not only that a CDFI not be a governmental entity, but also that a CDFI not be controlled by a government entity. The CDFI Fund's definition of control extends beyond simple ownership control. Moreover, this component of the application must also stay a part of the application, as credit unions are only one of five types of organizations that apply to be CDFIs.
22	Consider using the Commenter's (NFCDCU) Policy Membership in NFCDCU as additional evidence that a certification applicant meets the Primary Mission criteria.			X	The CDFI Fund requires that all CDFI's demonstrate their community development primary mission in their board-approved organizing documents, with only one exception. That exception is documentation from the National Credit Union Administration (NCUA), a governmental agency that is the federal regulator of credit unions, that a credit union is designed as a low-income credit union by NCUA. The CDFI Fund will not use non-governmental third-party documentation as evidence of an organization's primary mission.

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23	The current estimate of 37.5 hours to complete a certification application significantly understates the burden for mid to large sized credit unions.			X	The estimate of hours to complete a certification application is an average across all types of CDFIs, including, but not limited to, small and large, urban and rural, and all industry types. It could very well be that for certain types of entities, such as certain large and medium sized credit unions, the average hours to complete a certification is greater than for some other types of CDFIs, as credit unions make up about a fifth of all certified CDFIs. The CDFI Fund has already endeavored to reduce the collection burden for credit unions, as credit unions are deemed to automatically pass the Financing Entity criteria, credit unions may use the low-income credit union designation from NCUA to meet the Primary Mission criteria, and in certain specific circumstances, may demonstrate that they meet the Accountability criteria through the composition of their membership.
24	Enhance the myCDFI mapping program to incorporate U.S. Census Bureau American Community Survey updates or the more robust layers of information available through PolicyMap.			X	The CDFI Fund is currently researching mapping data source options, which will impact the CDFI Fund's programs broadly, not just the CDFI Certification component. The CDFI Fund will make enhancements to its mapping program and plans to use the American Community Survey 5-year estimates and to develop new functionality, including batch geo-coding, as soon as it is possible, and within budget constraints.
25	Increase the capacity of the myCDFI mapping program to process larger batch files.			X	The CDFI Fund is currently assessing its options for upgrading the capacity of its mapping program. The CDFI Fund will make enhancements to its mapping program and plans to use the American Community Survey 5-year estimates and to develop new functionality, including batch geo-coding, as soon as it is possible, and within budget constraints.

List of Commenters

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A	Opportunity Finance Network (OFN)				
B	CDFI Coalition				
C	National Federation of Community Development Credit Unions (NFCDCU)				