



Community Development Financial Institutions Fund

Qualified Issuer Application



Introduction

Under the CDFI Bond Guarantee Program, an entity that wishes to be designated by the CDFI Fund as a Qualified Issuer must submit a Qualified Issuer Application.

The Applicant must provide all required information in its Qualified Issuer Application to establish that it meets all criteria for designation as a Qualified Issuer and can carry out all Qualified Issuer responsibilities and requirements. Such responsibilities and requirements include, but are not limited to, information that demonstrates that the Applicant has the appropriate expertise, capacity, and experience and is qualified to make, administer and service Bond Loans for Eligible Purposes. After receipt of a Qualified Issuer Application, the CDFI Fund may request additional, clarifying, confirming or supplemental information on the materials submitted as part of the Qualified Issuer Application.

In order to understand the CDFI Bond Guarantee Program and the roles and responsibilities of the Qualified Issuer, interested parties should review and become familiar with the regulations that govern the program, set forth at 12 C.F.R. 1808 (the Regulations). In addition, Applicants should review and become familiar with the Notice of Guarantee Availability (NOGA), published with respect to FY 2013 and FY 2014 Qualified Issuer Applications and Guarantee Applications. Before beginning to prepare a Qualified Issuer Application, prospective Applicants should review and become familiar with the Qualified Issuer Application Guidance, which contains detailed information and formatting instructions. The Regulations, the NOGA, and the Qualified Issuer Application Guidance may be found on the CDFI Fund's website at www.cdfifund.gov. Capitalized terms in the Qualified Issuer Application are defined in the Regulations.

For purposes of the Qualified Issuer Application, the term "Applicant" refers to the applicant organization as well as any Affiliates and third-party entities (i.e., the proposed Program Administrator and the proposed Servicer) that seek to participate in performing the duties of the Qualified Issuer during the term of a Bond.

The Qualified Issuer Application must contain all required documentation regarding the Applicant. In addition, certain information must be provided with respect to at least one Certified CDFI, which must attest that it has designated the Applicant to serve as Qualified Issuer on its behalf.

Application documents will be submitted electronically through myCDFI Fund. The Qualified Issuer Application must follow the standardized naming convention for individual files as well as the file organization detailed in the Qualified Issuer Application Guidance.

Under the Paperwork Reduction Act (44 U.S.C. chapter 35), an agency may not conduct or sponsor a collection of information, and an individual is not required to respond to a collection of information, unless it displays a valid Office of Management and Budget (OMB) control number. Pursuant to the Paperwork Reduction Act, the Qualified Issuer Application has been assigned the following control number: _____.

Application Requirements

To be deemed complete, the Qualified Issuer Application must include each of the sections 1 through 11 as set forth below. The Applicant must provide a narrative addressing the requirements of Sections 4 through 11, as well as additional supporting documentation as is

Figure 2: Screenshot of File Upload Interface

The Test CDFI Organization
TBD

[Return to View Application](#)

Please print this page or take a screenshot of the document list for your records. You will not be able to view the document list after submitting the signature page. In the event that the CDFI Fund requires additional or clarifying information, it will be useful for you to have a record of the documents submitted.

Type of file	File to attach
1a-Table of Contents	<input style="width: 90%;" type="text"/> <input style="width: 10%; text-align: center;" type="button" value="Browse..."/>
<input style="width: 100px;" type="button" value="Upload"/>	

Attached "Test.xlsx" as "1a-Table of Contents"

Total items: 1

	Type of Attachment	File	Size	Date Uploaded
Delete	1a-Table of Contents	Test.xlsx	8 KB	5/15/2013 2:44:51 PM

NOTE: myCDFIFund cannot accept files larger than 5 megabytes. If any files such as PDFs are larger than 5MB, please save and upload the files in multiple parts.

The application process is completed by submitting a "Signature Page" and you will not be able to make any edits to the Qualified Issuer Application unless requested to do so by the CDFI Fund. Once the Signature Page has been submitted, print a copy of the Submission Status Page, which will include your Qualified Issuer Application Control Number, and retain this for your records.

Your Qualified Issuer Application Control Number follow the format ##-BQI-#####.

If you require assistance or have any questions, please call at (202)-653-0376, or email at BGP@cdfi.treas.gov

Qualified Issuer Application Checklist

Section	Document	Included	N/A	Format
QI-1	Table of Contents	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	Checklist	<input type="checkbox"/>	<input type="checkbox"/>	PDF
QI-2	Organization Information	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• SF-424 (with Certifications and Assurances) signed by Qualified Issuer applicant	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• SF-424 (with Certifications and Assurances) signed by proposed Program Administrator, if third-party	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• SF-424 (with Certifications and Assurances) signed by proposed Servicer, if third-party	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• SF-424 (with Certifications and Assurances) signed by Certified CDFI(s), as applicable	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• EIN/TIN letter from IRS, as applicable	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• Notice designating Qualified Issuer signed by Certified CDFI, if applicable	<input type="checkbox"/>	<input type="checkbox"/>	PDF
QI-3	Licenses and Insurance Requirements			PDF
	• Licenses	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• Errors and omissions insurance certificate	<input type="checkbox"/>	<input type="checkbox"/>	PDF
QI-4	Narrative Discussion	<input type="checkbox"/>	<input type="checkbox"/>	Word
QI-5	Organization Capability – Bond Issuance			
	• Applicant's capabilities	<input type="checkbox"/>	<input type="checkbox"/>	Word
	• Sample Bond Issue cash flow model	<input type="checkbox"/>	<input type="checkbox"/>	Excel
	• Sample Proposed Sources and Uses of Funds	<input type="checkbox"/>	<input type="checkbox"/>	Excel
	• Servicer's most recent SSAE16	<input type="checkbox"/>	<input type="checkbox"/>	PDF
	• Independent reports	<input type="checkbox"/>	<input type="checkbox"/>	PDF
5.1	Organization Capability- proposed Program Administrator	<input type="checkbox"/>	<input type="checkbox"/>	Word
5.2	Organization Capability- proposed Servicer	<input type="checkbox"/>	<input type="checkbox"/>	Word

Section	Document	Included	N/A	Format
QI-6	Strategic Alignment <ul style="list-style-type: none"> Demonstration of CDFI industry knowledge Description of strategic alignment Conflicts of Interest Ethics policies 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Word Word Word Word
QI-7	Management and Employer Staffing <ul style="list-style-type: none"> Staffing plan Management discussion and analysis Management and staff retention Organizational structure guide Management or operating agreement Staff resumes 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Word Word Word PDF PDF PDF
QI-8	Financial Strength <ul style="list-style-type: none"> Financial risk mitigation strategies Appropriate Federal Banking Agency or Appropriate State Agency Audited financial statements (3 years) Net asset, equity, or net capital (3 years) \$100 million in cumulative financial transactions Largest earned revenue sources Covenant compliance report Off-balance sheet contingencies Approved budget for next year 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Word Word PDF PDF Excel Word Excel PDF Excel
QI-9	Systems and Information Technology <ul style="list-style-type: none"> IT environment documentation; disaster plans; policies & procedures Internal controls; management activities and document retention 	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	PDF PDF
QI-10	Pricing Structure	<input type="checkbox"/>	<input type="checkbox"/>	Excel

Documentation Checklist Contents

The following sections provide descriptions and naming conventions for the requested documentation for the Qualified Issuer Application. Please note that, to provide consistency between all Qualified Issuer Applications, each item has a specific naming convention that must be followed.

Item	Discussion	Format	Naming Convention
			QI-1: Table of Contents and Checklist

Table of Contents

The Table of Contents should be in the order noted in the checklist and should reference file names and not page numbers. If a specific item is listed as N/A on the checklist and Table of Contents, an file should still be uploaded indicating N/A, None, or Not Performed inside the body of the file.

PDF, Template provided by CDFI Fund

QI-1-TOC

Checklist

The Applicant must submit the Qualified Issuer Application Checklist as part of the application materials in myCDFIFund.

PDF

QI-1-Checklist

Item	Description	Format	Naming Convention

Item	Description	Format	Naming Convention
	<p>QI-2: Organization Information Contact Information</p> <p>This may consist of only a single scanned copy of the Standard Form 424 (SF-424) with the following sections filled out:</p> <p>Applicant legal name</p> <p>Employer/Taxpayer Identification Number (EIN/TIN)</p> <p>DUNS number</p> <p>Mailing address, including 9-digit zip code</p> <p>Contact name, email address, and telephone number</p> <p>Contact position/title</p> <p>Authorized Representative name, email address, and telephone number</p> <p>Authorized Representative position/title</p> <p>The entity must sign the Federal Assurances – Non-Construction Programs form (attached to the SF-424).</p> <p>PDF, Template provided by CDFI Fund</p> <p>QI-2-Qualified Issuer SF424</p> <p>EIN/TIN</p> <p>Provide a copy of the proof of</p>		

EIN/TIN from the IRS for each

Item	Description	Format	Naming Convention

PDF, Template provided by CDFI Fund

QI-2-PA

Servicer Contact Information

If the role of Servicer is being performed by an entity other than the applicant to be a Qualified Issuer, an SF-424 and associated documents must be provided for each entity.

PDF, Template provided by CDFI Fund

QI-2-Servicer

Certified CDFI Contact Information

An SF-424 and associated documents must be provided for at least one Certified CDFI that is designating the applicant to be a Qualified Issuer on its behalf.

PDF, Template provided by CDFI Fund

QI-2-CDFI SF-424

Notice Designating Qualified Issuer

If the applicant to be a Qualified Issuer is not a Certified CDFI, a designation notice in a form created by the CDFI Fund must be provided by at least one Certified CDFI.

PDF

QI-2-Designation

Item	Description	Format	Naming Convention
			QI-3: Certifications and Insurance Requirements

Licenses

A document identifying licenses required by the Appropriate Federal Banking Agency or Appropriate State Agency that govern the Applicant, if applicable:

PDF

QI-3-Licenses

Errors and omissions (E&O) insurance certificate of coverage

A document displaying the certificate of coverage for Errors and omissions insurance.

PDF

QI-3-E and O

Item

Description

Format

Naming Convention

QI-4: Narrative Discussion

Narrative Discussion

The 25-page narrative discussion begins in this section and continues through Section 10. Where a subsequent part of the application materials calls for a narrative, include the information in this narrative document.

Please note that the Applicant may choose how to allocate the 25-page narrative discussion, but must be sure to discuss each requirement of this Application. The majority of the narrative discussion should focus on Section 5.

The 25-page limit does not include any scanned documents that are separately called for in the Qualified Issuer Application.

Narrative

QI-4Narrative

Item

Description

Format

Naming Convention

QI-5: Organizational Capability – Bond Issuance

Applicant's capabilities

The majority of the narrative discussion should focus on Section 5.

Describe the Applicant's capabilities to serve as a Qualified Issuer and its ability to deploy Bond Proceeds and Bond Loan proceeds. This description of capabilities must demonstrate that the Applicant has the appropriate expertise, capacity, and experience to originate, underwrite, service, and administer loan portfolios that serve Eligible Purposes and are targeted toward Low-Income Areas and Underserved Rural Areas.

Provide a brief history and overview of the Applicant, including ownership, size, office locations and summary track record. Describe how the Applicant is organized, including a description of each entity involved in carrying out the roles of the Qualified Issuer, including Program Administration and Servicing.

Demonstrate the core loan administration capabilities,

prior experience in commitment approvals and loan requisition. Specifically describe any prior experience in lending to CDFIs or other similar institutions.

Indicate the Applicant's organizational risk exposure and the relevant risk mitigation strategies employed by the Applicant. Include risk mitigation strategies by any third party Servicer or Program Administrator, as well as any risk mitigation strategies between applying entities.

Where possible, substantiate claims with quantifiable statistics and relevant qualitative details.

Narrative

QI-Narrative

Sample Bond Issue cash flow model

The Applicant should provide a sample working cash flow model of a sample Bond Issue if the Applicant is not submitting this Qualified Issuer Application concurrently with a Guarantee Application. If submitted concurrently with a Guarantee Application, please include the a copy of the actual cash flow model.

The cash flow model should track the flow of funds through the Qualified Issuer and Eligible CDFIs and through the term of the sample Bond Issue. This financial model should include disbursement and repayments for Bonds, Bond Loans, and Secondary Loans, as well as associated interest, fees, and other costs. The cash flow model should also demonstrate an understanding of the mechanics of the Relending Fund if utilized.

The cash flow should reflect expected upfront and ongoing costs and revenues associated with Qualified Issuer activities under the CDFI Bond Guarantee Program.

Excel

QI-5-Sample Model

Sample Proposed Sources and Uses of Funds

If this Qualified Issuer Application is not submitted concurrently with a Guarantee Application, the Applicant should provide a consolidated chart that details the specific uses and timing of disbursement of a sample Bond Issue. The narrative for this section should be 1 single-sided page or less and separate from the 25-page narrative discussion. [

Excel

QI-5-Sample Sources and Uses

Most recent Statement on Standards for Attestation Engagements 16 (SSAE 16), and, if available, any third party rating history

A copy of the most recent Statements on Standards for Attestation Engagements 16 (SSAE 16) for the Servicer. Include, if available, any-third party rating reports relevant to servicing.

PDF

QI-5-SSAE16

Independent Reports

If a third-party is proposed to perform the role of the Program Administrator or Servicer, provide the most independent report of the third-party organization. Each report should have a separate file.

PDF

QI-5-Report Name where "Report Name" is the title of the report including the date of the report.

Item	Description	Format	Naming Convention
			QI-5.1: Organizational Capability – Program Administrator

Program Administrator Qualifications and Capabilities

Provide information to demonstrate the capability, expertise and experience of the entity serving in the role of Program Administrator. Applicants should specifically address the proposed Program Administrator's management and organization, loan administration, and financial capability. Applicants should also specifically address the duties of the Program Administrator as enumerated in 1808.606(b), including:

approving and qualifying Eligible CDFI applications for participation in the Guarantee Application;

Bond and Bond Loan packaging;

reviewing and approving Secondary Loan commitments based on the Secondary Loan Requirements;

compliance monitoring of Bond Loans and Secondary Loans;

preparing and submitting reports required by the Interim Rule, and;

any other duties and related services customarily expected of a Program Administrator.

Narrative

QI-Narrative

Item

Description

Format

Naming Convention

QI-5.2: Organizational Capability – Servicer

Servicer Qualifications and Capabilities

Provide information to demonstrate the respective capability, expertise and experience of the entity serving in the role of Servicer. Applicants should specifically address the proposed Servicer's management and organization, loan servicing, and financial capability. Applicants should also specifically address the duties of the Servicer as enumerated in 1808.606(c), including:

- (i) billing and collecting Bond Loan payments from Eligible CDFIs;
- (ii) initiation collection activities on past-due Bond Loans;
- (iii) transferring Bond Loan payments to the respective funds and accounts managed by the Master Servicer/Trustee;
- (iv) Bond Loan administration and servicing;
- (v) systematic and timely reporting of Bond Loan performance through remittance and servicing reports, and providing such reports as may be required by the Interim Rule;
- (vi) proper measurement of annual outstanding Bond Loan requirements, and;
- (vii) any other duties and related services that are customarily expected of a Servicer.

Narrative

QI-Narrative

Item

Description

Format

Naming Convention

QI-6: Strategic Alignment

Demonstration of CDFI industry knowledge

Demonstrate the Applicant's knowledge of the CDFI Industry, especially with regard to evaluation of the financial strength of CDFIs. State the number of years working with CDFIs or similar institutions. Where possible, substantiate claims with quantifiable statistics and relevant qualitative details.

Narrative

QI-6-Narrative

Description of strategic alignment to CDFI Fund goals

Describe the Qualified Issuer's mission and how the Applicant has a demonstrated track record of commitment to community and economic development and the goals of the CDFI Bond Guarantee Program.

Provide a comparable discussion for third-party Servicer or Program Administrator, if any.

Narrative

QI-6-Narrative

Conflicts of Interest

A document identifying any actual or potential conflicts of interest an Applicant would have in performing as a Qualified Issuer. Include the interests of the Applicant's parent, subsidiary, and affiliate companies. The Applicant must also describe the specific steps it would take to avoid, mitigate, or neutralize any such conflicts.

Narrative

QI-6- Narrative

Ethics Policies

A document identifying the Applicant's ethics and compliance policies including any procedures, training materials, and audit practices designed to detect and prevent violations of Federal and state laws and conflicts of interest. If Applicant has a risk or compliance officer, a description of the person's responsibilities and an assessment of whether the person operates independently from the Applicant's decision makers who manage the Bond Issues.

Narrative

QI-6-Narrative

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Item

Description

Format

Naming Convention

Item

Description

Format

Naming Convention

QI-7: Management and Staffing

Staffing plan related to the Bond Guarantee Program

Describe the Applicant's staffing plan in relation to the Bond Guarantee Program, including any hiring or training to be completed.

Narrative

QI-7-Narrative

Management Discussion and Analysis Report

Discuss management's ability to manage the organization through the funding, monitoring and collection of the Bond Loans being contemplated with the Bond Proceeds. Describe the past performance of the management team in delivering on past projection. Specific attention should be placed on any experience developing multi-lender loan pools or syndications. Where possible, substantiate claims with quantifiable statistics and relevant qualitative details.

Narrative

QI-7-Narrative

Management and staff retention documentation

Describe the current retention of management and staff. Include documentation of employee retention and related policies of third party Servicers or Program Administrators, if applicable.

Narrative

QI-7-Narrative

Organizational Structure Guide

Provide a scanned copy of the Management Organization hierarchy down to first level manager. Both individual names and titles should be indicated as well as any vacancies. Include the management organizational hierarchy of third party Servicers, or Program Administrators, if applicable.

PDF

QI-7-Management Structure

Management or Operating Agreement

If the Qualified Issuer is managed by a separate organization, a scanned copy of the signed Management Agreement should be included. If not appropriate, then place "None" in place of the file name in the Table of Contents.

PDF

QI-7-Management Agreement

Managerial staff resumes and tenure

Resumes, job descriptions, and hire/ascension data of all senior managers down to the division head level. Indicate whether each senior manager has any outside employment or serves on other board memberships. Include contingencies, key man insurance, and any succession planning.

Include the above for third party Servicers and Program Administrators, if applicable.

PDF

Item

Description

Format

Naming Convention

QI-8: Financial Strength (All Applicants)

Financial Risk and Risk Mitigation Strategies

Describe the financial risks of the Applicant, including any specific risks (e.g. contingent liabilities) in participation in the Bond Guarantee Program as a Qualified Issuer, as well as risk mitigation strategies related to the above. The Applicant should demonstrate its financial stability in the performance of Bond and Bond Loan administration and servicing activities, loan origination, and underwriting over the term of the Bond.

Narrative

QI-Narrative

Appropriate Federal Banking Agency or Appropriate State Agency

List any Appropriate Federal Banking Agency or Appropriate State Agency which oversees the operations of the Applicant. Please indicate the identifying number by which the organization's call report or similar financial data can be retrieved from its regulator.

Narrative

QI-8-Regulatory Agencies

Most Recent Three Years Audited Financial Statements

The last three financial audits should be submitted as separate files. Note, the financial statements should be prepared by an independent accounting firm and in accordance with generally accepted accounting principles. Also note that each year should be scanned separately and the notes to the audits for each year and management letters should be included. If appropriate, the statement should show consolidating schedules as an attachment or supplemental information.

If a newer audited financial statement becomes available during the application review period, the Qualified Issuer must notify the CDFI Fund in a timely manner and provide the updated information.

Provide comparable financial statements for third-party Servicers and Program Administrators, if any.

PDF

QI-8-YYYYMMDD Audit" where the YYYY is the four-digit year of the statement, the MM is the two-digit month and the DD is the two-digit day. For example: "QI-10-20111231 Audit"

Net Assets, Equity, or Net Capital

If not included in the audited financial statements, provide information on the Applicant's net assets, equity or net capital, as applicable to the organization, for the most recent three years.

PDF

QI-8-Net Assets, Equity or Net Capital

Financing Transactions

Provide sufficient instances of transactions for the most recent three years indicating the Applicant is a financing entity for transactions with a cumulative value of \$100 million. Include the type and dollar value of transactions.

Excel

QI-8-Transactions

Item

Description

Format

Naming Convention

QI-8: Financial Strength (Unregulated Organizations Only)

Largest Earned Revenue Sources

The Qualified Issuer should provide a brief discussion of all sources of earned revenue greater than 10 percent of the total earned revenue for each of the past three years. The discussion may be limited to noting interest income but may expand to include a discussion of consulting income sources.

Narrative

QI-8-Narrative

Loan Covenant Compliance Report

A listing of all financial and operating performance covenants with an indication of actual versus prescribed levels. Any violations of covenants should be accompanied by a discussion of remediation actions and waivers if provided.

Excel

QI-8-Covenant Compliance

Off-Balance Sheet Contingencies

A report showing all contingencies including the amount of the contingencies and an estimate of the chances for the contingency resulting in a formal liability.

PDF

QI-8-Contingencies

Following Year's Budget

The approved budget for the next year should be submitted. The budget should contain a comparison of current operations to that budget and any approved modifications to the budget.

Excel

QI-8-Budget_YYYY (where YYYY indicates the four digit year of the next fiscal year)

Item

Description

Format

Naming Convention

QI-9: Systems and Technical Approach

IT Environment documentation

Documentation describing the IT system environment of the Applicant, in relation to program administration, servicing, and monitoring. Include any backup or disaster plans, as well as any written documents relating to information technology policies and procedures. Include comparable documentation for third-party Servicers or Program Administrators, if any.

PDF

QI-9-IT Environment

Management activities and documentation retention procedures

Documentation of internal controls as well as procedures for documenting management decisions, and retention of documents relating to loan servicing and administration. Include comparable documentation for third-party Servicers or Program Administrators, if any.

PDF

QI-9-Controls and Documentation

Item

Description

Format

Naming Convention

QI-10: Pricing Structure

Guarantee application, Bond Issuance, Servicing, and Program Administration

A table describing the level of effort and pricing related to the all-in costs of submitting a Guarantee application, Bond issuance, servicing, and program administration. The Applicant should represent the Bond Issuance Fees as a percentage (in basis points) of the aggregate principal amount of the Bond Issue and the costs for servicing and program administration in terms of basis point additions to the interest rate of a Bond Issue.

All fees shall be paid for by Eligible CDFIs participating in the Bond Guarantee Program, and in no instance shall program participants have recourse to the CDFI Fund for any debts or liabilities arising from their participation. Although the pricing structure and fees shall be decided by negotiation between market participants, the CDFI Fund will review a potential Qualified Issuer's pricing structure for soundness with proper implementation of the CDFI Bond Guarantee Program.

Excel

QI-10-Issuance Costs