

Community Development Financial Institutions Fund, Department of the Treasury

Supporting Statement
Community Development Financial Institutions Bond Guarantee Program
OMB Control Number 1559-0044

A. Justification

1. Circumstances necessitating collection of information

The purpose of the Community Development Financial Institutions (CDFI) Bond Guarantee Program (BG Program) is to support CDFI lending by providing Guarantees for Bonds issued by Qualified Issuers as part of a Bond Issue for Eligible Community or Economic Development Purposes. The BG Program provides CDFIs with a new source of long-term capital and furthers the mission of the CDFI Fund to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States. To date the BG Program has guaranteed \$1.4 billion in bonds. The CDFI Fund achieves its mission by promoting access to capital and local economic growth by investing in, supporting, and training CDFIs.

Through the BG Program, applicants apply to be approved as a Qualified Issuer (QI), using the Qualified Issuer Application (QI Application). Qualified Issuers may submit Guarantee Applications to be approved for a Guarantee under the BG Program. Applicants are required to provide financial and program related information and, subject to approval, will enter into agreements that require the collection of reports that will be used for credit underwriting, compliance monitoring, and program evaluation purposes. The application information is required in order for program management to evaluate an applicant's capacity to effectively execute its obligations under the Bond Documents.

In compliance with the Office of Management and Budget's (OMB) *Circular No. A-129: Policies for Federal Credit Programs and Non-Tax Receivables* (OMB Circular A-129), the BG Program collects all necessary information to manage the portfolio effectively and to track progress towards policy goals. The Department of the Treasury's authority to collect the requested information, as well as the specified data collection areas and parameters, are consistent with the annual and periodic financial reporting requirements for the BG Program as defined in 12 CFR 1808.619 of the Final Interim Rule. The information outlined in the reporting requirements is crucial for adequately managing and monitoring the BG Program's total portfolio of outstanding Bond Loans. In order to do so, the CDFI Fund proposed the use of four reports: the Financial Condition Monitoring (FCM) Report, the Pledged Loan Monitoring (PLM) Report, the Annual Assessment, and the Secondary Loan Commitment Form and Certification.

The Financial Condition Monitoring (FCM) Report adds significantly to the Department of the Treasury's review of Borrower's (known as Eligible CDFIs (ECDFIs) within the Program) financial health and supports the CDFI Fund in proactively managing portfolio risks and performance surrounding Bond Loan repayment. The FCM Report is collected quarterly and it allows the BG Program to monitor and compare ECDFIs' balance sheets, income statements and cash flows, and portfolio quality in a standard format. The FCM Report supports risk detection and mitigation, which are crucial activities for the long-term operation and viability of the BG Program.

The Pledged Loan Monitoring (PLM) Report adds significantly to the Department of the Treasury's review of the use of Bond Loan Proceeds in underserved communities and supports the CDFI Fund in

proactively managing portfolio risks and performance surrounding Bond Loan collateral. The PLM Report is a monthly report submission, allowing the BG Program to monitor the terms, payment performance and value of the underlying collateral (e.g., pledged loan receivables) for the Bond Loans on essentially a real-time basis. The PLM Report supports risk detection and mitigation, which are crucial activities for the long-term operation and viability of the BG Program.

The Annual Assessment adds significantly to the Department of the Treasury's review of Qualified Issuer's and ECDFI Borrower's ongoing capacity to fulfill their programmatic roles and responsibilities including, but not limited to, maintaining their financial capacity and ensuring the integrity of their internal controls. The Annual Assessment is an annual submission, allowing the BG Program to monitor compliance with the Bond Guarantee Program Regulations and executed Bond Issuance documents. The Annual Assessment supports risk detection and mitigation, which are critical activities for the long-term operation and viability of the BG Program.

The BG Program Secondary Loan Commitment Form and Certification will enable the BG Program to monitor ECDFIs and their compliance with certain requirements of the Interim Rule, namely that ECDFIs and Secondary Borrowers must execute Secondary Loan documents (i) for 50 percent of the Bond Loan proceeds no later than 12 months after the Bond Issue Date (Year 1 Commitment Test), and (ii) for 100 percent of the Bond Loan proceeds no later than 24 months after the Bond Issue Date (Year 2 Commitment Test) per 12 CFR 1808.307(b). This information is essential to ensure compliance with programmatic requirements, mitigate risk, prevent Guarantees from being called and the Secretary of the Treasury from paying the obligation, and to protect taxpayer dollars.

2. Method of collection and use of data

Qualified Issuer (QI) Application and Guarantee Application

The CDFI Fund collects the Qualified Issuer Application and Guarantee Application on annual basis upon the annual Congressional authorization to issue Guarantees for the BG Program. The BG Program staff uses all application materials to determine an applicant's organizational expertise, experience and capacity to adhere to the requirements of the BG Program.

Financial Condition Monitoring (FCM) Report

ECDFIs submit the FCM Report to the BG Program's Master Servicer via the Master Servicer's web-based portal. Within the Master Servicer's web-based portal, the BG Program's Credit and Risk Management (CRM) staff analyze the FCM Report data for each ECDFI individually, within ECDFI asset size categories, and across the entire BG Program portfolio. Specifically, the CRM unit assesses financial and portfolio quality trends to ensure that ECDFIs remain capable of repaying the outstanding Bond Loan principal.

Pledged Loan Monitoring (PLM) Report

QIs administering approved Bond Issues and ECDFIs submit the Pledged Loan Monitoring (PLM) Report, for each ECDFI, to the BG Program's Master Servicer via the Master Servicer's web-based portal. The Master Servicer hosts all PLM Reports for each ECDFI on their web-based portal for the duration of the Bond Loan. The PMLM staff analyze the PLM Report data for each ECDFI individually across fiscal year cohorts and across the entire BG Program portfolio. Specifically, PMLM assesses delinquency trends, ensures that loan-to-value ratios remain adequate for the underlying assets of the collateral, reviews loan receivable balances, and analyzes lending patterns geographically and across asset classes.

Annual Assessment

QIs administering approved Bond Issues and ECDFIs submit the Annual Assessment report to the BG Program's Master Servicer via the Master Servicer's web-based portal. The BG Program's Compliance Management and Monitoring (CMM) staff analyze the results of the Annual Assessment of the QIs and ECDFIs across fiscal year cohorts and across the entire BG Program portfolio. Specifically, CMM staff analyze each participant's financial strength, portfolio management and servicing capability, management and governance policies, systems and information technology, and internal controls.

Secondary Loan Commitment Form and Certification of Secondary Loan Commitment Form
QIs administering approved Bond Issues and ECDFIs will submit the Secondary Loan Commitment Form and the Certification of Secondary Loan Commitment Form to the BG Program's Master Servicer via the Master Servicer's web-based portal. The BG Program's CMM staff will review the submitted materials to conduct an assessment of the ECDFI's ability to pass the Year 1 or the Year 2 Commitment Test.

3. Use of Information Technology

The CDFI Fund eliminated paper submission of all reporting information being collected for the BG Program. The Qualified Issuer Application and the Guarantee Application are submitted via the web through the Awards Management Information System managed portal at www.cdfifund.gov. The following reports are submitted by the ECDFIs and QIs via the Master Servicer's web-based portal: the Financial Condition Monitoring (FCM) Report, the Pledge Loan Monitoring (PLM) Report, the Annual Assessment, and the Secondary Loan Commitment Form and Certification. The Master Servicer Trustee manages their web-based portal and hosts these reports on their portal for the duration of the Bond Loan. The CDFI Fund evaluated the burden on utilizing this information technology for the aforementioned reports and found it to be the most efficient means available for the ECDFIs, QIs, and the BG Program staff. Collecting these reports via the Master Servicer's web-based portal permits the ECDFIs to minimize reporting burden by retaining previously populated information for static data points from previous reports and only updating those data fields that change on a periodic basis. The BG Program participants pay the Master Servicer on a monthly basis. The CDFI Fund does not have a contractual relationship with the Master Servicer and the CDFI Fund does not pay the Master Servicer to access this information.

4. Efforts to identify duplication

All of the information requested in the Qualified Issuer (QI) Application and the Guarantee Application is required to evaluate an applicant's ability to adhere to the requirements of the BG Program. The BG Program staff conducted a review of the reporting forms of other programs administered by the CDFI Fund and other Federal agencies to identify and eliminate duplication where possible. The BG Program staff also evaluated the public comments on the following forms to identify ways to eliminate the duplication of data collection through the CDFI Fund's other information collection systems: the Financial Condition Monitoring (FCM) Report, the Pledge Loan Monitoring (PLM) Report, the Annual Assessment, and the Secondary Loan Commitment Form and Certification. These forms are critical to assessing the ECDFIs and QIs compliance with the BG Program regulations and Bond and Bond Loan Documents.

5. Impact on small entities

This collection of information is not expected to have a significant impact on small entities. The BG Program application process includes an extensive review of an organization's capacity to manage a number of requirements and responsibilities, including sufficient organizational capacity and experience to manage the reporting requirements outlined in the Bond Loan Agreement. Due to the fact that the BG Program application process includes an extensive review of each organization's capacity to comply with post-award requirements up-front, BG Program staff expects that all Program participants possess the staff and knowledge capacity to complete the FCM and PLM Reports and possess the organizational

infrastructure to undergo the Annual Assessment and Secondary Loan Commitment Form and Certification tests.

6. Consequences of less frequent collection and obstacles to burden reduction

The CDFI Fund will not be able to properly evaluate an applicant's and a borrower's ability to execute the BG Program's requirements without this collection of data. The borrower's monitoring reports (PLM, and FCM), Annual Assessment, and Secondary Loan Commitment Form and Certification test comply with the requirements of OMB Circular A-129 and the Final Interim Rule that governs the BG Program (12 C.F.R. 1808.307(b)). These reports, the Annual Assessment, and the Secondary Loan Commitment Form and Certification tests inform the CDFI Fund of changes in ECDFIs' financial conditions; effectively manage portfolio risk and credit, add significantly to the Department of the Treasury's review and outcome analysis on the current and proposed use of Bond Proceeds in underserved communities; and support the CDFI Fund in proactively managing regulatory compliance.

7. Circumstances requiring special information collection

Not applicable.

8. Consultation with Persons outside the Agency

Pursuant to the notice and request for comments published in the *Federal Register* on June 3, 2016, at 81 FR 13123, the CDFI Fund received detailed comments on the Secondary Loan Commitment Form and Certification. Tables 1 and 2 in Appendix 1 identify the commenters and comment summaries for the Secondary Loan Commitment Form and Certification.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal regulations with respect to confidentiality of information supplied in the Qualified Issuer (QI) Application, Guarantee Application, PAM, FCM, PLM, Annual Assessment, and the Secondary Loan Commitment Form and Certification. The Qualified Issuer and the Guarantee Applications are submitted through the CDFI Fund's Award Management Information System (AMIS). Access to the submitted Qualified Issuer and the Guarantee Applications is restricted to the applicant and their designated representatives through an authenticated and secure applicant profile. Access to the Qualified Issuer and Guarantee Applications are limited to the BG Program staff who are subject to all Federal regulations and completed annual privacy and cybersecurity training.

The FCM, PLM, Annual Assessment, and the Secondary Loan Commitment Form and Certification are submitted to the Master Servicer via the Master Servicer's web-based portal. The ECDFIs and QIs have a contractual relationship with the Master Servicer and receive services from the Master Servicer to maintain these reports. The Master Servicer hosts all these reports for each ECDFI and QI on its web-based portal for the duration of the Bond Loan. Access to the Master Servicer's web-based portal to submit these aforementioned reports is restricted to the QIs, the ECDFIs, and designated representatives of the QIs and ECDFIs through an authenticated and secure QI and ECDFI profile. The BG Program staff is granted access to these reports. BG Program staff are subject to all Federal regulations and complete annual privacy and cybersecurity training.

11. Justification of sensitive questions.

No sensitive personally identifiable information (PII) is collected.

12. Estimate of the hour burden of information collection.

Bond Guarantee Program Application Materials

Information Collection	No. Respondents	No. Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
Qualified Issuer Application	20	1	20	240	4,800
Guarantee Application	50	1	50	50	2,500
Secondary Loan Requirement	20	1	20	50	1,000
TOTALS	90	1	90	92.222	8,300

Financial Condition Monitoring (FCM) Report - Estimated Reporting Burden

Responsible Party	Number of Respondents	No. of Responses Per Respondent	Number of Annual Responses	Hours Per Response	Total Burden
ECDFI	20	4	80	2	160
QI	10	4	40	1	40
TOTALS	30	4	120	1.666	200

Pledged Loan Monitoring (PLM) Report - Estimated Reporting Burden

Responsible Party	Number of Respondents	No. of Responses Per Respondent	Number of Annual Responses	Hours Per Response	Total Burden
ECDFI	20	12	240	2	480
QI	10	12	120	1	120
TOTALS	30	12	360	1.666	600

Annual Assessment – Estimated Reporting Burden

Responsible Party	Number of Respondents	No. of Responses Per Respondent	Number of Annual Responses	Hours Per Response	Total Burden
ECDFI	23	1	23	2	46
QI	10	1	10	2	20
TOTALS	33	1	33	2	66

Secondary Loan Commitment Form and Certification – Estimated Reporting Burden

Responsible Party	Number of Respondents	No. of Responses Per Respondent	Number of Annual Responses	Hours Per Response	Total Burden
ECDFI	25	1	25	4	100
QI	10	1	10	1	10
TOTALS	35	1	35	3.14	110

All Forms – Estimated Reporting Burden

Form	Number of Respondents	No. of Responses Per Respondent	Number of Annual Responses	Hours Per Response	Total Burden
Bond Guarantee Program Application Materials	90	1	90	92.222	8,300
Financial Condition Monitoring (FCM) Report	30	4	120	1.666	200
Pledged Loan Monitoring (PLM) Report	30	12	360	1.666	600
Annual Assessment	33	2	66	2	66
Secondary Loan Commitment Form and Certification	35	1	35	3.14	110
TOTAL			671		9,276

13. Estimate of total annual cost burden to respondents

There are no additional capital, start-up or ongoing operational, or maintenance costs associated with the information collection for the Bond Guarantee Program. No purchases of equipment or services are necessary to complete the Bond Guarantee Program Application Materials, the Financial Condition Monitoring (FCM) Report, the Pledged Loan Monitoring (PLM) Report, the Annual Assessment, and the Secondary Loan Commitment Form and Certification.

The following are the estimated personnel costs associated with completing the Application Materials and FCM Report, PLM Report, Annual Assessment and Secondary Loan Commitment Form and Certification. The Time Values are based on amounts per the Bureau of Labor Statistics (BLS).

Bond Guarantee Program Application Materials – Estimated Annualized Cost Burden

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour)	Monetized Burden Hours
Private Sector	90	1	90	92.222	8,300	\$60.00 ¹	\$498,000
Total	90	1	90		8,300		\$498,000

Financial Condition Monitoring (FCM) Report - Estimated Annualized Costs to Respondents

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour)	Monetized Burden Hours
Private Sector	30	4	120	1.666	200	\$60.00 ¹	\$12,000
Total	30	4	120		200		\$12,000

Pledged Loan Monitoring (PLM) Report - Estimated Annualized Costs to Respondents

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour)	Monetized Burden Hours
Private Sector	30	12	360	1.666	600	\$45.00 ²	\$27,000
Total	30	12	360		600		\$27,000

Annual Assessment – Estimated Annualized Cost to Respondents

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour)	Monetized Burden Hours
Private	33	1	33	2	66	\$45.00 ³	\$2,970

¹ Bureau of Labor Statistics, Mean Hourly Wage. May 2013, <http://www.bls.gov/oes/current/oes113031.htm>. Mean Hourly Wage was reported as \$60.89. For purposes of this estimate, this figure has been rounded to \$60.00.

² Bureau of Labor Statistics, Mean Hourly Wage, May 2014, <http://www.bls.gov/oes/current/oes132051.htm>. Mean Hourly Wage was reported as \$44.35. For purposes of this estimate, this figure has been rounded to \$45.00.

³ Bureau of Labor Statistics, Mean Hourly Wage, May 2014, <http://www.bls.gov/oes/current/oes132051.htm>. Mean Hourly Wage was reported as \$44.35. For purposes of this estimate, this figure has been rounded to \$45.00.

Sector							
Total	33	1	33		66		\$2,970

Secondary Loan Commitment Form and Certification – Estimated Annualized Cost to Respondents

Affected Public	Number of Respondents	Number of Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Hours	Time Value (per Hour)	Monetized Burden Hours
Private Sector	35	1	35	3.14	110	\$45.00 ³	\$4,950
Total	35	1	35		110		\$4,950

All Forms – Estimated Annualized Cost to Respondents

Form	Total Annualized Cost
Bond Guarantee Program Application Materials	\$498,000
Financial Condition Monitoring (FCM) Report	\$ 12,000
Pledged Loan Monitoring (PLM) Report	\$ 27,000
Annual Assessment	\$ 2,970
Secondary Loan Commitment Form and Certification	\$ 4,950
TOTAL	\$544,920

14. Estimate of annualized cost to the Government

Annual costs to the Government consist of the staff time associated with following up with applicants, reviewing and qualifying the applicants for approval, and reporting the results. Although consultant development costs are estimated at \$15,000, it is not possible to accurately estimate the annualized cost to the Government of staff time due to variations in staff size, grades, and level of effort over the course of a given year.

15. Any program changes or adjustments

Per the Final Interim Rule that governs the CDFI BG Program, 12 C.F.R 1808.307(b), the BG Program is responsible for the review and outcome analysis on the current and proposed use of Bond Proceeds in underserved communities. The increase in burden associated with this revision to the CDFI BG Program information collections can primarily be attributed to the addition of one collection to enhance the BG Program’s ability to evaluate the use of Bond Proceeds. This additional collection is: the Secondary Loan Commitment Form and Certification. This additional information collection increases the burden by 110 hours and the total estimated annualized costs by \$4,950.

The BP Program also made revisions to the applications to enhance clarity and the ability to more accurately assess applicants. The changes in the Qualified Issuer Application include requests to have applicants submit internal controls and policies and the most recent four years of audited financial statements and management letters. The changes in the Guarantee Application include requests to: submit the application conflict of interest policies; the number and average size of loans pledged as collateral to meet an overcollateralization requirement; the proposed net

interest margin between the Bond Loan and the Secondary Loan interest rates; the certification of any Affiliates of a Controlling CDFI entity; explanation of how the Affiliate's assets would be commingled in a bankruptcy estate; permission from other Federal Credit programs if a credit enhancement will be used from another Federal Credit program; four years of audited financial statements; and management letters for the Eligible CDFI and the third-party credit enhancement entity.

Additionally, the prior information collection did not include the estimated annualized costs for collections. Therefore, the total requested hours increases to 9,276 and the estimated annualized cost for all current and proposed information collections under this OMB Control Number will be \$544,920.

16. Plans for information tabulation and publication

No information will be published. In keeping with Federal regulations and laws, confidential and proprietary information collected through the all Bond Guarantee Program materials associated with this Information Collection Request (ICR) will not be published.

17. Reasons for not displaying expiration date of OMB approval

Display of the OMB expiration date may cause confusion for the applicants and borrowers due to the different reporting timelines for information collections and long-term nature of the financial instrument. Therefore, the non-display of the OMB expiration date is requested.

18. Explanation of exceptions to certification statement

Not applicable.

B. Collections of Information Employing Statistical Methods

This section is not applicable.

Appendix 1: The Bond Guarantee Program Secondary Loan Commitment Form and Certification Respondents and Comment Summary

Table 1: Secondary Loan Commitment Form and Certification Respondents

No.	Organization Name	Organization Representative	Date Submitted
1	Community Reinvestment Fund	Frank Altman, Jennifer Novak	July 28, 2016
2	Opportunity Finance Network	Dafina Williams	August 2, 2016

Table 2: The Bond Guarantee Program Secondary Loan Commitment Form and Certification Comment Summary

Organization	Comment	BG Program Response
Community Reinvestment Fund	The measurement of the Commitment Test is based upon the Secondary Loan Note Receivables balance pledged and not Bond Proceeds disbursed. All references included in 12 CFR part 1808.307(b) (1) are to be executed Secondary Loan documents (i.e., promissory note) with Secondary Borrowers and not to Bond Loan Proceeds or Advances disbursed.	The CDFI Fund rejects this suggestion. Pursuant to the interim rule that governs the CDFI Bond Guarantee (BG) Program, 12 C.F.R. 1808.307 (b), for measurement of meeting the Commitment Test, execution of the Secondary Loan documents is required if an ECDFI has not executed Secondary Loan documents representing 50% (by the one year anniversary date of the Bond Loan Agreement execution date) or 100% (by the two year anniversary date of the Bond Loan Agreement date) of the Bond Loan Proceeds. If an ECDFI has disbursed 50% of the Bond Loan Proceeds (by one year anniversary date of the Bond Loan Agreement execution date) or 100% of the Bond Loan Proceeds (by two year anniversary date of the Bond Loan Agreement execution date), then measurement of the Commitment Test is no longer necessary. With the satisfactory completion of these tests, the Secondary Loans Pledged to the BG Program will have unpaid principal balance (UPB) equal to or greater than the disbursement amount.
Community Reinvestment Fund	If the Secondary Loan Note Receivables pledged to the Bond Loan Facility is equal to or exceeds 50% (at the first anniversary date of Bond Loan Agreement execution) or 100% (at the second anniversary date of Bond Loan Agreement execution), there is no ECDFI action required as the Commitment Test Requirement has been satisfied. BGP staff forwards a Notification of	The CDFI Fund accepts this suggestion. If the Secondary Loans pledged is equal to or exceeds 50% of the Bond Loan Proceeds (at the first anniversary date of Bond Loan Agreement execution date) or 100% of the Bond Loan Proceeds (at the second anniversary date of Bond Loan Agreement execution date) , there is

Organization	Comment	BG Program Response
	Completion of the Commitment Test on or prior to the Commitment Test Date.	no ECDFI action required as the Commitment Test Requirement has been satisfied. The BG Program staff will send a Notification of Completion of the Commitment Test to the Qualified Issuer.
Community Reinvestment Fund	Evidence of a promissory note is only required if the proposed Secondary Loan Note Receivable is not assigned or pledged to the Bond Facility as of the Commitment Test anniversary date(s).	The CDFI Fund accepts this suggestion. This is consistent with the BG Program's practice. For loans already pledged to the BG Program, a Promissory Note is not required.
Community Reinvestment Fund	<p>Promissory notes may be evidenced via a Forward Commitment Promissory Note.</p> <ul style="list-style-type: none"> o The sum of all valid, Forward Commitment Promissory notes executed, but not converted into a Secondary Loan Promissory Note, on or prior to the Commitment Test Date are eligible for inclusion in the Commitment Test. o We understand that a Forward Commitment Promissory Note that converts to an actual promissory note cannot be double counted. The Commitment Test would reflect such a promissory note as a Secondary Loan Note Receivable. o A valid Forward Commitment Promissory Note or Secondary Loan Note Receivable utilized in a prior year Commitment Test shall remain in the calculation as of the Commitment Test Date so long as it meets the Secondary Loan Certification Requirements. 	<p>The CDFI Fund accepts this suggestion. The BG Program accepts both Promissory Notes and Forward Promissory Notes for a Commitment Test. A Forward Commitment Promissory Note that converts to an actual promissory note cannot be double counted. The Commitment Test would reflect such a Promissory Note as a Secondary Loan Note.</p> <p>A valid Forward Commitment Promissory Note or Secondary Loan Note Receivable utilized in a prior year Commitment Test shall remain in the calculation as of the Commitment Test Date so long as it meets the Secondary Loan Certification Requirements and remains on the ECDFI's balance sheet.</p>
Community Reinvestment Fund	Promissory notes may be evidenced by existing Loan Receivables on the ECDFI's balance sheet so long as they meet the Secondary Loan Requirements. The sum of all eligible promissory notes are not required to be	The CDFI Fund accepts this suggestion. This is consistent with the BG Program's practices.

Organization	Comment	BG Program Response
Community Reinvestment Fund	<p>pledged to the Bond Loan Facility now or in the future.</p> <p>The reference to Bonds Proceeds Disbursed should be removed. The use of Bond Proceeds inadvertently and negatively affects the ECDFI's ability to comply with the Commitment Test as most ECDFIs elect the overcollateralization requirement versus relending as outlined in 12 CFR 1808.301 (Eligible uses of Bond Proceeds).</p>	<p>The CDFI Fund rejects this suggestion. In calculating whether an ECDFI passes the Commitment Test, the Secondary Loans committed are added to Bond Loan Proceeds disbursed and the sum is compared with either 50% (for the Year 1 Test) or 100% (for the Year 2 Test) of the Bond Loan Proceeds. If there is a surplus, the ECDFI passes the Commitment Test. In lieu of the Bond Loan Proceeds disbursed, Community Reinvestment Fund (CRF) is proposing to use the UPB of the Secondary Loans pledged to the BG Program as of the pledge date for the calculation and CRF has supplied such data for its ECDFIs during the 2015 Commitment Test material submission. CRF proposal is only feasible if the tracking of UPB as of the pledge date is performed. However, this data is not tracked by all Qualified Issuers (QIs) for the BG Program. The BG Program will maintain consistency across the QIs and use Bond Loan Proceeds disbursed in the calculation.</p>
Community Reinvestment Fund	<p>CRF believes the BG Program must clarify that ECDFIs completing their Year 2 Commitment Test will (i) maintain all Secondary Loan Note Receivables from their Year 1 Test with outstanding balances as of the Pledge Date and (ii) all other listed eligible Bond Loan Collateral that remains in their possession and complies with the Secondary Loan requirements as of the Pledge Date.</p>	<p>The CDFI Fund accepts this suggestion with modification. The ECDFIs completing their Year 2 Commitment Test will (i) maintain all Secondary Loan Note Receivables from their Year 1 Test with outstanding balances as of the Year 2 Commitment Test date and (ii) all other listed eligible Bond Loan Collateral that remains in their possession and complies with the Secondary Loan Requirements as of the Year 2</p>

Organization	Comment	BG Program Response
Community Reinvestment Fund	All Secondary Loan Note Receivable balances should be accounted for as of their Pledge Date and balances of existing Bond Loan Collateral should not be updated. The intent of the Commitment Test is to ensure an adequate pipeline of activity and this specific test is not a substitute or replacement for the robust ongoing loan servicing and reporting outlined in the Bond Loan Agreement.	Commitment Test date. The CDFI Fund rejects this suggestion. The BG Program currently only tracks Secondary Loan original UPB and current UPB as submitted by ECDFIs in the monthly Pledged Loan Monitoring report. The Secondary Loan balance and other collateral value as of pledge date are not tracked by all QIs or the Master Servicer/Trustee. Tracking Secondary Loan balances and other collateral value as of their pledge date will not serve any purposes outside of the Commitment Test.
Community Reinvestment Fund	If a Secondary Loan Note Receivable has paid off, but was included in the Year 1 Commitment Test, we believe that Secondary Loan Note Receivable balance should remain in the calculation. We believe that the BGP does not maintain any risk with this position as Secondary Loan Note Receivable substituted would be replaced by another eligible Secondary Loan Note Receivable or cash pledged in an account of the Trust.	The CDFI Fund rejects this suggestion. Loans that are no longer on the ECDFI's balance sheet cannot be used for the Commitment Test.
Community Reinvestment Fund	The 2016 SLCF has added a QI Signature requirement. We do not believe that it is appropriate for the Qualified Issuer to sign this form. The SLCF is to be completed by an ECDFI reflecting their activities and compliance with the requirements of the Bond Guarantee Program and consistent with the Bond Loan Agreement and Secondary Loan Certification Requirements. The Eligible CDFI makes this certification to the Bondholder, Guarantor and Lender.	The CDFI Fund rejects this suggestion. Per Agreement to Guarantee section 2.14 (B), the QIs must require the ECDFIs to execute Secondary Loans to satisfy the Commitment Test requirements. The QI signature in the Secondary Loan Commitment Form (SLCF) reflects QI responsibility in administering the Bond Loan in its Bond Issue, including requiring execution of Secondary Loan documents.
Community Reinvestment Fund	CRF recommends inserting a row titled “Year 1 Commitment” and “Year 2 Commitment”, under which the ECDFIs can list the corresponding loans.	The CDFI Fund accepts this suggestion. This suggested modification to the SLCF has been made in the SLCF.

Organization	Comment	BG Program Response
Community Reinvestment Fund	CRF suggests that parity loans be categorized by a SHARED FIRST in the Lien position column and use an asterisk (*) in the LTV column to denote which loans are parity loans. CRF further recommends including a notes section at the very bottom of the form in order to show which loans are shared by ECDFIs.	The CDFI Fund accepts this suggestion. This suggested clarification has been made in the SLCF.
Community Reinvestment Fund	Column J, Collateral Type, has a drop down box from which to select. The current configuration only allows for the selection of one form of collateral. This situation can be easily remedied by modifying the form to permit the selection of multiple types of collateral.	The CDFI Fund rejects this suggestion. As the Commitment Test is a test of loan commitment volume, it is not designed to evaluate all details associated with the loan characteristics. The BG Program performs detailed review of the loans when they are actually pledged to the BG Program. As such, in the SLCF, it would be sufficient to report the main collateral type.
Community Reinvestment Fund	Clarification Points to the Year 1 and Year 2 calculations box: o The ECDFI is required to evidence compliance with the Test as well as substantiate the certification with the necessary back up documentation.	The CDFI Fund accepts this suggestion with a modification. The SLCF is used in conjunction with instructions provided by the BG Program. The BG Program will ensure the instructions include a requirement of back up documentation.
Community Reinvestment Fund	Changes to terminology in the Calculations Box: o Column I, rows 26 and 32 read: "Bond Proceeds Disbursed" and should read "Total Volume of Secondary Loans Note Receivables Pledged to date" o Column I, rows 28 and 34 read: "Commitment Test Requirement (50% of bond loan proceeds)" and should read "Commitment Test Requirement (50% of Bond Loan Commitment)"	The CDFI Fund rejects this suggestion. Column I, rows 26 and 32: The BG Program will continue to use "Bond Proceeds Disbursed". Column I, rows 28 and 34: BG Program will maintain "Commitment Test Requirement (50% of Bond Loan Proceeds) to be consistent with the Regulations at 12 C.F.R. 1808 307 (b).
Opportunity Finance Network	As noted by BGP participants in our network, the updated secondary loan commitment and certification forms provide a clearer and more streamlined approach than the previous version of the form. The new version captures almost all of the same information but allows it	The CDFI Fund acknowledges the positive comment on the updated SLCF and Certification.

Organization	Comment	BG Program Response
	to be presented on one form and requiring only one certification. The format of the Secondary Loan Commitment Form spreadsheet, in particular, allows for much easier reading and analysis than reviewing the first page of multiple Secondary Loan and Other Pledged Loan Certification forms.	
Opportunity Finance Network	These changes to the forms are a welcome improvement, and will facilitate documentation, recordkeeping, and reporting for the Qualified Issuer, Eligible CDFIs, and the CDFI Fund.	The CDFI Fund acknowledges the positive comments on the SLCF and Certification.