

**COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND**

UNITED STATES DEPARTMENT OF THE TREASURY



CDFI BOND
GUARANTEE
PROGRAM

QUALIFIED ISSUER
APPLICATION
FY [YEAR]



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 be considered for the issuance of a Guarantee in fiscal year (FY) [Year], Qualified Issuer Applications must be submitted by [Month, day, year]. The FY [Year] authority to issue a Guarantee is contingent upon Congressional authorization.

Please note: the Applicant must currently meet the criteria established in the regulations that govern the program, set forth at 12 C.F.R. 1808 (the Regulations) to be deemed a Qualified Issuer. Applications that are forward-looking or speculate as to the eventual acquisition of the required capabilities and criteria are unlikely to be approved.

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. In addition, Applicants should review and become familiar with the Notice of Guarantee Availability (NOGA), published with respect to FY [Year] 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 website](#). 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.

Applications will be submitted electronically through the CDFI Fund’s internet-based myCDFIFund portal, which is accessed via the Awards Management Information System (AMIS). 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.

Paperwork Reduction Act Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid Office of Management and Budget (OMB) Approval Number. This form’s Approval Number is 1559-0044. Public reporting burden for this collection of information is estimated to average 20 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection information, including suggestions for

reducing this burden, to the Community Development Financial Institutions Fund, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

Application Requirements

To be deemed complete, the Qualified Issuer Application must include information for each of the sections 1 through 8 as set forth below. The Applicant must provide a narrative addressing the requirements of Sections 3 using the template provided on the CDFI Fund's website, as well as additional supporting documentation as is necessary or appropriate. Please note that the requirements of the narrative portion of the application are in addition to any supporting documentation or separate requirements of the Qualified Issuer Application. Detailed instructions for uploading additional evidence or attachments for each section of the Qualified Issuer Application are described below.

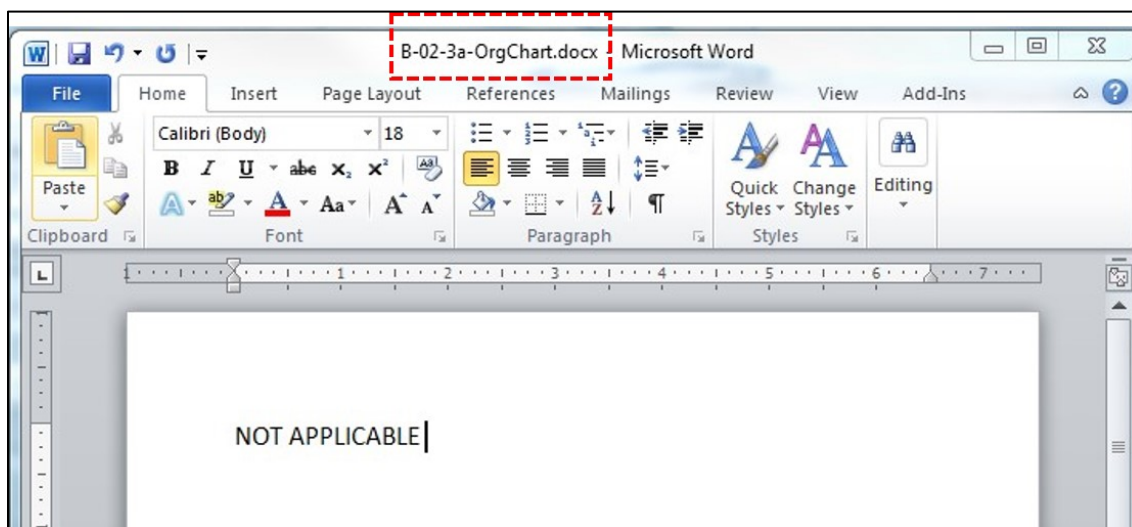
Document Format

Documentation should be submitted in Microsoft Word, unprotected Microsoft Excel, Adobe PDF, or other mediums as appropriate. Certain information will be required in the Narrative section of the application, while other sections will require the Applicant to upload specific documents such as policies and procedures, charts, etc. Narratives must be submitted in Microsoft Word format in single-spaced, 12 point Arial or Times New Roman font. **Please follow the file naming conventions and descriptions listed in this document.**

Missing or Not Applicable Documentation

If a specific document is not applicable or otherwise not available, the Applicant must submit a placeholder file stating that the requested document is "Not Applicable," "Not Performed," or "None" in place of the file, as appropriate. The placeholder file must retain the naming convention of the respective file it was meant to replace. See Figure 1 for an example.

Figure 1: Sample Documentation Stating Non-Provision



Document Organization and Submission

All Qualified Issuer Applications must be submitted electronically through the MyCDFIFund portal, which is accessed via the Awards Management Information System (AMIS), and all documents must be uploaded according to the file structure specified in each section. An organization applying to become a Qualified Issuer must create an AMIS account, register their organization and assign a user according to the instructions found on <https://amis.cdfifund.gov>. Once completed, the Applicant can login to its account and choose “Qualified Issuer Application” from the list of possible applications.

Carefully follow the instructions found on MyCDFIFund portal and upload the application documents following the naming conventions and descriptions listed below in this Qualified Issuer Application.

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	Browse...
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 15 megabytes. If any files such as PDFs are larger than 15MB, please save and upload the files in multiple parts.

The Qualified Issuer Application process is completed by submitting a “Signature Page.” After submitting the Signature Page, 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 follows the format ##-BQI-#####.

If you require assistance or have any questions, please call at (202)-653-0421 and select Option 5, or email at BGP@cdfi.treas.gov

Qualified Issuer Application Checklist

Section	Document	Included	Format
QI-1	Checklist	☐	PDF
QI-2	Organizational Documents A. SF-424 (with Certifications and Assurances) signed by Qualified Issuer applicant B. SF-424 (with Certifications and Assurances) signed by proposed Program Administrator, if third-party C. SF-424 (with Certifications and Assurances) signed by proposed Servicer, if third-party D. SF-424 (with Certifications and Assurances) signed by Certified CDFI(s), as applicable E. Notice designating Qualified Issuer signed by Certified CDFI, if applicable F. EIN/TIN letter from IRS, as applicable G. Articles of Incorporation H. By-Laws I. Licenses J. Errors and omissions insurance certificate	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	PDF (All)
QI-3	Narrative Discussion A. Organization Capability – Qualified Issuer B. Organization Capability- Program Administrator C. Organization Capability- Servicer D. Strategic Alignment E. Management and Staffing F. Financial Strength	☐ ☐ ☐ ☐ ☐ ☐	Word (All)
QI-4	Organization Capability – Bond Issuance A. Servicer's most recent SSAE16 or similar review B. Independent reports C. Information Technology systems documentation D. Internal controls and policies E. Credit, Underwriting, and Servicing Policies	☐ ☐ ☐ ☐ ☐	PDF (All)

Section	Document	Included	Format
QI-5	Strategic Alignment A. Strategic or Operational Plan B. Conflicts of Interest policies C. Ethics policies	☐ ☐ ☐	PDF (All)
QI-6	Management and Staffing A. Overall Organizational Structure (Entities and Affiliates) B. Organizational Chart (Positions) C. Management or operating agreement D. Resumes of Key Management and Personnel E. Staffing Data	☐ ☐ ☐ ☐ ☐	PDF PDF PDF PDF Excel
QI-7	Financial Strength A. Identification of Appropriate Federal Banking Agency or Appropriate State Agency B. Three (3) year history of financing transactions C. Three (3) year history of earned revenues D. Current loan covenants and three (3) year history of compliance with covenants E. Portfolio Quality Report F. Three (3) year history of Off-Balance Sheet Activities G. Four (4) years of audits and management letters H. Most recent interim financial statements I. Next Year's Budget (Unregulated Institutions) J. Three (3) year financial projections (Unregulated Institutions)	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	Excel Excel Excel Excel Excel Excel PDF PDF Excel Excel
QI-8	Cash Flows and Pricing Structure A. Sample Bond Issue cash flow model B. Sample Proposed Sources and Uses of Funds C. Pricing Structure	☐ ☐ ☐	Excel (All)

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 among all Qualified Issuer Applications, each item has a specific naming convention that must be followed.

QI-1: Checklist

Item	Discussion	Format	Naming Convention
QI-1: Checklist	The Applicant must submit the Qualified Issuer (QI) Application Checklist as part of the application materials in myCDFIFund. Print out the preceding two (2) pages, scan, and submit.	PDF	QI-1-Checklist

QI-2: Organizational Documents

Item	Description	Format	Naming Convention
A. QI Contact Information	This may consist of only a single scanned copy of the Standard Form 424 (SF-424) with the following sections filled out: • Applicant legal name • Employer/Taxpayer Identification Number (EIN/TIN) • DUNS number • Mailing address, including 9-digit zip code • Contact name, email address, and telephone number • Contact position/title • Authorized Representative name, email address, and telephone number • Authorized Representative position/title • <u>Signature</u> The entity must initial the Federal Assurances and Certifications for the SF-424.	PDF, SF-424	QI-2A-QI SF-424
B. Program Administrator Contact Information	If the role of Program Administrator is being performed by an entity other than the applicant to be a Qualified Issuer, a SF-424 and associated documents must be provided for each entity.	PDF, SF-424	QI-2B-PA SF-424

Item	Description	Format	Naming Convention
C. Servicer Contact Information	If the role of Servicer is being performed by an entity other than the applicant to be a Qualified Issuer, a SF-424 and associated documents must be provided for each entity.	PDF, SF-424	QI-2C-Servicer SF-424
D. Certified CDFI Contact Information	A 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, if applicable.	PDF, SF-424	QI-2D-CDFI SF-424
E. Notice Designating Qualified Issuer	A notice by at least one Certified CDFI designating the Qualified Issuer to issue Bonds on its behalf, if applicable. Note: this designation is akin to a “nomination” and is not binding.	PDF	QI-2E-Designation
F. EIN/TIN	Provide a copy of the proof of EIN/TIN from the IRS.	PDF	QI-2F-IRS Letter
G. Articles of Incorporation	Provide a copy of the Qualified Issuer's Articles of Incorporation.	PDF	QI-2G-Articles
H. By-Laws	Provide a copy of the Qualified Issuer's by-laws.	PDF	QI-2H-ByLaws
I. Licenses	A document identifying licenses required by the Appropriate Federal Banking Agency or Appropriate State Agency that govern the Applicant, if applicable.	PDF	QI-2I-Licenses
J. Errors and omissions (E&O) insurance certificate of coverage	A document displaying the certificate of coverage for Errors and Omissions insurance.	PDF	QI-2J-Insurance

QI-3: Narrative Discussion

Item	Description	Format	Naming Convention
3A- Qualified Issuer Organizational Capacity for Bond Issuance	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 Applicants 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. The character limit for this topic is 15,000 characters.	Narrative	QI-3 Narrative
3B-Program Administrator Organizational Capacity	Provide information to demonstrate the respective capability, expertise and experience of the entity serving in the role of the Program Administrator. Applicants should specifically address the proposed Program Administrator's management and organization, loan servicing, and financial capability. Applicants should also specifically address the duties of the Program Administrator as enumerated in 1808.606(b) of the Regulations. The character limit for this topic is 15,000 characters.	Narrative	QI-3- Narrative
3C- Servicer Organizational Capacity	Provide information to demonstrate the respective capability, expertise and experience of the entity serving in the role of the 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 Program Administrator as enumerated in 1808.606(c) of the Regulations. The character limit for this topic is 15,000 characters.	Narrative	QI-3- Narrative

Item	Description	Format	Naming Convention
3D- Strategic Alignment Narrative	Summarize the Applicant's overall strategy, experience with the CDFI Industry, and alignment with the CDFI Bond Guarantee Program's goals. How does the Bond Guarantee Program fit into the Applicant's overall strategy? The character limit for this topic is 12,000 characters.	Narrative	QI-3-Narrative
3E- Management and Staffing Narrative	Describe the Applicant's overall management, staffing history, and projected needs with regards to fulfilling the roles of the Qualified Issuer, Program Administrator, and Servicer functions. Provide relevant information for any third-party entities that will carry out these activities. The character limit for this topics is 12,000 characters.	Narrative	QI-3-Narrative
3F- Financial Strength Narrative	Provide information that demonstrates the Applicant's financial strength, stability, and capacity to fulfill the roles of the Qualified Issuer, Program Administrator, and Servicer functions. If any third-party entities will carry out these activities, please provide the relevant financial information for each organization. The character limit for this topics is 12,000 characters.	Narrative	QI-3-Narrative

QI-4: Organizational Capacity for Bond Issuance

Item	Discussion	Format	Naming Convention
A. Most recent Statements 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-4A-SSAE16

Item	Discussion	Format	Naming Convention
B. 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-4B-Report Name where "Report Name" is the title of the report.
C. 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-4C-IT Environment
D. Internal Control and Policies	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-4D-Controls and Documentation
E. Credit, Underwriting, and Servicing Policies	Documentation of credit, underwriting, and servicing policies and procedures. Include comparable documentation for third-party Servicers or Program Administrators, if any.	PDF	QI-4E-Policies and Procedures

QI-5: Strategic Alignment

Item	Description	Format	Naming Convention
A. Strategic or Operational Plan	Provide a copy of the Applicant's strategic, business, or operational plan.	PDF	QI-5A-Strategic Plan
B. Conflicts of Interest	A document identifying any actual or potential conflicts of interest an Applicant would have in performing as a Qualified Issuer. As applicable, 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.	PDF	QI-5B-COI
C. 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 the Applicant has a risk or compliance officer, provide 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.	PDF	QI-5C-Ethics

QI-6: Management and Staffing

Item	Description	Format	Naming Convention
A. Organizational Structure Guide	Provide a scanned copy of the Applicant's network of affiliates or subsidiaries which indicates the relationship between the entities (i.e., ownership, control, etc.) Include a similar file for the third-party Servicer or Program Administrator, if any.	PDF	QI-6A-Organizational Structure

Item	Description	Format	Naming Convention
B. Organizational Chart	Provide a scanned copy of the management hierarchy down to individual or manager level, as appropriate to the Applicant. Both individual names and titles should be indicated as well as any vacancies. Include the management hierarchy of third party Servicers, or Program Administrators, if any.	PDF	QI-6b-Org Chart
C. 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 there is only a letter of intent, provide a scanned copy of the letter. If not appropriate, then place "None" in place of the file name in the Table of Contents.	PDF	QI-6C-Management Agreement
D. Resumes of Key Management and Personnel	Resumes, job descriptions, and hire/ascension data down to the manager or senior level, as appropriate. Include the above for third-party Servicers and Program Administrators, if applicable.	PDF	QI-6D-Resumes
E. Staffing Data	Provide an excel table indicating key statistics for the Applicant, such as retention, average tenure, and other relevant factors. For the managers identified in the section above, indicate whether the individuals have any outside employment or serve on other board memberships. Include contingencies, key man insurance, and any succession planning data as appropriate.	Excel	QI-6E-Staffing Data

QI-7: Financial Strength

Item	Description	Format	Naming Convention
A. 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.	Excel	QI-7A-Regulator
B. Financing Transactions	Provide sufficient instances of transactions for the most recent three (3) years indicating whether 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-7B-Transactions
C. Earned Revenues	List the sources, dollar value, and percentage of the applicant's earned revenues for the past three (3) years.	Excel	QI-7C-Revenues
D. Lenders' Covenants Compliance Report	A listing of all financial and operating performance covenants with lenders showing an indication of actual versus prescribed levels for the past three (3) years. Any violations of covenants should be accompanied by a discussion of remediation actions and waivers if provided.	Excel	QI-7D-Covenant Compliance
E. Portfolio Quality Report	Provide summary statistics about the organization's portfolio quality for the past three (3) years. List all loans approved during this time period that have exceeded 30 days past due, are an exception to underwriting standards, or have been subject to a special servicing action. Identify any loans that have been purchased from another lender or acquired from a subsidiary during this time period.	Excel	QI-7E-Portfolio Quality
F. Off-Balance Sheet Contingencies	Provide a report for the past three (3) years showing all off-balance sheet contingencies. For current contingencies, include the amount and an estimate of the chances for the contingency resulting in a formal liability.	Excel	QI-7F-Contingencies

Item	Description	Format	Naming Convention
G. Most Recent Four Years Audited Financial Statements and Management Letters	The four (4) most recent 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-7G-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-7G-20121231 Audit”
H. Most Recent Interim Financial Statements	Provide the most recent interim financial statement, whether audited or internally prepared.	PDF	QI-7H-Interim Financial-YYYYMMDD

QI-7: Financial Strength (Unregulated Organizations Only)

Item	Description	Format	Naming Convention
I. Following Year's Budget	The approved budget for the next year should be submitted, if applicable. The budget should contain a comparison of current operations to that budget and any approved modifications to the budget. If a budget has not yet been approved, provide reasonable estimates and the basis for such estimates.	Excel	QI-7I-Budget
J. Financial Projections	Provide three (3) years of forward looking estimates for the Applicant's statement of financial position and activities. Indicate all major assumptions underlying the projections.	Excel	QI-7J-Projections

QI-8: Cash Flows and Pricing Structure

Item	Description	Format	Naming Convention
A. Sample Bond Issue cash flow model	The Applicant should provide a 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 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-8A-Sample Cash Flow
B. 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.	Excel	QI-8B-Sample Sources and Uses

Item	Description	Format	Naming Convention
C. Pricing Structure for Bond Issuance, Servicing, and Program Administration	Provide 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-8C-Issuance Costs

Appendix: Document Example

The following document represents a sample format that my assist applicants in providing the information requested for the Qualified Issuer Application.

QI-2-E. Notice designating Qualified Issuer signed by Certified CDFI

Notice Designating Qualified Issuer

Instructions: Every Qualified Issuer Applicant must be designated by at least one Certified CDFI. This form must be completed and signed by the Authorized Representative of the designating Certified CDFI and submitted with the Qualified Issuer Application.

Designating Certified CDFI

Name of Designating Certified CDFI

EIN of Designating Certified CDFI

Certification Number of Designating Certified CDFI

Designation:

Pursuant to 12 U.S.C. 4703a, I hereby designate the following entity as Qualified Issuer under the CDFI Bond Guarantee Program:

Name of Designate Qualified Issuer Applicant

EIN of Designated Qualified Issuer Applicant

Signature of Certified CDFI's Authorized Representative

Printed Name:

Title:

Name of Certified CDFI:

Date:

OMB Control Number: 1559-0044

Expiration Date: 11/30/2017