

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Program Requirement	In each funding round, the CDFI Fund has some discretion to determine the minimum ratio of non-government sources to support Leveraged Costs to CMF dollars. In the 2016 round, this minimum was set as 10:1. We have concerns that this ratio may have the unintended effect of discouraging participation from applicants engaged certain affordable housing activities. For example, many CDFI banks working in rural communities were dissuaded from applying to CMF when they concluded that the minimum 10:1 leverage costs ratio would be difficult to meet in communities where single family housing is the most feasible and practical affordable housing solution. CDBA recommends that the CDFI Fund revisit this "one-size-fits-all" ratio and consider developing minimum ratios based on different types of housing or economic development needs. Having a single standard could have the unintended effect of discouraging applicants based on geography or the nature of the housing stock in a local community. Most low income communities have a need for affordable housing and the nature of the need is diverse. We believe the CMF Program should provide tools for a broad range of community needs.	CMF Statute requires minimum of 10:1 leverage of CMF award to support Eligible Project Costs, so no action can be taken on this. The CDFI Program did not require that 10:1 ratio be met with non-government sources. CMF will consider adapting outreach materials for next round to clarify this latter point.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Non-Profits and CDFIs	<p>The questions in the Business Strategy section (and related tables) need to be realigned to take into consideration the strategies and use of funds employed by different types of applicants. The 2016 CMF application Business Strategy questions and requested data appear to be oriented to developers rather than CDFIs. For example, having applicants estimate future total project costs does not capture how CDFIs evaluate projects and the leverage chart does not recognize how CDFIs source capital for new projects. In fact, the wording of the leverage chart suggests that an applicant will be scored lower if it uses related party funds at the pre-investment stage. So, a CDFI bank that leverages deposits as a source of funds could be scored lower than a developer using only 3rd party financing. In the interests of risk mitigation, the CDFI Fund should encourage - rather than discourage - applicants from committing their own funds to a project or set of financing activities. Furthermore, CDFIs that are able to leverage and participate in multiple projects through risk-sharing participations with other lenders should be given positive consideration when evaluated for leverage.</p> <p>We recommend that the Business Strategy section be adjusted to be more inclusive of CDFIs. The statute clearly intended that both types of entities be eligible to participate. Specifically, CDBA recommends that separate tables be developed for applicants engaged in development and financing and questions be crafted to take into consideration how different entities promote the purposes of CMF. These changes will add clarity for applicants, improve the quality of information received by the CDFI Fund, and level the playing field.</p>	The CDFI Fund will consider customizing approaches to collecting information from Non-Profit Developers and CDFIs when revising the Application.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Round Timing	The CDFI Fund should make all practical efforts to ensure that the application periods for all of its major programs (e.g. CDFI, BEA, NMTC, CMF) do not overlap. Most CDFIs are small and have limited staff capacity to manage multiple applications simultaneously. In the case of the 2016 CMF round, many applicants were forced to choose between CMF and the CDFI Program. We fully appreciate that the CDFI Fund does not have control over certain external events (e.g. Congressional appropriations, tax extenders). The main Treasury Departmental officials should make every effort to ensure that the clearance process is timely and does not create unnecessary burden on applicants. In the long run, the launch of the AMIS system creates great opportunities to streamline the application and monitoring process for all programs.	The CDFI Fund will revisit timing of the various funding rounds, to the extent feasible.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	IT	We recommend several changes to enhance smooth functioning, including: <ul style="list-style-type: none"> • Ensuring the application and reporting systems (AMIS, CIIS) have adequate capacity to function even during times of high usage; • Enabling data to be uploaded from an Excel spreadsheet to AMIS; • Providing links to alternative geocoding sites if the CDFI mapping system is not functioning; 	CDFI Fund continually evaluates ways to improve IT systems function and reliability.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Aligning data needs cross program	We recommend several changes to enhance smooth functioning, including: <ul style="list-style-type: none"> • Reducing duplicative data entry for financial information (e.g. financial data must be entered both on an applicant's main profile as well as within the CMF application section); • Reducing duplicative data entry by using consistent definitions and reporting categories across multiple programs (where possible); and 	The CDFI Fund will consider ways to align and streamline data collection of the CMF Program and other CDFI Fund programs where technically and programmatically feasible..
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Application Evaluation	Be transparent about how the CDFI Fund will use data submitted in the evaluation process (i.e. to the extent the CDFI Fund intends to use data submitted via AMIS to calculate ratios, benchmarks or trends, it should be transparent about how such calculations are derived and evaluated).	The CDFI Fund will examine ways to provide additional information on how CMF Program Applications are evaluated in future rounds.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Round Timing	The amount of data and depth of analysis required to complete the CMF application made it challenging to complete within the 52-day application period of the 2016 funding round. CDBA recommends at least 60 days for all program applications.	The CDFI Fund will consider a longer open period for CMF Program Applications in future rounds if administratively feasible...
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association	Compliance Data Collection	The 10-year CMF affordability restrictions create long term monitoring obligations and real costs for successful applicants that may not be obvious on the front end of the program. Given that many CDFIs and other potential applicants are small, CDBA recommends that the CDFI Fund work to streamline	The CDFI Fund will examine ways to minimizing compliance reporting burdens will still meeting

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
			(CDBA)		the data collection and monitoring requirements lest they discourage some applicants in needy communities from applying and/or needlessly require awardees to deploy resources that could be used for creating other community benefits.	statutory and regulatory requirements.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Compliance Data Collection	The Equal Credit Opportunity Act (ECOA) places certain limitation on regulated banks and credit unions for use of customer data in making credit decisions. This law was intended to prohibit discrimination on the basis of race, religion, marital status, color, national origin, sex, age, receipt of any sort of public assistance, and exercising in good faith rights under the Consumer Credit Protection Act. Thus, regulated banks and credit unions do not ask for data on race, color, religion, national origin or sex for most borrowers. To the extent that the CMF application or reporting requirements request such data for its CMF Annual Report, it places regulated entities in conflict with regulatory prohibitions. We recommend that the CDFI refrain from requiring submission of such data in the case of regulated CDFI banks and credit unions. We ask for written assurances that the lack of submission of such data does not negatively impact the application competitiveness or perceived effectiveness in meeting CMF program requirements.	The CDFI Fund will evaluate ways to collect relevant demographic data without penalizing regulated institutions who may have restricting on collecting this data.
7/29/2016	Jeannine Jacokes	CEO	Community Development Bankers Association (CDBA)	Assistance Agreement	In the interest of transparency, CDBA recommended that a template copy of the award agreement be publicly available prior to application. Such transparency will allow applicants to fully understand their obligations under the program prior to application.	The CDFI Fund will explore options for posting this information during future Application rounds.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Use of CMF Award dollars	1. The NOFA states that CMF awards may NOT be combined with other CDFI Program awards. As there is no limitation on combining CMF funds with other federal, state or local government programs, we see no policy reason why CMF applicants should be prohibited from using other CDFI Fund program awards in conjunction with a CMF award, and request that this prohibition be removed.	The CDFI Fund will take this comment into consideration when developing the next iteration of the NOFA.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Use of CMF Award dollars	2. The NOFA restricts the permissible use of a CMF award to finance rental housing to projects in which a minimum of 20% of the units are targeted to Very Low-Income households and/or Extremely Low-Income Families, whereas the statute and regulations indicate that a minimum of 20% of units be targeted to Low Income households. While there may be scoring preferences for Applicants who are able to make commitments to units for occupancy by lower income families, we do not believe the NOFA should set such a floor, especially given the lack of long-term operating support for any of the affordable housing units through the CMF program.	The CDFI Fund will take this comment into consideration when developing the next iteration of the NOFA.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Evaluation	3. The application review information in the NOFA should be transparent and provide Applicants with specific information on how the 100 points available in the initial Quantitative review will be apportioned.	The CDFI Fund will take this comment into consideration when

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
						developing the next iteration of the NOFA.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Evaluation	4. The NOFA calls for External Application reviewers. We recommend that the scoring, weighting of questions or sub-questions, and such matters as the circumstances under which reviewers can revise scores upward or downward be made part of the NOFA so Applicants fully understand how their applications will be reviewed (NOFA - Section V. - Application Review).	The CDFI Fund will take this comment into consideration when developing the next iteration of the NOFA.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Evaluation	5. Throughout the NOFA the CDFI Fund notes elements of an Applicant's strategy that will allow an Applicant to score more favorably, such as serving areas of High Housing Need, and whether the potential recipients' activities "equitably" represent both Metropolitan and Non-Metropolitan areas. (NOFA - Section V. B (4) (b)). We ask that the CDFI Fund be transparent and provide information on how these various factors will be scored in relation to one another, and whether some elements will score more highly than others.	The CDFI Fund will take this comment into consideration when developing the next iteration of the NOFA.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Evaluation	6. The Fund should not exercise its right to change the eligibility and evaluation criteria once applications have been submitted to the CDFI Fund. (NOFA - Section V. B(5)).	The CDFI Fund will take this comment into consideration when administering future rounds of the CMF Program.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	IT	1. AMIS - the AMIS system was problematic to navigate. In addition, the manner in which it visually displays the data was confusing and hard to understand and interpret. We understand that AMIS is based on commercially-available software that can provide useful reports. We ask that the Fund expedite further report functionality for both Applicants and readers. In addition, we ask that the CDFI Fund offer training, and training sessions with opportunities for live questions, on the AMIS system. It was difficult for Applicants to absorb a new application platform through AMIS, changes to the regulations and changes to the Application in the same time period.	The CDFI Fund will look for ways to enhance the usability of AMIS (if technically feasible) and consider whether additional outreach is needed.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Format	2. Charts - the application includes a number of charts. To the extent there are mathematical calculations in any chart, the Fund should publish an "unofficial" excel version of the chart so that applicants can understand how the charts are calculating, and to be able to visually see how charts over multiple years are presenting data.	The CDFI Fund will consider whether it's feasible and desirable to provide these materials for a future round.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Application Contents	3. Glossary of Terms - the application should include a glossary of terms that is consistent across CDFI Fund programs to the extent possible.	The CDFI Fund will consider this comment when developing application materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Business Strategy	<p>1. Question 9(a) should offer an “other” option with an explanation for Applicants that might wish to offer some other type financing not listed.</p> <p>2. The Business Strategy in Q 10 should ask Applicants to provide a clear description of the types of communities in which they plan to deploy CMF. There are essentially 3 types of rental and/or for single family housing communities, (and potentially a variety of sub-types): communities that have little or no affordable rental or single family housing where CMF can be used to finance such housing; communities that have existing affordable rental or single family housing that needs to be upgraded and preserved through CMF, and communities that suffer from high concentrations of affordable housing that find it hard to diversify to attract residents at Low Income or Eligible Income levels, in which CMF can be a tool to create mixed income communities without displacement. We view these as co-equal strategies and their relative strength depends on the particulars of the markets in which an Applicant chooses to deploy the CMF funding.</p> <p>3. Question 10 should be revised to make it clear that the (a) section “market gap” means the gap in the availability of needed income levels of affordable housing and that the (b) section addresses “market gaps” in the availability of financing for such housing types. In both cases, Applicants should be asked to describe their strategies for addressing the housing and the financing gaps they have identified.</p> <p>4. Question 10(c) asks about multifamily projects of 49 units or less. As smaller project sizes are difficult to finance, the response to 10(c) could be evaluated as an element that would be more favorably scored to the extent CMF financing will be used for smaller projects.</p> <p>5. Question 12(c) should make it clear that the pipeline projects identified are representative of the types of projects the Applicant would fund with CMF and that an Applicant will not be penalized for substituting other similar projects if it is awarded CMF funding.</p> <p>6. Question 13 asks Applicants to describe how their strategies would be adjusted if they are not awarded the requested amount. This question does not materially contribute to an understanding of the strength of Applicant’s strategy and we suggest it be dropped from the scoring.</p>	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Leveraging Strategy	<p>1. Question 16 asks Applicants to indicate the amount of private capital they will attract as “pre-investment” leverage. As was raised during question and answer calls during the FY 2016 round, some Applicants already had such commitments and/or the funding in hand. There should be clear rules on how far in the past such funds can be received (for example within the past year). Previously raised funds should be counted as private capital so long as the Applicant certifies that they have not been committed to another use.</p> <p>2. To score the feasibility of an Applicant’s plan to raise pre-investment</p>	The CDFI Fund will consider this comment when developing application materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					private capital, Applicants should be required to provide evidence of funds in hand, or funds that are in any of the five listed categories in the application footnotes, as the scoring should favor Applicants with more certain funding.	
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Community Impact	<p>1. The introductory note to this section states that Applicants financing rental housing must minimally finance 20% at Very Low Income levels. As noted in connection with NOFA above, we recommend that the floor be 20% for Low Income families, and the affordable housing commitment levels should be part of the scoring.</p> <p>2. Q 22 requires Applicants to describe the “number of additional housing units” that can be financed with a CMF award than would otherwise be the case. It is our view that the ability to finance more housing units, particularly for Very Low and Extremely Low Income families, is dependent on rental subsidies or price or financing subsidies in the case of for sale housing, and less on site acquisition and construction or other project financing; therefore the question should be revised to assess the feasibility of an Applicant’s ability to obtain such operating, financing or purchase subsidies.</p> <p>3. Q 23a asks about “Additional Outcomes.” Applicants are asked how they will use CMF funds in mixed-income developments, to reduce geographic concentrations of poverty and to ensure that displaced residents are provided with alternative housing options. We believe that research supports the policy goal of developing mixed income communities through the addition of more housing with diverse income mixes especially in high poverty communities, but without the displacement of existing residents. However, this goal is seems in conflict with the scoring instruction that says “Applicants will generally be scored more favorably to the extent they commit to produce a greater portion of total Rental units available to VLI and ELI Families... .” If an Applicant chooses to produce a greater number of units for lower income families, that increase should be evaluated within a particular neighborhood’s context, as noted with respect to Q 10 in the Business Strategy. For example, increasing Extremely Low Income and Very Low Income affordable housing in neighborhoods that already contain high concentrations of such housing, instead of adding to the diversity of the housing stock with Low Income or Eligible Income units, may worsen, rather than improve the community.</p> <p>4. Q23(a) should be revised to ask how the Applicant will ensure that an equivalent number of affordable units, if taken out of a community, and thereby displaces residents, will be added back, and whether such housing is expected to be within the same community or an appropriate alternative location.</p> <p>5. Q25 asks for information on an Applicant’s commitment to Non-Metropolitan Areas. As noted above with respect to the NOFA, the Fund should clearly state what policies it will follow to “ensure the appropriate geographic diversity between Metropolitan and Non-Metropolitan Areas.” We encourage</p>	The CDFI Fund will consider this comment when developing application materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					the CDFI Fund to first look to census data to proportionally serve the two populations, adjusted as needed to ensure that only highly qualified applicants are selected.	
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Management Capacity	<p>1. Q 27 requests information regarding the Management Team and Key Staff. The instruction requests information on up to 10 persons, including persons from the governing board, consultants or contractors who are integral to the implementation of the Applicant's strategy. We recommend that there be a follow up question for Applicants using third party consultants to implement their strategy to elicit information on the extent to which such activities are being carried out by third parties and whether outside vendors are being supervised by knowledgeable staff.</p> <p>2. Q 29 requests information on the Applicant's strategy for soliciting feedback from representatives from the various types of low income communities. The instructions should make clear that with respect to CDFIs, as lenders to affordable housing projects, such feedback is appropriately solicited from the developer/borrowers of the affordable housing in addition to other sources.</p>	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Compliance Data Collection	We believe the report forms and the requested data must be developed in the context of the final interim regulations and the Assistance Agreement, and as those are not yet available, we will defer comments on the report forms. That said, we recommend that the CMF annual report data be made consistent with the reporting for CDFIs generally, whether for certification or for the Financial Assistance program. That is, a CDFI involved in affordable housing activities should not be required to supply three different sets of data. Much like the AMIS system with respect to financial data, most of the housing data provided by a CDFI should be responsive to all 3 reporting regimes and entered only once a year.	The CDFI Fund will consider this comment when developing revisions to reporting required of CMF Award Recipients.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Future Input from Stakeholders	Echoing our recommendation with respect to the CDFI Coalition's comments on the Capital Magnet Fund regulations, we recommend that the CDFI Fund set up a process that allows for interaction between the CDFI Fund staff and both CDFIs and nonprofit housing developers. Written comments on the application alone will may not sufficiently probe the issues that need to be resolved to create a high quality application. We found the session the CDFI Fund conducted with industry representatives with respect to the annual CDFI report form to be very helpful as a means to discuss and clarify important issues.	The CDFI Fund will investigate the feasibility of further opportunities to engage with stakeholders.
8/2/2016	James R Klein	CDFI Coalition Chair	CDFI Coalition	Round Timing	Finally, we ask that the Fund establish a calendar for its programs to prevent any overlap in the application periods, particularly of the 3 most heavily used programs, the CDFI Financial Assistance (and TA and NACA) program, the CMF program and the NMTC program. These programs are important to numerous CDFIs and often the same staff is tasked with the responsibility to gather	The CDFI Fund will revisit timing of the various funding rounds, to the extent feasible.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					required materials and prepare the applications.	
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Program Focus	We recommend that the CMF program prioritize proposals that increase Affordable Housing creation/retention/conversion in the private investor sphere. While nonprofit Affordable Housing developers play a critical role in creating and preserving Affordable Housing, private investors represent an as-yet untapped market for focusing Affordable Housing efforts. In competitive housing/rental markets like those Beneficial State serves, Affordable Housing providers are facing bigger challenges in acquiring or developing new properties due to rapidly increasing asset valuations and increased competition from well-capitalized investors. These investors, unlike Affordable Housing agencies, can raise rents to offset higher property costs, which erodes the overall supply of Affordable Housing stock. Proposals that seek to work with these private investors to create and conserve Affordable Housing work on two fronts by: (1) stemming the tide of displacement and loss of Affordable Housing units; and (2) adding to the total pool of Affordable Housing by preserving and developing new Affordable Housing.	The CDFI Fund will consider this comment when designing future Applications and NOFAs.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Program	As a bank with a strong environmental focus, we are thrilled that the CDFI Fund is considering including energy efficiency and/or environmental impacts in the Application process. Suggestions for things that may be evaluated in the Application: (1) Award applicants priority points for selecting environmentally-friendly construction and/or upgrade projects; and (2) Require that applicants include an assessment of the social and environmental impact to the community of any new CMF-funded project. This assessment could include applicants holding stakeholder engagements or otherwise working within their communities to assess project impact.	The CDFI Fund will consider this comment when designing future Applications and NOFAs.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Round Timing	The amount of data and depth of analysis required made it challenging to complete the application within the 52-day period. We suggest that the CDFI Fund expand the application timeline to at least 60 days. Alternatively, the CDFI Fund could commit to a standard application format or provide the same application for a two-year period. CDFI Fund could publish the application online in advance and make note of future due dates.	The CDFI Fund will consider a longer open period for CMF Program Applications in future rounds if administratively feasible...
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Aligning data needs cross program	We also suggest that the CDFI Fund align data collection and reporting requirements across programs (CMF, CDFI Program, etc.).	The CDFI Fund will consider ways to align and streamline data collection of the CMF Program and other CDFI Fund programs where technically and programmatically feasible...
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Application Contents	Additionally, providing a comprehensive glossary of terms, definitions of how calculations should be computed, fuller guidance, and examples would facilitate	The CDFI Fund will consider this comment when

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					completing the Annual Report, as well as future CMF Applications.	developing application materials for the next round.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Leveraging Strategy	(1) Leverage Strategy: For those questions related to leverage (questions 14-17), often the strategy for Pre-Investment is the same as project level and therefore we recommend providing a way for applicants to speak to the leverage strategy in greater depth, instead of answering the same question in a similar fashion; for CDFI banks that are already deemed financing entities, we recommend the reinvestment leverage questions not be required given that their purpose of lending ensures reinvestment. Instead of the leverage and reinvestment charts, applicants could demonstrate how funds would be deployed by providing a simple balance sheet and income statement forecast along with a sources and uses chart.	The CDFI Fund will consider this comment when developing application materials for the next round.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Community Impact	(2) Question 24: Alignment with Place-Based Strategies. We recommend CMF consider removal of this question. If not providing priority for funding these investments and not weighting these investments in applicants' scores, this question seemed unnecessary.	The CDFI Fund will consider this comment when developing application materials for the next round.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Management Capacity	(3) Question 28: Governing Board/Advisory Board seemed duplicative of question 27: Management Team and Key Staff. We would recommend that CMF consider including this question into question 27.	The CDFI Fund will consider this comment when developing application materials for the next round.
7/29/2016	Kat Taylor	co-CEO	Beneficial State Bank	Management Capacity	(4) Question 30: Previous Awards was duplicative of question 16c: Pre-Investment Track Record. Consider a way to combine these questions or add to the track record question to answer the previous award narrative.	The CDFI Fund will consider this comment when developing application materials for the next round.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Application Contents	Overall, HPN members found portions of the 2016 CMF application confusing and difficult to complete. Mortgage lenders, multifamily and single-family developers, and CDFIs that finance community facility projects all have very different financial profiles and strategies which should be taken into account when drafting the application. For example, CDFIs had difficulty filling out the pipeline questions in the 2016 CMF application. It is not possible for CDFIs to accurately provide the requested level of detail on specific deals and leverage during the application stage. Allowing for a less specific pipeline information from CDFIs would provide a better depiction of the types of deals the CDFI would like to finance with CMF dollars without requiring false precision. Similarly some nonprofit developers that do not have a loan portfolio had difficulty completing the loan portfolio tables. Possible solutions to both of these	The CDFI Fund will consider this comment when developing application materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					concerns could be to have alternate questions depending on the type of applicant or allow the applicant flexibility on the type of information they need to provide in each section.	
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Leveraging Strategy	HPN members identified certain application sections that could be improved for future rounds. In particular, HPN members found the leverage calculations unclear and suggest that the CDFI Fund add the leverage formulas to the application spreadsheet so the applicant knows how their leverage numbers will be treated.	The CDFI Fund will consider this comment when developing application materials for the next round.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	IT	Entering data from Excel tables into the AMIS "Related List" format was time consuming and inefficient. It would be easier for the applicants to submit Excel tables as attachments through the AMIS system or find another less cumbersome alternative.	The CDFI Fund will look for ways to enhance the usability of AMIS (if technically feasible).
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Application Contents	In some instances additional information such as charts or maps could assist in the clarity of the application and HPN would request a portion of the application where optional supporting materials could be uploaded.	The CDFI Fund will consider this comment when developing application materials for the next round.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Application Contents	In future application rounds HPN members would like further clarity on application terms to ensure that the application reflects the intended use of funds as closely as possible. For example the distinction between "preservation" or "rehabilitation" projects caused confusion for some of our members. Likewise the distinction between project level and pre-investment level leverage is murky in certain cases and could use further explanation of what is required for leverage to be "pre-investment."	The CDFI Fund will explore ways to clarify key terms when developing application materials for the next round.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Areas of High Housing Need	The definition of targeted areas of "high housing need" in the 2016 CMF application is overly restrictive and should be expanded to allow CMF recipients the flexibility to best to address the housing needs of extremely low-, very low- and low-income people in their community. In particular the use of census tracts for determining targeted investment areas is too narrow and can result in neighborhoods where one side of the street would count as a high housing need area while the other side would not. This ignores the reality of neighborhoods and compounds the difficulty of creating and preserving affordable housing where it is most needed. One way this could be addressed is through using zip codes, which cover a larger geographical area, instead of census tracts. Also, the characteristics of high poverty neighborhood is not the same across the country and should be expanded. For example, in some tight rental markets there are not any neighborhoods with high vacancy rates, but there are neighborhoods with great need for more safe and affordable housing. HPN also recommends expanding the CMF targeted investment areas to include affordable housing in high opportunity areas and mixed income developments in areas of	The CDFI Fund will consider this comment when developing application materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
					concentrated poverty. Recent rule making by the Department of Housing and Urban Development ¹ , the Federal Housing Finance Agency ² and a decision by the United States Supreme Court ³ all emphasize that some low-income families fare better when they have the chance to move to higher-opportunity areas. Our members agree that paying attention to the siting of affordable housing in order to maximize the benefits for residents is an appropriate policy goal and we acknowledge that defining areas of opportunity is difficult. Many states are adding "access to opportunity" scoring criteria to their Qualified Allocation Plans for LIHTC. These criteria vary depending on local market factors. It might make sense for the CDFI Fund to allow recipients to use CMF in areas that align with the applicable state criteria. Over time, as more research is done on "access to opportunity", the CDFI Fund or other government agencies may be able to create an "opportunity index" that is broadly applicable. The Housing Partnership Equity Trust is currently working on such an index for our real estate investments and would be happy to share the data points we use.	
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Round Timing	In future years, HPN would urge you to consider spacing out applications for the various CDFI Fund programs. HPN members are often applying to multiple CDFI Fund programs in a given year and having applications due in rapid succession does not allow for the strategic planning or thoughtful attention each application deserves.	The CDFI Fund will revisit timing of the various funding rounds, to the extent feasible.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	CMF Reporting Requirements	HPN believes it is premature to comment on the CMF Annual Report without any practical experience with the proposed report. We are happy to provide input after the first reports from the 2016 CMF round are completed	No action suggested in the comment.
8/1/2016	Shannon Ross	Director of Government Relations	Housing Partnership Network (HPN)	Future Input from Stakeholders	HPN urges the CDFI Fund to continue this dialogue with stakeholders regarding the CMF application, data collection and reporting. We recognize that the formal comment process has limits and encourage you to consider additional methods of feedback including online surveys and in-person focus groups. Since the CMF is open to a variety of organization types and uses, the CDFI Fund should actively seek input from CDFIs and housing nonprofits that work in both single family and multifamily housing. HPN members include a variety of CDFIs and housing nonprofits and we would be willing to discuss this further or connect the CDFI Fund staff with our members. Thank you for your consideration of these comments and your work on this crucial affordable housing program. Please feel free to contact me at ross@housingpartnership.net if you have any questions or wish to discuss further. HPN stands ready to share information and practitioner feedback on these important issues.	The CDFI Fund will investigate the feasibility of further opportunities to engage with stakeholders.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
8/1/2016	Noel Poyo	Executive Director	National Association of Latino Community Asset Builders (NALCAB)	Program Requirement	<p>Is the information that is currently collected by the Application necessary and appropriate for the CDFI Fund to consider for the purpose of making award decisions?</p> <p>NALCAB has previously recommended to the CDFI Fund that a CDFI Consortium category be established based on models such as the JP Morgan Chase Foundation's PRO Neighborhoods grant program or the Surdna Foundation's recent Program Related Investment to the VEDC/ NALCAB Small Business Lending Consortium. While the Fund has previously ruled that consortia are eligible applicants under the FA category, we have commented that the total award ceiling must be higher if the Fund is serious about attracting applications from consortia led by high quality applicants. With a higher award ceiling, the Capital Magnet Fund presents an important opportunity to implement this cutting edge strategy. In particular, a consortium approach has strong potential for increasing investments in geographically diverse areas of economic distress. The key obstacle for a consortium of eligible organizations to access the Capital Magnet Fund is the application form itself.</p> <p>Specifically, to allow applications from consortia, alterations need to be made to Questions # 11 Track Record and associated tables A1, A2 and C1 as well as Exhibit 3: Application Financial Data. In each of these sections, it should be possible to enter data not only on the lead organization from a consortium, but also from other consortium members that are critical to the performance of the proposed strategy. This would allow the CDFI Fund to accurately judge whether the combined Track Record and Financial Capacity of the consortium members are sufficient to undertake the proposed uses.</p>	The CDFI Fund will consider this comment when developing the application materials and NOFA for future funding rounds.
8/1/2016	Noel Poyo	Executive Director	National Association of Latino Community Asset Builders (NALCAB)	Compliance Data Collection	<p>It is important to understand what racial and ethnic populations are being served by recipients of funding from the CDFI Fund, including CMF grantees. Requiring the collection of race and ethnicity data by loan or housing unit produced can present a significant challenge for grantees. That being understood, proxy data, including the racial/ethnic composition of census tracts served (all data that is currently available) is important. The CMF Annual Report, and all CDFI Fund grantees, should additionally report data on the racial and ethnic composition of a grantees board of directors, executive staff and the entire staff as well as report the approximate racial and ethnic breakdown of the population it serves. These are more reasonable data to collect and estimate and will significantly inform the public about how a grantee is serving their target market.</p>	The CDFI Fund will consider this comment when revising the reporting template for FY 2016 Award Recipients and future Award Recipients.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance	Business Strategy	<p>Question #4 requires applicants to identify their proposed affordable housing activities and economic development activities. The categories of affordable housing and economic development activities listed should be expanded to</p>	The CDFI Fund will consider this comment when developing application

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
			Network (OFN)		include "providing equity" as an eligible activity. In addition, to ensure flexibility for applicants, the application should include an "other" category as well as a narrative section for applicants to provide any additional explanation related to the proposed activities.	materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Service Areas	Question #5 asks applicants to identify the proposed service area for their CMF-financed projects. For national CDFIs, it was challenging to designate a service area of only up to seven states in the application. This provision could limit the ability of CDFIs to deploy capital to qualified projects in their entire geographic target market rather than a limited market of seven states. A possible solution is the inclusion of a narrative section, allowing applicants to describe their service area in greater detail.	The CDFI Fund will explore ways to clarify key terms when developing application materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Areas of High Housing Need	<p>Per OFN's comment letter submitted on May 6, 2016 in response to RIN 1559-AA00, OFN supports the CDFI Fund's efforts to channel CMF dollars into targeted investment areas that ensure affordable housing is developed where needed most.</p> <p>However, we are concerned the definition of "High Housing Need" used in the NOFA may be too narrow. The definition used in the NOFA narrowly defined High Housing Need as census tracts where: at least 20 percent of households are very low-income renters paying more than half their income for rent; are high poverty neighborhoods where greater than 20 percent of households have incomes below the poverty rate with a rental vacancy rate of at least 10 percent; or are underserved rural areas. The use of census tract-level data does not allow for a comprehensive, neighborhood-centered approach to creating and preserving affordable housing, and will limit the flexibility of the CMF grant dollars. In addition, applicants must use the "High Housing Need" data to project financing activities for five years, which ignores the fact that this data represents a snapshot in time, and does not allow for flexibility to adjust activities to reflect changes in neighborhoods, housing patterns, income levels, and other macroeconomic factors.</p> <p>OFN supports the Housing Partnership Network's recommendation of using zip codes, which cover a larger geographical area, instead of census tracts. Additionally, the NOFA indicates that an applicant will score more favorably to the extent its strategy proposes affordable housing in areas of High Housing Need. OFN encourages the CDFI Fund to clarify the proposed method to determine how applicants will "score more favorably", whether through priority points or some other method.</p>	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance	Business Strategy	The questions on projected pipeline and leverage were also problematic for some CDFI applicants. CDFIs often prepare funding applications based on an anticipated pipeline of investments. With disbursement of CMF funds coming	The CDFI Fund will consider this comment when developing application

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
			Network (OFN)		months after the submission of the application, a CDFI may not invest the CMF award dollars in the same projects it identified at the time of application. OFN agrees with the Housing Partnership Network's recommendation that allowing a more general pipeline for CDFIs would provide a better depiction of the types of deals the CDFI would like to finance with CMF without requiring false precision, and would allow greater flexibility for CMF award recipients.	materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Leveraging Strategy	The application also requires organizations to identify their sources of leverage at the time of application. However, in most cases, it will not be possible or practical to know all the sources of leverage at the time applications are submitted. In many cases, a grantee will make financing products available after receiving awards, and these financing products will provide only a portion of the total financing for projects. The specific projects (and other financing sources) will be determined only after that point. Similar to our recommendation related to pipeline, OFN recommends the CDFI Fund allow additional flexibility for applicants in the leverage portion of the application and clarify the formulas and definitions used to calculate leverage. OFN offers the following additional comments on the NOFA and Application Process ¹ :	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Non-Profits and CDFIs	CDFIs in OFN's network encountered issues when completing the CMF application. The CMF is open to different entity types, but the application materials do not account for differences in CDFI and non-CDFI applicants. As lenders, CDFIs have different recordkeeping systems and different relationships with end users of the funding than developers or housing finance agencies. The application, as well as any reporting instruments, should take into account the operational differences between CDFI and non-CDFI awardees.	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	IT	The application system, AMIS, was also difficult for CDFI applicants, who found it unclear and confusing to navigate. Further, the compressed application period made it difficult to absorb the new AMIS application platform while processing changes to the regulations and the application in the same time period. The CDFI Fund should consider providing additional training and support on AMIS to improve the experience for applicants.	The CDFI Fund will consider opportunities for additional training and support for future rounds.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Round Timing	In addition, this year's overlapping timeline for several CDFI Fund program applications created challenges for many organizations. OFN urges the CDFI Fund to revise the timeline for award applications, allowing adequate time between each program application for thoughtful analysis of any changes to application materials, rules, or compliance that may impact an institution's decision making about applying for funding. This has a disparate negative impact on small CDFIs who have limited staff capacity and may not have the resources to complete multiple applications at once. These time and resource constraints could cause CDFIs to miss out on key funding opportunities, which can have lasting impacts on the organization's long term financial sustainability.	The CDFI Fund will revisit timing of the various funding rounds, to the extent feasible.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Application Evaluation	Another aspect of the application that caused confusion for OFN Members were seemingly conflicting policy priorities. The application indicates proposals will generally be scored more favorably to the extent they commit to produce a greater portion of total rental or homeownership units for low-income, very low-income and extremely low-income families. As mentioned earlier in the letter, OFN supports directing CMF dollars to support affordable housing to areas that need it most. However, directing CMF dollars to areas with existing high levels of affordable housing could have the unintended consequence of deepening concentrated poverty in certain communities. It also conflicts with Question #23 in the Additional Outcomes section, where applicants are asked to describe how they will ensure that affordable housing funded by CMF Awards: exists in mixed-income developments or communities; reduces geographic concentrations of poverty; and ensures that any residents dislocated from housing as a result of the applicant's activities are provided with alternative housing solutions. OFN Members found it difficult to reconcile these priorities of proposing strategies to reach areas of high housing need while also proposing strategies to increase residential economic diversity. Further, it was unclear how each of these priorities would be scored, and which one would have greater influence on application scoring. The CDFI Fund should provide additional clarity around how each section of the application will be scored in relation to one another, and whether some elements will score more highly than others.	The CDFI Fund will consider this comment when developing application and evaluation materials for the next round.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity Finance Network (OFN)	Use of CMF Award dollars	Section 1807.102 of the Interim Rule defers to the Notice of Fund Availability (NOFA), Notice of Guarantee Authority (NOGA) or Notification of Allocation Authority (NOAA) for the restrictions on CMF's use with other CDFI Fund programs. The CMF NOFA prohibits the use of CMF funds in projects that are using funds received through any other CDFI Fund programs. As we noted in our comments on May 6, 2016, the NOFA did not provide guidance regarding the use of CMF funds in an eligible project where another partner in the project also may be using other CDFI Fund program funds. Many of the CMF projects funded under the inaugural funding round included multiple partners, and OFN is concerned that this lack of clarity may have impeded organizations from developing applications that reflect the best strategies to meet CMF goals and priorities, such as identifying key partners that may be using other CDFI Fund dollars. OFN urges the CDFI Fund to reconsider this prohibition of the use of CMF dollars with other CDFI Fund program funds in future funding rounds in order to maximize awardee's flexibility with CMF funding and encourage robust partnerships. This would also better align with the rest of the application, which encourages the use of CMF funds with other federal programs like the Low Income Housing Tax Credit (LIHTC) and the HOME programs.	The CDFI Fund will take this comment into consideration when developing the next iteration of the NOFA.
8/2/2016	Dafina Williams	Vice President, Public Policy	Opportunity	Compliance Data	CDFIs in our network expressed concern about applying for funds without a clear understanding of any potential burdensome and complicated reporting	The CDFI Fund will consider this comment when

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
			Finance Network (OFN)	Collection	requirements. In future rounds, the CDFI Fund should make all relevant materials, including any rules around compliance, available to potential applicants at the beginning of the application period. OFN does not currently have comments on the annual report form, as CDFIs in our network have not yet experienced reporting under the new assistance agreements and interim regulations. OFN does agree with the CDFI Coalition's recommendation that the CMF annual report data be made consistent with the reporting for CDFIs generally, whether for CDFI certification or for the Financial Assistance program. Participants in multiple CDFI Fund programs should not be expected to re-enter the same data multiple times in a year. OFN looks forward to continuing to work with the CDFI Fund to implement the CMF and increase the supply of capital for affordable housing development in distressed communities across the country. We encourage the CDFI Fund to conduct outreach to applicants, receive and document feedback, and to incorporate that feedback into future funding rounds to ensure the program is nimble enough to meet the continued challenges facing the communities we serve.	revising the reporting template for FY 2016 Award Recipients and future Award Recipients.
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Non-Profits and CDFIs	As high-capacity developers, owners, and purchasers of affordable housing properties, SAHF members are in a unique position to ensure that the usage of Capital Magnet Funds create significant impact in communities all across the country. We applaud the U.S. Department of the Treasury's decision to designate qualified Nonprofit Organizations that have the development or management of affordable housing as one of their principal purposes to be eligible for CMF dollars. The inclusion of said organizations as eligible recipients has led to the creation and preservation of affordable housing by SAHF member organizations. The CMF plays a crucial role in financing these projects that can act as catalysts for underserved neighborhoods. Affordable housing and community development go hand-in-hand. We commend the approach the Treasury has taken in designating CMF dollars for usage by both CDFIs and non-profit affordable housing organization. In response to the request for public comment, we simply ask that the CMF encourage the utilization of funds for affordable housing development and preservation, and that those funds be allowed to flow directly to qualifying non-profit organizations. As SAHF member organizations have demonstrated, CMF dollars can go a long way in the development and preservation of affordable housing.	NA - These comments seem to largely reflect statutory requirements.
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Application Evaluation	While our priority is ensuring there remains a conduit for CMF dollars to get into the hands of qualified nonprofit developers, we would also like to comment on several specific details of the process. We ask that the CDFI Fund: <ul style="list-style-type: none"> • Increase the scoring of entities that revolve funds faster. This will encourage non-profits and CDFIs to maximize the overall leverage of the funds by shortening the revolving time during and after the investment period. 	The CDFI Fund will consider this comment when developing application and evaluation materials for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Use of CMF Award dollars	<ul style="list-style-type: none"> Allow the use of CMF funds to create moderate income or market rate units in mixed-income developments where those units accomplish important community goals, including income mixing and deconcentrating poverty. 	The CDFI Fund will consider this comment when developing application materials and the NOFA for the next round.
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Use of CMF Award dollars	<ul style="list-style-type: none"> Encourage non-profits to leverage the CMF as loan loss reserves or loan guarantees to attract and reduce the cost of market rate equity and debt, allowing them to be more competitive in the market for acquisitions. This will encourage the use of CMF for acquisition and preservation of existing affordable housing or naturally occurring affordable housing without substantial rehabilitation. 	The CDFI Fund will consider this comment when developing application materials and the NOFA for the next round.
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Application Burden	<ul style="list-style-type: none"> Look into measures that would reduce the length of time required to complete the application. SAHF members have experienced a burden of up to 325 hours to complete the most recent application round. 	The CDFI Fund will consider this comment when developing application materials for the next round.
8/2/2016	Toby Halliday	Executive VP	Stewards of Affordable Housing for the Future (SAHF)	Leveraging Strategy	<ul style="list-style-type: none"> Allow for a verbal explanation of how the recipient of CMF will leverage the funds to go along with the calculation. It is difficult to fully convey how the leverage was calculated without a verbal explanation. 	The CDFI Fund will consider this comment when developing application materials and outreach for the next round.

Appendix A. Comment and Response Summary
 CMF Program Application
 60-Day Federal Register Notice Comment Adjudication

Comment Date	Commenter's Name	Position	Organization	Topic	Comment	Recommended Action
6/6/2016	Caroline Loyas	Director of Resource Development	Impact Seven	Definition of "Underserved Rural Areas"	<p>While Impact Seven commends the CDFI fund for recognizing the existence and target worthiness of "Underserved Rural Areas," research that Impact Seven has done indicates that there is little or no correlation between the portion of income paid for rent and classification on the Rural-Urban Continuum in our Target Market (Wisconsin). In other words, rural communities can be underserved, despite failing to meet the criteria of 30% of households paying 30% or more of their income for shelter, or lacking complete plumbing/kitchens. Populations in rural areas are shrinking, as younger persons move to urban areas with better employment prospects. Shrinking demand has resulted in an oversupply of units, which has depressed rent levels well below that which can produce safe and sanitary housing. Landlords do not have the incentive or the cash flow to maintain their properties and living conditions are diminishing for lower income residents. Because of this, low income persons living in a rural communities end up having to settle for substandard housing. While it is true that rents on substandard housing may be depressed to the point where they do not exceed the 30% test, this is clearly not the result intended by the CDFI.</p> <p>The substandard character of rural low income housing is one reason that the 30% test is not a reliable targeting criteria. Further, housing may have complete plumbing and kitchens but still be substandard, with conditions such as structural instability, peeling lead paint, failing roofs, etc. The second reason is that incomes in rural areas are at subsistence levels. To be sure, rent burden is a problem in rural areas. Our contention is that the traditional scale of 30% does not measure when rent burden is encountered. When incomes are barely adequate to cover non-housing necessities, the portion devoted to shelter becomes a burden at almost any level. Impact Seven suggests that a better criteria for targeting "Underserved Rural Areas" would be the prior five years per capita dollars of federal assistance used to develop or rehab affordable housing. This test would more reliably ensure that an increased portion of new capital is directed to areas that are truly underserved by federal investment. As most private investment in affordable housing relies upon at least partial federal support, this test should broadly measure "Underserved" as it pertains to "Rural Areas."</p>	The CDFI Fund will consider this comment when revising the NOFA for future CMF Rounds.