

Supporting Statement for Paperwork Reduction Act Submissions  
Community Development Financial Institutions Fund (CDFI Fund)  
Bank Enterprise Award (BEA) Program Application, OMB 1559-0005

**A. Justification**

1. Circumstances necessitating collection of information

The Community Development Financial Institutions Fund (CDFI Fund) administers the Bank Enterprise Award (BEA) Program that awards insured depository institutions for increasing their support of CDFIs and their direct financing and service-related activities in economically distressed communities. The application form and supplemental guidance materials are used by applicants to apply for BEA Program awards. Applicants are required to complete and submit an application to the CDFI Fund to be considered for a BEA Program award.

2. Method of collection and use of data

The data collected via this application form will be collected by voluntary submission, once per funding round, by FDIC-insured depository institution applicants seeking BEA Program awards. The CDFI Fund uses data collected to evaluate the merits of individual applications and to determine BEA Program award amounts.

3. Use of Information Technology

The BEA Program application consists of two parts which are submitted separately through two independent information technology systems. Part I of the BEA Program application consists of the SF-424 Mandatory Form. The SF-424 Mandatory is completed and submitted electronically through [www.grants.gov](http://www.grants.gov), the official website for federal grant information and applications. Part II of the BEA Program application is submitted electronically through the CDFI Fund's Award Management Information System (AMIS). The information collected in Part II of the BEA Program application consists of relevant information related to the applicant depository institution and the transactions that are being submitted for award consideration, including any necessary supporting documentation.

AMIS has considerably increased the technological capabilities of the CDFI Fund and has resulted in numerous enhancements that collectively reduce applicant burden. Applicants can access AMIS using the following hyperlink: <https://amis.cdfifund.gov/s/AMISHome>. In addition, the CDFI Fund has an online mapping system that allows users to geocode addresses and determine whether transactions are located in census tracts that meet BEA Program eligibility requirements. Use of the mapping system is optional since census tract eligibility can now be verified in AMIS and is also available in a tabular format on the CDFI Fund's public website.

4. Efforts to identify duplication

The BEA Program application does not request information that is publicly available from other Federal agencies other than the total asset size of the insured depository institution applicant.

5. Impact on small entities

This collection of information does not have a significant impact on small entities.

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

Supporting Statement for Paperwork Reduction Act Submissions  
Community Development Financial Institutions Fund (CDFI Fund)  
Bank Enterprise Award (BEA) Program Application, OMB 1559-0005

The CDFI Fund is statutorily required to have an application process for making BEA Program awards. The CDFI Fund cannot meet its statutory requirement without an application that collects data from applicants. Required elements of the collection specified in the BEA Program Regulations limit the amount of burden that can be reduced.

7. Circumstances requiring special information collection

Not applicable.

8. Solicitation of comments on information collection

Comments on the BEA Program application were solicited in the Federal Register on August 10, 2016 (FR Doc. 2016-18559). The CDFI Fund received forty-five (45) responses from five (5) respondents. Eleven (11) responses were directly related to the BEA Program Regulations/ Interim Rule. Those comments have no direct impact on the BEA Program application and will be addressed comprehensively the next time Program Regulations are revisited.

Twelve (12) responses were related to proposed policy changes related to: (1) collecting information on all activities reported in a specific category/sub-category; and (2) bifurcating the Distressed Community Financing Activities category into two subcategories in order to create parity for lending to consumers in distressed communities. While many respondents indicated their support for reporting on all activities by category/sub-category, several recommendations were provided to enhance Table 5 – Reporting BEA Qualified Activities of the application. The CDFI Fund elected to adopt several of these recommendations and has updated Table 5 – Reporting BEA Qualified Activities. Most respondents also supported the creation of the two new sub-categories in the Distressed Community Financing Activities category. However, the respondents overwhelmingly opposed the CDFI Fund’s proposal to calculate estimated awards based on an overall increase at the category or sub-category level instead of at the activity level which is how it has been done in the past. Respondents provided several examples of unintended consequences that would result from this change including the fact that it fails to acknowledge the significant differences between the various activity types within each sub-category and therefore, would likely result in the elimination of many deserving applicants. As a result, the CDFI Fund has decided to continue to calculate estimated awards at the activity level and has updated Table 7 – Estimated BEA Program Award Calculation in the Application to address this concern.

Three (3) responses were related to the reporting of individual transactions to be considered for an award, two responses were related to the projected use of the BEA Program award, and 17 responses were related to other topics, including the acknowledgement and support of various efforts made by the CDFI Fund to reduce applicant burden. The CDFI Fund took these comments under advisement and provided clarifying language in the application, when applicable. A detailed summary of the comments and the CDFI Fund’s responses is included as Appendix I, Comment and Response Summary.

9. Provision of payment to respondents

No payments or gifts will be made to respondents.

Supporting Statement for Paperwork Reduction Act Submissions  
Community Development Financial Institutions Fund (CDFI Fund)  
Bank Enterprise Award (BEA) Program Application, OMB 1559-0005

10. Assurance of confidentiality

The CDFI Fund is subject to all Federal regulations with respect to the confidentiality of information provided in the BEA Program Application. No other assurances of confidentiality have been provided.

11. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

12. Estimate of the hour of burden of information collection

Based on the average number of applications received in each of the past three years (Fiscal Years 2013-2015), the CDFI Fund anticipates 100 respondents to the application, with an estimated 45 hours per applicant. The total burden of this information collection is estimated at 4,500 hours.

13. Estimate total annual cost burden to respondents

There is no cost burden to applicants related to the collection of this data. No purchase of equipment or services will need to be made by applicants for this information collection other than as required as a part of customary and usual business practices.

14. Estimate of annualized cost to the Government

The cost to the Government is the CDFI Fund staff and contractor time required to develop the application, review submitted applications, collect follow-up information from applicants, and report the results.

15. Any program changes or adjustments

In response to feedback from the industry, the burden estimates were updated based on an analysis of applicant data from the last three years (Fiscal Years 2013 – 2015). The updated burden estimate takes into consideration one anticipated increase in applicant burden due to the collection of information on all activities reported in a specific category/sub-category (Table 5 - Reporting BEA Qualified Activities), but also considers three anticipated reductions in applicant burden. The anticipated reductions are related to the following: (1) the implementation of AMIS which will perform several calculations automatically and provide running totals of estimated award amounts based on the transactions entered by an applicant – a task that was formerly performed manually; (2) census tract eligibility determinations in AMIS (applicants previously had to use a separate system to determine this manually) and the availability of BEA Program eligibility data on the CDFI Fund’s public website, will reduce the need for applicants to use the CDFI Fund’s CIMS system to make these determinations; and (3) certain supporting documentation is no longer required to be generated for one particular set of BEA qualified activities. It’s estimated that due to these programmatic changes, the application will take approximately 45 hours to complete, slightly more than the previous estimate of 44.4 hours, increasing overall burden by 60 hours. Additionally, there is an expected increase of 11 responses and 488 burden hours due to adjusted estimates.

16. Plans for information tabulation and publication

Confidential or proprietary information collected through the application will not be published.

Supporting Statement for Paperwork Reduction Act Submissions  
Community Development Financial Institutions Fund (CDFI Fund)  
Bank Enterprise Award (BEA) Program Application, OMB 1559-0005

17. Reasons for not displaying expiration date of OMB approval

The CDFI Fund's requests not to display the OMB expiration date on the current application because the specific application period, as identified in the NOFA, may cause confusion on when the application is due.

18. Explanation of exception to certification statement

Not applicable.

**B. Collections of Information Employing Statistical Methods**

This section is not applicable.

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

Date Received	Author Name	Author Affiliation	Organization	Comment Document Title	Section	Category	Comment	Response
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations; Application	General; Table 5 - Overall Increase in BEA Qualified Activities	Reporting Qualified Activities	Support the proposed rule that Applicants must report all activities in all BEA qualified census tracts when reporting Baseline Period and Assessment Period levels for a given activity type.	This language was added to the Application in efforts to ensure that the Applicant pool uniformly: (1) determines their geographic footprint and (2) reports their Baseline Period and Assessment Period amounts consistently from year-to-year for activities which occurred in BEA Distressed Communities. Applicants will still be required to consider all BEA qualified census tracts when determining the overall increase for any activity type.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations; Application	1806.103; Table 7 - Estimated BEA Program Award Calculation	Estimated Award Amount	The proposed rule would bifurcate Distressed Community Financing Activities into two subcategories - (1) Consumer Lending and (2) Commercial Lending and Investments - and would increase the Estimated Award Calculation for Consumer Lending to twice that of Commercial Lending and Investments. If the Fund sees fit to provide greater incentives for consumer and residential lending in Distressed Communities, we do not oppose the Fund's judgment in this regard. Nevertheless, we do strongly oppose one aspect of the proposed rule regarding these bifurcated subcategories. Under the proposed rule, the Estimated Award Calculation would be based on an Applicant's net overall increase in activity at the subcategory	The CDFI Fund intends to move forward with bifurcating Distressed Community Financing Activities (DCFA) into two subcategories in order to create parity for lending to consumers in distressed communities. However, the CDFI Fund will not base estimated award amounts in the DCFA category on the net overall increase in activity at the sub-category level. Applicants seeking an award for DCFA will be required to report on all activities within the applicable subcategory when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the Applicant is not able to demonstrate an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							level. We request that the CDFI Fund abandon this proposed change and continue to calculate Awards based on an Applicant's increase in activity at the activity-type level rather than the subcategory level. The requirement to aggregate activities into the two subcategories for purposes of the Estimated Award Calculation fails to acknowledge significant differences between the different activity types within each subcategory, could negate valuable increases at the activity-type level, and is likely to have the unintended consequence of eliminating many deserving Applicants from Award consideration.	demonstrate an increase in from the Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations	1806.103	Definitions	Proposed rules would defer to the NOFA the specific criteria for "CDFI Support Activity," in particular the criteria for "deposits" to qualify as "CDFI Support Activity." We urge the CDFI Fund not to remove the criteria for qualified deposits from the definition provisions contained in the rule, as the resulting uncertainty will discourage Applicants from placing such deposits in future. By clearly defining the criteria for "CDFI Support Activity" deposits in the existing rules, the Fund has strongly incentivized long-term deposit investments with CDFI Partners, which in tum have enabled those CDFI Partners to leverage this source of funding into a greater number of financial products and services in their	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							respective Target Markets. If the criteria for such deposits is deferred to the NOFA, which typically is not published until well after the end of the applicable Assessment Period, this strong incentive for CDFI Partner investment will be greatly diminished, and many BEA Applicants will refrain from making such investments for fear their deposits will not meet eligibility criteria for a BEA Award.	
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations	1086.102	Other Regulatory Requirements	Relationship to other CDFI Fund Programs is confusing, and we would ask for more clarity here.	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations	1806.103	Definitions	Small Dollar Consumer Loans have been defined in previous NOFAs as consumer-purpose loans having a total principal value between \$500 and \$5,000 and having a term of ninety (90) days or more. If there is a dollar limit on the size of the transaction and the borrower resides in a BEA qualified census tract, then we question the need for an additional requirement of Low- and Moderate-Income, particularly since most banks do not track borrower income on non-HMDA loans. It would be a very time- and labor-intensive process to go back through the tremendous volume of Small Dollar Consumer Loans to make the necessary LMI determination. Therefore, we oppose the addition of an LMI	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							requirement for Small Dollar Consumer Loans. If there must be an LMI requirement for eligibility, we would encourage the CDFI Fund to remove the minimum and maximum dollar amounts for Small Dollar Consumer Loans.	
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Program Regulations	1806.404	Funding Priority	The proposed rules provide that if the amount of funds available during a funding round is insufficient to cover all estimated award amounts for which Applicants are eligible, in the CDFI Fund's determination, then the CDFI Fund will select Recipients and determine actual award amounts based on the process described in § 1806.404(c) and any established maximum dollar amount of awards that may be awarded for the Distressed Community Financing Activities subcategories, as described in the applicable NOFA. We are concerned that the proposed change may arise from an intent to set a maximum award amount for Consumer Loans which is different from that set for Commercial Loans and Investments. We encourage the Fund to maintain a level playing field between consumer loan-oriented banks and commercial loan-oriented banks by continuing to employ a single maximum award amount for all Distressed Community Financing Activities in accordance with prior rule language.	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.
10/7/16	Holly Logue &	Members	Financial Institution	Program Regulations;	1806.405; General	Application Format	Applications for BEA Program Awards. We support the Fund's proposal to move	The CDFI Fund intends to migrate the BEA Program to its new Awards Management



Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

	Ben Sones		Strategies Group, LLC	Application			the Application to an online format. We also support the proposed language regarding determination of the Baseline Period and Assessment Period amounts in the context of a merger.	Information System (AMIS) platform and will continue to explore enhancements to the application.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	General	Eligibility Data	2006-2010 American Community Survey Data. The Fund proposes to make available a list of all BEA qualified census tracts, including whether a Partially Qualified census tract ultimately qualifies under the BEA Program, based on contiguity." While we appreciate and support the Fund's willingness to make this information available, we would respectfully request that the Fund also make available a process by which an Applicant can make an appeal regarding a tract which is not designated as qualified on the Fund's list, but which the Applicant, using the CIMS3 mapping system, has determined is ultimately qualified based on contiguity.	A list of all BEA qualified census tracts and other eligibility data will be available on the CDFI Fund's public website. The CDFI Fund will not, however, implement a process for appealing eligibility determinations.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	General	Reporting Qualified Activities	Integral Involvement Demonstrated by CDFI Partners. We strongly support the Fund's proposal to have Applicants submit proof of Integral Involvement on behalf of the CDFI Partner.	The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	Table 5 - Overall Increase in BEA Qualified Activities	Reporting Qualified Activities	Overall Increase in BEA Qualified Activities. We strongly urge the CDFI Fund to modify Table 5 to break down Baseline Period and Assessment Period Distressed Community Financing Activities by each activity type and not just by subcategory of Consumer Loans and Commercial Loans and Investments.	The CDFI Fund plans to revise Table 5 - Overall Increase in BEA Qualified Activities - so that it lists the individual activity types within the CDFI Related Activities and Distressed Community Financing Activities categories, and therefore captures Baseline Period and Assessment Period activity amounts by

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>We generally support the footnote to Table 5. This should certainly be the case, since Applicants are required to report all activities in all BEA qualified census tracts for each activity type reported. However, additional categories of adjustment are needed here. In addition to adjustments made for unqualified transactions, we would also suggest adjustments for at least two other situations: (a) Loans never fully funded. For example, if a line of credit was the subject of an FY'16 Award based upon the amount actually funded, the amount actually funded and not the face amount of the note should be included in the Baseline for the FY'17 Application; and (b) Mergers and Acquisitions. There should also be allowances for adjustments to future Baseline reporting resulting from mergers and/or acquisitions on the part of the Applicant. We would also respectfully request that if adjustments are going to be permitted for unqualified transactions, then Applicants should be notified as to which transactions were not qualified at the time of the Award announcement.</p>	<p>individual activity type. Applicants will be required to report on every activity type within the applicable sub-category or category, when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the Applicant is not able to demonstrate an increase. The CDFI Fund will allow Baseline Period amounts, for the subsequent BEA Application, to be adjusted under the following circumstances: (1) the CDFI Fund determined an activity was ineligible; (2) the CDFI Fund modified activity amounts, as a result of its review; and (3) the award recipient never fully funded a loan or investment within the allotted time after the assessment period. The CDFI Fund also reserves the right to adjust Baseline Period amounts, if necessary, to address other unanticipated circumstances.</p>
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	Table 6 - Transactions to be Considered for an Award Guidance	Reporting Qualified Activities	<p>Transactions to be Considered for an Award Guidance. The guidance to Table 6 provides that Applicants may use their discretion to determine how many individual transactions to report in a particular activity type, as long as the individual transactions reported result in</p>	<p>Applicants seeking an award will be required to report on every activity type within the applicable sub-category or category, when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the applicant is not able to demonstrate</p>

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>an increase in BEA Qualified Activities in such activity type or subcategory. If, for Estimated Award Calculation purposes, Applicants are required to report all activities in all census tracts for each activity type reported, we would suggest that there is no reason why an Applicant should not report all individual transactions that are the subject of an increase in Qualified Activities. If, on the other hand, the Fund intends for Applicants to be permitted discretion to report less than the full amount of their Assessment Period qualified activities (perhaps because the Applicant's increase in qualified activities is far higher than that needed to receive a BEA Award), then this should be clarified in the regulations and elsewhere in the Application.</p>	<p>an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to demonstrate an increase in from the Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.</p>
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	Table 6 - Transactions to be Considered for an Award Guidance	Reporting Qualified Activities	<p>Clarification is also needed with regard to Affordable Housing Development Loans and Project Investments that are to be considered for an award. A footnote provides that Applicants will be required to certify that the "borrower" was an Eligible Resident who meets the Low and Moderate Income requirements. We note that with regard to AHDL transactions the requirement is that at least 60% of the units be affordable to LMI residents; there is no requirement that the "borrower" be an Eligible Resident who meets LMI requirements.</p>	<p>The CDFI Fund does not intend for Applicants that apply with Affordable Housing Development Loans and Project Investments to confirm that their borrowers are Eligible Residents that meet Low- and Moderate- Income requirements. The CDFI Fund will update Table 6 – Transactions to be Considered for an Award - guidance so that the footnote is not applicable to Affordable Housing Development Loans and Project Investments.</p>

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	Table 8 - Projected Use of BEA Award Program	Award Reporting	The Fund proposes to require Applicants to commit to a projected use of the Award by allocating percentages between the three BEA Qualified Activity categories and Direct Administrative Expenses. The proposed Application form further indicates that this projection will be incorporated into the BEA Program Award Agreement. We strongly object to this new requirement.	The CDFI Fund requires Applicants to indicate their intended use of BEA Program award dollars. Although Applicants selected to receive an award will not be required to meet the percentages for individual BEA qualified activities indicated in the Projected Use of BEA Program Award table, the award agreement indicates that 100% of the award must be used towards Authorized BEA Program Activities. This will be clarified in the application.
10/7/16	Holly Logue & Ben Sones	Members	Financial Institution Strategies Group, LLC	Application	Table 6 - Transactions to be Considered for an Award Guidance	Reporting Qualified Activities	The guidance provides without further clarification that "loans purchased by the Applicant from another institution are not eligible for BEA Program consideration." We would request clarification here, as this seems to imply that loan participations would not be eligible for BEA Program Awards. The guidance goes to provide that /1 each loan and investment must be an arms-length transaction with a third party that is not an Affiliate of the Applicant." We would again ask for clarification here, as this would seem to imply that participations purchased and/ or sold between Affiliates would not qualify.	This is an existing requirement that was not changed. This requirement does not prevent participation loans that are new originations made within the applicable Assessment Period between unaffiliated entities from being considered as Qualified Activities. This requirement does prevent existing loans that are purchased and/or sold between related entities, and therefore are not a new origination and do not represent new activity, from being considered as Qualified Activities.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Program Regulations	1806.103	Definitions	Subpart A of the proposed rule would make several changes to key definitions that are of great concern. Specifically, the terms "CDFI Support Activity" removed the criteria for "deposits" and would define such criteria in the applicable NOFA for each funding fund.	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>CDBA strongly opposes this change because it will have a chilling effect of strongly discouraging non-CDFI bank applicants from either making deposits into CDFI banks, as well as discourage CDFI banks from making deposits into CDFI credit unions due to lack of certainty on what type of deposit will qualify for an award. The proposed rule would also define qualifying “Community Services” and “Development Services” in each annual NOFA. Like deposits in regulated CDFIs, this change will discourage applicants from engaging in and reporting these activities due to the uncertainty of what activities qualify. As an alternative, the CDFI Fund could define a basic set of “Community Services” and “Development Services” in the rule, but allow the flexibility to add additional activities in the annual NOFAs. The publication of each annual NOFA is highly unpredictable and it occurs after the end of the annual Assessment Period. Yet, applicants are expected to engage in Qualified Activities during the Assessment Period. While we appreciate the CDFI Fund’s desire to maximize its flexibility, the lack of certainty on qualifying terms of a CDFI deposit will significant reduce this type of activity among applicants.</p>	
9/26/16	Jeannine Jacokes	Chief Executive	Community Development	Program Regulations;	1806.103	Definitions	The proposed rule would also amend the definitions of many of the Consumer	The CDFI Fund will not require Applicants to collect and submit documentation

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

		Officer	Bankers Association	Application			lending and Community Service activities to require applicants to collect additional data on income to establish that a customer is Low or Moderate Income. Given that most of such services provided by banks are only modestly (if at all) profitable, imposing an additional data collection requirement will create barriers to engaging in and/or reporting this type of activity. We urge the CDFI Fund to keep these definitions streamlined and minimize any new data collection.	related to the income levels of their borrowers. Applicants will be able to use the list of BEA qualified census tracts and other eligibility data which will be made available on the CDFI Fund's public website to determine if their borrowers are low- and moderate-income.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	Table 5 - Overall Increase in BEA Qualified Activities	Reporting Qualified Activities	The new application aggregates Distressed Community activities into two very broad new categories of activities - "Consumer Lending" and "Commercial Lending and Investments" and requires increases within these aggregate categories to receive an award. CDBA strongly opposes this approach. Demand by product types typically ebb and flow over time. Aggregating across very broad categories will make it practically impossible for most applicants to qualify for an award and will particularly penalize banks that do the smallest loans.	The CDFI Fund intends to move forward with bifurcating Distressed Community Financing Activities (DCFA) into two sub-categories in order to create parity for lending to consumers in distressed communities. However, the CDFI Fund will not base estimated award amounts in the Distressed Community Financing Activities Category on the net overall increase in activity at the sub-category level. Applicants seeking an award for DCFA will be required to report on every activity within the applicable sub-category when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the Applicant is not able to demonstrate an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to demonstrate an increase in from the

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

								Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	Table 7 - Estimated BEA Program Award Calculation	Award Reporting	<p>The proposed application instructs applicants that BEA Program award amounts will be calculated based on an Applicant's increase in investments and support to CDFIs and in its own lending, investing, or service-related activities in Distressed Communities. The proposed applicant further instructs that "[w]hen determining the Baseline Period and Assessment Period amounts reported, Applicants must consider all BEA Qualified Activities and all BEA qualified census tracts when reporting these amounts, as it relates to a given sub-category or activity type, as applicable."</p> <p>The change is focused on achieving greater consistency between the geographic areas reported for the Baseline and Assessment Periods. As noted in CDBA's January 29, 2015 comment letter to the CDFI Fund, this change is a concern to many CDFI banks. First, the service area and customer based of any financial institution is dynamic – not static – as demand shifts and changes. Assuming a CDFI bank will</p>	<p>This language was added to the Application in efforts to ensure that the Applicant pool uniformly: (1) determines their geographic footprint and (2) reports their Baseline Period and Assessment Period amounts consistently from year-to-year for activities which occurred in BEA Distressed Communities. Applicants will still be required to consider all BEA qualified census tracts when determining the overall increase for any activity type.</p>

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

						<p>have an identical geographic footprint and customer base year-over-year does not recognize the market-oriented nature of a financial institution. Second, this change significantly reduces CDFI banks' flexibility to use BEA as a tool for supporting geographically target initiatives. Third, the change reduces the BEA Program's market responsiveness and ability to support Distressed Community activities during period of economic macro-economic decline. 1. Allowing for Changes in Service Areas: If the CDFI Fund implements this proposed change, CDBA strongly recommends that it allow banks to amend their designated service area(s) at the beginning of each funding round's Baseline Period and Assessment Period. Applicants should be permitted to make adjustments to reflect any expansion or contraction in their total markets AND make corresponding adjustments to their Baseline Period activity levels from the prior year's application. The CDFI Fund's adjustment process should also allow Baseline Period adjustments to reflect: (1) activities reported in the prior funding round application that were disqualified by the CDFI Fund; (2) loans or lines of credit whereby the borrower did not fully deploy the resources approved by the applicant within the required time period; and (3) other unforeseen circumstances. 2. Reducing</p>	
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Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							<p>Flexibility: The proposed change will significantly reduce the flexibility of the program and likely impact industry participation over the long run. Banks would no longer have the flexibility to use BEA to support new initiatives targeted to sub-markets within their service areas. Historically, one of the great strengths of BEA is its flexibility to allow banks to respond to ever changing market conditions and experiment with targeted initiative within the most distressed census tracts. The proposed change will largely eliminate this historic strength and make the program less useful to Distressed Communities. 3. Economic Cycles: We appreciate the CDFI Fund's desire to see banks continue to challenge themselves to do more and more Qualified Activities -- as well as impose consistent standards across the applicant pool. Yet, requiring applicants to have consistent year-over-over increases in all Qualified Activities is not realistic. No market (or census tract) has consistent or growing demand for credit or services year-over-year. Most Distressed Community census tracts are difficult to serve even when demand exists. Downturns in the overall national, state or a local economy will be exacerbated when CDFI banks cannot access critical BEA resources at a time that the Distressed Communities they serve are feeling the most pain.</p>	
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Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	Table 7 - Estimated BEA Program Award Calculation	Estimated Award Amount	The proposed rule would change the award percentage for all Qualified Activities in the Consumer Lending subcategory from 3% to 6% for non-CDFIs and from 9% to 18% for CDFI applicants. CDBA recommends that the award percentages for Consumer Loans and Commercial Loans be the same in order to create a level playing field between bank applicants that are primarily consumer or commercial lending institutions. To the extent that the CDFI Fund wishes to incent particular types of lending (e.g. Small Dollar Consumer Loans), the award percentage for those specific activities could be allocated higher award percentages.	The CDFI Fund intends to move forward with this change. This will create parity for lending to consumers in distressed communities.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	General	Application Format	We strongly encourage the CDFI Fund to automate AMIS to perform the same chart calculations as the Excel spreadsheet version of the BEA applications. Such calculations are very helpful to applicants to understand what their total estimated award might be and to add greater transparency to the application process. The AMIS system should be able to auto populate all of Table 4. We recommend that AMIS' functionality allow data to be uploaded from an Excel file for Table 6 (Report of Transaction) to reduce data input errors and the time needed to complete the application.	The CDFI Fund intends to migrate the BEA Program to its new Awards Management Information System (AMIS) platform and will continue to explore enhancements to the application.
9/26/16	Jeannine Jacokes	Chief Executive	Community Development	Application	General	Reporting Qualified	CDBA strongly supports the proposed streamlined Integral Involvement	The CDFI Fund intends to move forward with this enhancement aimed at reducing

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

		Officer	Bankers Association			Activities	documentation requirements for CDFI Partners receiving CDFI Support from applicants. CDFI banks have been active supporters of CDFI credit unions through the BEA Program. Yet, it has been a source of great frustration for many CDFI banks that make a qualified BEA deposit and submit an application only to later have the activity disqualified because the CDFI credit union partner failed to submit the appropriate paperwork through the MyCDFI system. Allowing the paperwork to be submitted directly by the BEA applicant reduces this risk. Furthermore, streamlining the Integral Involvement form to a certification and discontinuing the mapping requirement reduces the barriers to successful partnerships between CDFI banks and CDCI credit unions.	an Applicant's burden.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	General; Supporting Documentation for Qualified Activities	Reporting Qualified Activities	On page 38 of the BEA Program application, under "Activities of the Applicant" it states, "To be eligible for BEA Program consideration, the Applicant or a Subsidiary of the Applicant must originate all Qualified Activities. Transactions carried out by Affiliates are not eligible. Loans brokered through another institution or loans purchased by the Applicant from another institution are not eligible for BEA Program consideration. [emphasis added]. We urge you to amend this policy. Loan participations have historically been considered a Qualified	This is an existing requirement that was not changed. This requirement does not prevent participation loans that are new originations made within the applicable Assessment Period between unaffiliated entities from being considered as Qualified Activities. This requirement does prevent existing loans that are purchased and/or sold between related entities, and therefore are not a new originations and do not represent new activity, from being considered as Qualified Activities.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							Activity provided: (1) the BEA applicant was involved in the transaction at the time of origination; and (2) the loan documentation and/or participation agreement specifically named the applicant. This proposed change would effectively disallow loan participations as a Qualified Activity. Loan participations are an effective strategy for a lender to meet borrower's needs when a transaction exceeds loan limits, it has liquidity or portfolio concentration challenges, or the risk profile of the loan is high. The policy justification for the proposed change is unclear as this form of partnership helps borrowers and communities access the credit they need.	
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	General	General	Definitions	CDBA strongly encourages the CDFI Fund to seek greater alignment and consistency in definitions across ALL of its program applications (e.g. BEA, CDFI Financial and Technical Assistance, New Markets Tax Credits) and various reporting systems (e.g. AMIS, CIIS, CDFI certification). In the case of regulated CDFIs (e.g. banks, credit unions), the CDFI Fund should seek greater consistency with the regulatory definitions and reporting standards. In devising standard definitions, the CDFI Fund should consider that regulated CDFIs have long-established regulatory definitions by which they report lending and other activities through the Call	The CDFI Fund acknowledges differences exist in some definitions used by the various programs that it administers and those used by Applicants and other federal agencies. The CDFI Fund has engaged in efforts to ensure greater definitional consistency across all of its programs while recognizing that some definitions are statutory and cannot be changed.

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							Reports (banks) or NCUA 5300 (credit unions). CDFI banks invest significant time and money into having regulatory compliant core systems. Over the past 20+ years, the CDFI Fund's programs and reporting systems have forced regulated CDFIs to go through the painstaking and expensive task of reclassifying their data to submit a report or an application for funding or certification.	
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Program Regulations	1806.404	Funding Priority	Section 1806.404(b) establishes that the CDFI Fund has the authority to establish award limited by Qualified Activity type in the event of insufficient funds are available to cover all estimated award amounts. The proposed rule states that "maximum dollar amount of awards that may be awarded for the Distressed Community Financing Activities subcategories, as described in the applicable NOFA." We are concerned about specific limits being set for Distressed Community subcategory activities. Distressed Community Activities are targeted to the most distressed census tracts of all of the CDFI Programs. These are the communities that are hardest to serve. If the CDFI Fund desires to incent more activities in the most underserved places, they should not place greater limits on these activities that other Qualified Activities.	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers	Application	Table 8 - Projected Use of	Award Reporting	On page 37 of the proposed application, under Award Use, the chart instructions state: "Applicants are required to	The CDFI Fund requires Applicants to indicate their intended use of BEA Program award dollars. Although

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

			Association		BEA Award Program		indicate how they intend to use their BEA Program award. Actual use of awards will be measured against projected use of awards.” Historically, the CDFI Fund has given banks flexibility to use their awards for any BEA Qualified Activity. It did not ask them to commit to a specific activity prior to receipt of an award and hold them accountable for completing. The policy justification for the proposed change is unclear and this change unnecessarily reduces flexibility.	Applicants selected to receive an award will not be required to meet the percentages for individual qualified activities indicated in the Projected Use of BEA Program Award table, the award agreement will indicate that 100% of the award must be used towards Authorized BEA Program Activities. This will be clarified in the application.
9/26/16	Jeannine Jacokes	Chief Executive Officer	Community Development Bankers Association	Application	General	Eligibility Data	In the proposed application, the CDFI Fund states that it will publish a full list of BEA eligible census tracts. Such a list will be helpful to many applicants. We would urge, however, that the CDFI Fund also provide an appeals process if an applicant believes (based on objective government source data) that a census tract not listed might be eligible.	A list of all BEA qualified census tracts and other eligibility data will be available on the CDFI Fund’s public website. The CDFI Fund will not, however, implement a process for appealing eligibility determinations.
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Program Regulations	1806.103	Definitions	Subpart A of the proposed rule would make several changes to key definitions that are of great concern. Specifically, the terms “CDFI Support Activity” removed the criteria for “deposits” and would define such criteria in the applicable NOFA for each funding fund. CDBA strongly opposes this change because it will have a chilling effect of strongly discouraging non-CDFI bank applicants from either making deposits	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>into CDFI banks, as well as discourage CDFI banks from making deposits into CDFI credit unions due to lack of certainty on what type of deposit will qualify for an award. The proposed rule would also define qualifying “Community Services” and “Development Services” in each annual NOFA. Like deposits in regulated CDFIs, this change will discourage applicants from engaging in and reporting these activities due to the uncertainty of what activities qualify. As an alternative, the CDFI Fund could define a basic set of “Community Services” and “Development Services” in the rule, but allow the flexibility to add additional activities in the annual NOFAs. The publication of each annual NOFA is highly unpredictable and it occurs after the end of the annual Assessment Period. Yet, applicants are expected to engage in Qualified Activities during the Assessment Period. While we appreciate the CDFI Fund’s desire to maximize its flexibility, the lack of certainty on qualifying terms of a CDFI deposit will significantly reduce this type of activity among applicants.</p>	
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Program Regulations; Application	1806.103; Table 7 - Estimated BEA Program Award	Award Reporting	<p>The new application aggregates Distressed Community activities into two very broad new categories of activities – “Consumer Lending” and “Commercial Lending and Investments” and requires increases within these aggregate</p>	<p>The CDFI Fund intends to move forward with bifurcating Distressed Community Financing Activities (DCFA) into two sub-categories in order to create parity for lending to consumers in distressed communities. However, the CDFI Fund</p>

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

					Calculatio n		categories to receive an award. Metro Bank strongly opposes this approach. Demand by product types typically ebb and flow over time. Aggregating across very broad categories will make it practically impossible for most applicants to qualify for an award and will particularly penalize banks that do the smallest loans.	will not base estimated award amounts in the Distressed Community Financing Activities Category on the net overall increase in activity at the sub-category level. Applicants seeking an award for DCFA will be required to report on all activities within the applicable sub-category when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the Applicant is not able to demonstrate an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to demonstrate an increase in from the Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Application	General; Table 5 - Overall Increase in BEA Qualified Activities; Table 7 - Estimated BEA	Award Reporting	The proposed application instructs applicants that BEA Program award amounts will be calculated based on an Applicant's increase in investments and support to CDFIs and in its own lending, investing, or service-related activities in Distressed communities. The proposed applicant further instructs that "[w]hen determining the Baseline Period and Assessment Period amounts reported,	This language was added to the Application in efforts to ensure that the Applicant pool uniformly: (1) determines their geographic footprint and (2) reports their Baseline Period and Assessment Period amounts consistently from year-to year for activities which occurred in BEA Distressed Communities. Applicants will still be required to consider all BEA qualified census tracts when determining



Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

					Program Award Calculation	<p>Applicants must consider BEA Qualified Activities and BEA qualified census tracts when reporting these amounts, as it relates to a given sub-category or activity type, as applicable." This change is a big concern to us. Such a change would significantly reduce the flexibility of the program and likely impact industry participation over the long run. No market (or census tract) has consistent or growing demand for credit or services year-over-year. Most Distressed Community census tracts are difficult to serve even when demand exists. Banks would no longer have the flexibility to use BEA to support new initiatives targeted to sub-markets within their service areas. We appreciate the CDFI Fund's desire to see banks continue to challenge themselves to do more and more Qualified Activities -- as well as impose consistent standards across the applicant pool. Yet, requiring applicants to have consistent year-over-over increases in all Qualified Activities is not realistic. Down turns in the overall national, state or a local economy will be exacerbated when CDFI banks cannot access critical BEA resources at a time that the Distressed Communities they serve are feeling the most pain. Historically, one of the great strengths of BEA is its flexible to allow banks to respond to ever changing market conditions and experiment with targeted</p>	the overall increase for any activity type.
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Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>initiative within the most distressed census tracts. The proposed change will largely eliminate this historic strength and make the program less useful to Distressed Communities. If the CDFI Fund implements this proposed change, we strongly recommends that it allow banks to adjust their designated service area(s) at the beginning of each funding round's Assessment Period. Applicant s should be permitted to make adjustments to reflect any expansion or contraction in their total markets AND make corresponding adjustments to their Baseline Period activity levels from the prior year's application. The CDFI Fund's adjustment progress also allow Baseline Period adjustments to reflect: (1) activities reported in the prior funding round application that were disqualified by the CDFI Fund;(2) loans or lines of credit whereby the borrower did not fully deploy the resources approved by the applicant within the required time period; and (3) other unforeseen circumstances.</p>	
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Application	Table 7 - Estimated BEA Program Award Calculation	Estimated Award Amount	<p>The proposed rule would change the award percentage for all Qualified Activities in the Consumer Lending subcategory from 3% to 6% for non-CDFIs and from 9% to 18% for CDFI applicants. CDBA recommends that the award percentages for Consumer Loans and Commercial Loans be the same in order to create a level playing field</p>	<p>The CDFI Fund intends to move forward with this change. This will create parity for lending to consumers in distressed communities.</p>

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							between bank applicants that are primarily consumer or commercial lending institutions. To the extent that the CDFI Fund wishes to incent particular types of lending (e.g. Small Dollar Consumer Loans), the award percentage for those specific activities could be allocated higher award percentages.	
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Application	General	Application Format	We strongly encourage the CDFI Fund to automate AMIS to perform the same chart calculations as the Excel spreadsheet version of the BEA applications. Such calculations are very helpful to applicants to understand what their total estimated award might be and to add greater transparency to the application process.	The CDFI Fund intends to migrate the BEA Program to its new Awards Management Information System (AMIS) platform and will continue to explore enhancements to the application.
10/6/16	Pedro Bryant	President and CEO	Metro Bank	Application	General	Reporting Qualified Activities	Metro Bank strongly supports the proposed streamlined Integral Involvement documentation requirements for CDFI Partners receiving CDFI Support from applicants. CDFI banks have been active supporters of CDFI credit unions through the BEA Program. Yet, it has been a source of great frustration for many CDFI banks that make a qualified BEA deposit and submit an application only to later have the activity disqualified because the CDFI credit union partner failed to submit the appropriate paperwork through the MyCDFI system. Allowing the paperwork to be submitted directly by the BEA applicant reduces this risk. Furthermore, streamlining the Integral Involvement form to a certification and discontinuing the mapping requirement, reduces the barriers to successful partnerships	The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							between CDFI banks and CDCI credit unions.	
10/6/16	Pedro Bryant	President and CEO	Metro Bank	General	General	Definitions	<p>We strongly encourages the CDFI Fund to seek greater alignment and consistency in definitions across its program applications (e.g. BEA, CDFI Financial and Technical Assistance, New Markets Tax Credits) and various reporting systems (e.g. AMIS, CIIS, CDFI certification). In the case of regulated CDFIs (e.g. banks, credit unions), the CDFI Fund should seek greater consistency with the regulatory definitions and reporting standards. We appreciate the CDFI Fund's desire to have CDFIs of all types report the same data which will allow the CDFI Fund to better aggregate its own data. But, regulated CDFIs have long-established regulatory definitions by which they report lending and other activities through the Call Reports (banks) or NCUA 5300 (credit unions). Banks and credit unions invest significant time and money into having regulatory compliant core systems. Over the past 20+ years, the CDFI Fund's programs and reporting systems have forced regulated CDFIs to go through the painstaking and expensive task of reclassifying their data to submit a report or an application for funding or certification. CDFI banks and their holding companies and CDFI credit unions collectively comprise appropriately 50% of the total certified</p>	<p>The CDFI Fund acknowledges differences exist in some definitions used by the various programs that it administers and those used by Applicants and other federal agencies. The CDFI Fund has engaged in efforts to ensure greater definitional consistency across all of its programs while recognizing that some definitions are statutory and cannot be changed.</p>

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							<p>CDFIs but likely 80% of the total assets. So, why does the CDFI Fund require mature regulated CDFIs comply with the same unstandardized framework of unregulated CDFIs? Simply providing a "cross walk" document instructing regulated CDFI how to translate their data into another system is wholly inadequate. Metro Bank very strongly recommends that the CDFI Fund formally recognize the real differences among the various CDFI sectors and create different application and reporting that are tailored by CDFI type.</p>	
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Reporting Qualified Activities	<p>Placing the responsibility on the Applicant to provide the required CDFI Partner Integral Involvement documentation allows for the Applicant to have more control over the components needed to ensure CDFI Partner activities are considered eligible by the CDFI Fund. Additionally, it provides Applicants the opportunity to work with CDFI Partners to collect this information ahead of the BEA application, allowing the Applicant to focus on the rest of the application components when the BEA round is open. Additionally, the CDFI Fund has indicated it will update its list of U.S. census tracts and whether they are Fully, Partially, or Not Qualified to include whether a Partially Qualified census tract ultimately qualifies under the BEA</p>	<p>The CDFI Fund intends to move forward with this enhancement aimed at reducing an Applicant's burden.</p>

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							Program based on contiguity. FUND Consulting recognizes the importance of this update in significantly increasing consistency among Applicants, thereby providing a more level playing field, while significantly reducing an Applicant's burden in completing the application as utilizing the mapping system will not always be necessary.	
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Reporting Qualified Activities	Allowing Applicants to report on select Distressed Communities or to amend their Distressed Communities at the beginning of each Assessment Period as we have found that consistent year-over-over increases in Qualified Activities in the same Distressed Communities are difficult. For example, it is common practice for banks to focus on different Distressed Communities year to year as a risk management tool to ensure the bank's higher-risk lending is geographically diversified. Additionally, most BEA eligible Distressed Communities are difficult to serve consistently based on the risk involved. That coupled with the fact that demand in any community regularly fluctuates, especially in a recovering economy, makes it difficult for banks to continually focus on the same Distressed Communities.	This language was added to the Application in efforts to ensure that the Applicant pool uniformly: (1) determines their geographic footprint and (2) reports their Baseline Period and Assessment Period amounts consistently from year-to-year for activities which occurred in BEA Distressed Communities. Applicants will still be required to consider all BEA qualified census tracts when determining the overall increase for any activity type.
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General; Table 5 - Overall Increase	Reporting Qualified Activities	Requiring Applicants to report on all Distressed Community activities would significantly reduce the program's flexibility and inhibit the ability for	The CDFI Fund intends to move forward with bifurcating Distressed Community Financing Activities (DCFA) into two sub-categories in order to create parity for

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

					in BEA Qualified Activities; Table 7 - Estimated BEA Program Award Calculation		Applicants to seek out and serve the most Distressed Communities in their service area, a key goal of the program.	lending to consumers in distressed communities. However, the CDFI Fund will not base estimated award amounts in the Distressed Community Financing Activities Category on the net overall increase in activity at the sub-category level. Applicants seeking an award for DCFA will be required to report on every activity within the applicable sub-category when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the Applicant is not able to demonstrate an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to demonstrate an increase in from the Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Program Regulations	1806.103	Definitions	Including criteria for CDFI Support Activities and specifically Deposits in the interim rule, as the CDFI Fund has been done in the past. The application indicates that the criteria for such activities will now be defined in the applicable NOFA for each funding round. However, this change will significantly	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							affect a bank's ability to provide CDFI Support Activities that qualify for BEA consideration as the change would result in the criteria for CDFI Support Activities being announced after the end of the Assessment Period when the activity must have occurred. While we appreciate the CDFI Fund's desire to maximize its flexibility, the lack of certainty on qualifying terms of a CDFI deposit will significant reduce this type of activity among applicants.	
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	Table 5 - Overall Increase in BEA Qualified Activities	Reporting Qualified Activities	Requiring Applicants to provide detailed Baseline Period transaction information, similar to that requested of Assessment Period activity in the "Transactions to be Considered for an Award Calculation" section. This will provide the CDFI Fund an opportunity to confirm the accuracy of a bank's reported Baseline Activities. While the application indicates that moving forward, if an Applicant applies two years in a row, the Assessment Period data of the first application will be automatically carried over to the Baseline Period for the next application, requiring this information for all Applicants that have not applied in the previous year will ensure consistency in the quality of information provided to the CDFI Fund as well as the CDFI Fund's review of applications.	As noted by the respondent, this administrative and system improvement will reduce the Applicant's burden. The CDFI Fund intends to move forward with this enhancement.
10/11/16	Ruth Barber; Lolita	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Reporting Qualified Activities	Only requiring Distressed Community documentation (for transactions over \$250,000) equaling the requested award	This is not a new requirement for Applicants. Providing supporting documentation for Distressed Community



Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

	Sereleas						amount. This will significantly decrease the burden among applicants in collecting, digitizing, and submitting loan documentation. It will also add to a bank's confidence in the confidentiality of borrower information as documentation with detailed borrower information would only be required for a limited number of loans.	Financing Activities transactions over \$250,000 has been a requirement for the BEA Program for several years and ensures, amongst other things, that: (1) transactions submitted for an award are indeed BEA Qualified Activities, (2) allows the transaction amounts and borrower information to be confirmed, and (3) provides evidence of disbursement of the proceeds of the loans to the borrower.
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Application Format	Providing an excel template of the AMIS tables and charts for Applicants to work in prior to application submission. Based on the FY2016 FATA application, the AMIS system is not streamlined to allow for ease in sharing, reviewing, and updating the various components of applications. By providing Applicants an offline tool to work in, the CDFI Fund will reduce Applicant burden in preparing and finalizing applications prior to submission. Ensuring the AMIS application allows users to copy and paste information in a streamlined manner would further reduce Applicant burden, especially when it comes to information requested in tables that are transferred into AMIS lists.	Currently, a pre-application Excel spreadsheet that interfaces with the Award Management Information System (AMIS) does not exist. The CDFI Fund will explore the feasibility of adding this functionality to AMIS in future rounds.
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Reporting Qualified Activities	The application indicates that Applicants "must report all BEA Qualified Activities in all BEA qualified census tracts (Distressed Communities) for the sub-categories or activity types for which it intends to apply for an Award" in several places throughout the application.	This language was added to the Application in efforts to ensure that the Applicant pool uniformly: (1) determines their geographic footprint and (2) reports their Baseline Period and Assessment Period amounts consistently from year-to-year for activities which occurred in BEA

Appendix I. Comment and Response Summary  
2016 BEA Application  
60-Day Federal Register Notice Comment Adjudication

							However, on page 31, the application indicates “Applicants may use their discretion to determine how many individual transactions to report in a particular activity type or sub-category of BEA Qualified Activity, as long as the individual transactions reported result in an increase in BEA Qualified Activities in such activity type or sub-category.” Based on the language on page 31, Applicants may be confused on what they are required to report.	Distressed Communities. Applicants will still be required to consider all BEA qualified census tracts when determining the overall increase for any activity type.
10/11/16	Ruth Barber; Lolita Sereleas	Partner; Founding Partner	Fund Consulting, LLC	Application	General	Estimated Award Amount	Page 3 of the application indicates “the award percentage allowed for the Consumer Loan sub-category has increased to 6% and 8% for CDFI Applicants and non-CDFI Applicants, respectively.” Based on this sentence, non-CDFI Applicants are receiving a higher multiplier than CDFI banks. Additionally, in Table 7 on page 36, the Award Percent for Consumer Loans is listed as 6%/18%, which contradicts the percentages listed in the previously referenced section on page 3.	The referenced language on page 3 of the Application was an inadvertent typo and will be updated to read: “the award percentage allowed for the Consumer Loan sub-category has increased to 6% and 18% for CDFI Applicants and non-CDFI Applicants, respectively.” This edit will be consistent with Table 7.
10/11/16	John Holdsworth IV	SVP, Corporate Affairs	National Cooperative Bank	Program Regulations	1806.103	Definitions	We would oppose any proposed rules that would deter non CDFI Bank applicants like NCB and other lending institutions from making deposits with CDFI Banks, and deter CDFI Banks from making deposits in certified CDFI community development credit unions, for fear that it would impact deposit types and qualifications for a BEA award. While NCB applauds the Fund’s attempt	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							to maximize the assessment period flexibility, it greatly impacts the qualifications of a CDFI deposit that would reduce this type of activity. The publication of the annual Notice of Funding Availability (NOFA) can be unpredictable and occurs after the end of the annual Assessment Period. However, applicants are expected to engage in Qualified Activities during those periods.	
10/11/16	John Holdsworth IV	SVP, Corporate Affairs	National Cooperative Bank	Program Regulations	1806.103	Definitions	In regards to “Community Services” and “Development Services” in the annual NOFA, this proposed rule will discourage applicants depositing in regulated CDFIs from engaging and reporting “Community Services” and “Development Services” due to the impact on the qualifications of those activities. In contrast, the Fund should define a basic set of “Community Services” and “Development Services” in the proposed rule, but keep the flexibility to add additional activities in the annual NOFAs.	This comment is solely related to the BEA Program Interim Rule (Program Regulations). The CDFI Fund will address such comments comprehensively when the Program Regulations are re-visited.
10/11/16	John Holdsworth IV	SVP, Corporate Affairs	National Cooperative Bank	Program Regulations; Table 7 – Estimated BEA Program Award Calculation	Table 7 - Estimated BEA Program Award Calculation	Reporting Qualified Activities	The new application aggregates Distressed Community activities into two new categories of activity: “Consumer Lending” and Commercial Lending and Investments” that would lead to higher aggregate categories to receive an award and NCB would not support that change to the application. This change would make it extremely difficult, if not impossible, for BEA applicants to qualify	The CDFI Fund intends to move forward with bifurcating Distressed Community Financing Activities (DCFA) into two sub-categories in order to create parity for lending to consumers in distressed communities. However, the CDFI Fund will not base estimated award amounts in the Distressed Community Financing Activities Category on the net overall increase in activity at the sub-category

Appendix I. Comment and Response Summary  
 2016 BEA Application  
 60-Day Federal Register Notice Comment Adjudication

							for an award.	level. Applicants seeking an award for DCFA will be required to report on every activity within the applicable sub-category when reporting its overall change in BEA Qualified Activities (Table 5). This includes any activity type(s) that the applicant is not able to demonstrate an increase. The estimated award amount is based on the actual transactions submitted for any individual activity an Applicant is able to demonstrate an increase in from the Baseline Period to the Assessment Period. The actual transactions will be totaled by sub-category and the estimated award amount will be determined at the sub-category level. Applicants can determine, at their sole discretion, the amount of transactions that they would like to submit in Table 6 to be included in their estimated award amount.
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