



INSTRUCTIONS for the Quarterly Supplemental Report for Community Development Loan Funds

GENERAL INSTRUCTIONS

The sections below constitute the Quarterly Supplemental Report.

[Quarter-End Adjusted Baseline Calculation](#)

[Quarter-End Qualified CDLF Small Business Lending](#)

[Change in Qualified CDLF Small Business Lending Calculation](#)

WHO MUST REPORT ON WHICH FORMS

Every Community Development Loan Fund (CDLF) participating in the Small Business Lending Fund (SBLF) is required to submit a Quarterly Supplemental Report and corresponding quarter-end financial statements no more than 45 calendar days after the quarter in which SBLF funding is received and in each of the following quarters until all SBLF securities have been redeemed. Participants must submit a copy of their quarter-end financial statements used to complete each Quarterly Supplemental Report.

ORGANIZATION OF THE INSTRUCTION BOOK

This instruction book is divided into three sections:

- (1) The General Instructions describing overall reporting requirements.
- (2) The Definition of Qualified CDLF Small Business Lending.
- (3) The Line Item Instructions for each section of the Quarterly Supplemental Report.

PREPARATION OF THE REPORT

CDLFs are required to prepare and file the Quarterly Supplemental Report in accordance with these instructions. All reports shall be prepared in a consistent manner.

The CDLF's financial records shall be maintained in such a manner and scope so as to ensure that the Quarterly Supplemental Report can be prepared and filed in accordance with these instructions and will reflect a fair presentation of the CDLF's small business lending.

If you have general questions regarding this form, please contact the information line for the Small Business Lending Fund at 888-832-1147 (Monday-Friday, 9:00 AM-5:00 PM ET).

SIGNATURES

The cover (signature) page of the Quarterly Supplemental Report shall be used to complete the signature and attestation requirement. The CDLF may use digital or handwritten signatures; however, the choice will impact how the form is submitted. For details, see SUBMISSION OF THE REPORT instructions below.

Chief Executive Officer and Chief Financial Officer Declarations

Both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the CDLF (or the individuals performing equivalent functions) shall sign the respective declarations on the cover (signature) page attesting to the correctness of the Quarterly Supplemental Report that the CDLF has filed with the Treasury.

SUBMISSION OF THE REPORT AND QUARTER-END FINANCIAL STATEMENTS

Each CDLF must file its Quarterly Supplemental Report no more than 45 calendar days after the quarter by electronically entering the report data directly into the Report and emailing the completed copy, along with the cover (signature) page, to Treasury at

SBLFSuppRpt@treasury.gov.

For CDLFs using digital signatures, the completed electronic report is submitted as a single document. For CDLFs using handwritten signatures, both the completed electronic report and a scanned copy of the entire report, including signature page, must be submitted.

Submission Date

A CDLF's completed Quarterly Supplemental Report must be filed with Treasury no later than 45 calendar days after the end of the quarter. A copy of the CDLF's quarter-end financial statements used to complete the Quarterly Supplemental Report must also be submitted at the same time. The CDLF's first Quarterly Supplemental Report, which shall be completed using its 6/30/2011 financial statements, is due no later than five (5) business days before the closing date of the SBLF funding.

RETENTION OF REPORTS

In general, a CDLF should maintain in its files a signed and attested record of its completed Quarterly Supplemental Report, including any amended reports, for five (5) years after the report date, unless any applicable state requirements mandate a longer retention period.

MISCELLANEOUS GENERAL INSTRUCTIONS

Rounding

Dollar amounts must be reported in thousands with the figures rounded to the nearest thousand. Items less than \$500 must be reported as zero. The only exception is when reporting the whole dollar value of funding from the SBLF and the related change in Qualified CDLF Small Business Lending calculations.

Verification

All fields must be completed. All addition and subtraction should be double-checked before reports are submitted. Totals and subtotals in supporting materials should be cross-checked to corresponding items elsewhere in the reports. Before a report is submitted, all amounts should be compared with the corresponding amounts in the previous report. If there are any unusual changes from the previous report, a brief explanation of the changes should be attached to the submitted report.

RELEASE OF INDIVIDUAL CDLF REPORTS

All sections of the Quarterly Supplemental Report submitted by each reporting CDLF may be made available to the public by the Treasury.

DEFINITION OF QUALIFIED CDLF SMALL BUSINESS LENDING

This is the same definition of Qualified CDLF Small Business Lending on the SBLF Initial Call Report for Community Development Loan Funds. Please use this definition to complete your CDLF's Supplemental Reports.

For a loan made by a CDLF to be eligible for inclusion in Qualified CDLF Small Business Lending, it must meet the following criteria:

- The original principal and commitment amount of the loan must be \$10 million or less.
- The loan must not be to a business with more than \$50 million in revenues.
- The loan must fall within one of the following four categories:
 - **Commercial and industrial loans:** Loans made for commercial and industrial purposes to sole proprietorships, partnerships, corporations (including non-profit corporations), and other business enterprises, whether secured (other than those that meet the definition of a "loan secured by real estate") or unsecured, single-payment or installment. This category includes microenterprise loans and lines of credit.
 - **Owner-occupied nonfarm, nonresidential real estate loans:** Loans secured by nonfarm, nonresidential commercial real estate property, including community facilities. The primary source of repayment must be the cash flow from the borrower/owner or enterprise's operations and activities (or an affiliate subsidiary or related Special Purpose Entity).
 - **Loans to finance agricultural production and other loans to farmers:** Loans made for the purpose of financing agricultural production. Include such loans whether secured (other than those that meet the definition of a "loan secured by real estate") or unsecured and whether made to farm and ranch owners and operators.
 - **Loans secured by farmland:** Loans made for farmland and improvements and secured by mortgages or other real estate liens. Farmland includes all land known to be used or usable for agricultural purposes, such as crop and livestock production, grazing or pasture land, whether tillable or not and whether wooded or not.

Qualified CDLF Small Business Lending is defined, without consideration of tax status, to include borrowers that are sole proprietorships, partnerships, corporations, tax-exempt organizations, and cooperatives.

Some loans made by CDLFs will not count as Qualified CDLF Small Business Lending. The following list provides examples of loans that are excluded from Qualified CDLF Small Business Lending. This list is not exhaustive, but meant to provide guidance on the definition of Qualified CDLF Small Business Lending.

The Definition of Qualified CDLF Small Business Lending excludes:

- Loans for nonfarm, nonresidential real estate that is not owner occupied.
- Loans for nonfarm, nonresidential property construction and land development purposes.
- Loans for residential properties.
- Loans to individuals for household, family, and personal expenditures.
- Loans for lease financing receivables.
- Loans to depository financial institutions.
- Loans to nondepository financial institutions such as real estate investment trusts, mortgage companies, and insurance companies.
- Loans for the purpose of purchasing or carrying securities.
- Loans to governments.
- The guaranteed portion of any Small Business Administration (SBA) loan.

LINE ITEM INSTRUCTIONS

Please note that some lines on the Supplemental report are automatically calculated. These lines are pre-populated with zeros and will not accept manual entry.

Quarter-End Adjusted Baseline Calculation

This section is used to adjust a fund's Small Business Lending Baseline for increases in qualified loan balances¹ resulting from mergers, acquisitions, or purchases of such loans. If the CDLF has gained qualifying loans by merger, acquisition, and/or purchase since 7/1/2010 through the report date, the amount must be added to the baseline.

Item No. Caption and Instructions

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| 1 | Initial CDLF Small Business Lending Baseline (line 12 of the Initial Supplemental Report) |
| 2 | Prior quarter cumulative reported qualified small business lending increases resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans as were reported on line 12 of the prior quarter's submitted Quarterly Supplemental Report |
| 3 | Balance increases in commercial and industrial loans resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans in the quarter being reported |
| 4 | Balance increases in loans secured by owner-occupied nonfarm, nonresidential properties resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans in the quarter being reported |
| 5 | Balance increases in loans to finance agricultural production and other loans to farmers resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans in the quarter being reported |
| 6 | Balance increases in loans secured by farmland resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans in the quarter being reported |
| 7 | Subtotal (sum lines 3, 4, 5, and 6) |
| 8 | Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million |

¹ Balances refer to currently outstanding.

Item No. Caption and Instructions

- 9 Dollar portion of such loans to businesses with more than \$50 million in revenues, unless included in line 8
Include loans made to a business with more than \$50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
- 10 Dollar portion of line 7 guaranteed by the U.S. government, unless included in lines 8 or 9
Include only the portion of the loan which is guaranteed by the U.S. government.
- 11 Dollar portion of line 7 where a third party has assumed an interest, unless included in lines 8, 9, or 10
Include only the portion where a third party has assumed an interest.
- 12 Total cumulative reported qualified business lending increases resulting from an acquisition of, or merger with, another fund, and/or purchases of such loans (line 12 equals line 2 plus line 7 minus lines 8, 9, 10, and 11)
- 13 Quarter-End Adjusted CDLF Small Business Lending Baseline (line 13 equals line 1 plus line 12)

Quarter-End Qualified CDLF Small Business Lending

Item No. Caption and Instructions

- 14 Balances of commercial and industrial loans
- 15 Balances of loans secured by owner-occupied nonfarm, nonresidential properties
- 16 Balances of loans to finance agricultural production and other loans to farmers
- 17 Balances of loans secured by farmland
- 18 Subtotal (sum lines 14, 15, 16, and 17)
- 19 Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million
- 20 Dollar portion of such loans to businesses with more than \$50 million in revenues, unless included in line 19
Include loans made to a business with more than \$50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
- 21 Dollar portion of line 18 guaranteed by the U.S. government, unless included in lines 19 or 20
Include only the portion of the loan which is guaranteed by the U.S. government.
- 22 Dollar portion of line 18 where a third party has assumed an interest, unless included in lines 19, 20, or 21
Include only the portion where a third party has assumed an interest.
- 23 Total quarter-end qualified CDLF small business loans (line 23 equals line 18 minus lines 19, 20, 21, and 22)

Net Charge-Off Adjustments

For lines 24-34: if net charge-offs are negative (i.e., recoveries exceed charge-offs), type a minus symbol (-) in the "Neg (-)" column that corresponds with that line.

Item No. Caption and Instructions

- 24 Cumulative net charge-offs before last quarter (line 34 from prior quarter's report)
- 25 Net charge-offs on commercial and industrial loans
- 26 Net charge-offs on loans secured by owner-occupied nonfarm, nonresidential properties
- 27 Net charge-offs on loans to finance agricultural production and other loans to farmers
- 28 Net charge-offs on loans secured by farmland
- 29 Subtotal (sum lines 24, 25, 26, 27, and 28)
- 30 Dollar portion of net charge-offs on any such loans or group of loans (from lines 25, 26, 27, and 28) to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million

Item No. Caption and Instructions

- 31 Dollar portion of net charge-offs on such loans (from lines 25, 26, 27, and 28) to businesses with more than \$50 million in revenues, unless included in line 30
- 32 Dollar portion of net charge-offs on loans (from lines 25, 26, 27, and 28) guaranteed by the U.S. government, unless included in lines 30 and 31
- 33 Dollar portion of net charge-offs on loans (from lines 25, 26, 27, and 28) where a third party has assumed an interest, unless included in lines 30, 31, and 32
- 34 Total cumulative net charge-offs (line 34 equals line 29 minus lines 30, 31, 32, and 33)
- 35 Quarter-End Adjusted CDLF Qualified Small Business Lending (line 35 equals line 23 plus line 34)

Change in Qualified CDLF Small Business Lending Calculation

Complete this section to determine your CDLF's percent change in Qualified CDLF Small Business Lending.

Item No. Caption and Instructions

- 36 Dollar value of current balances with the Small Business Lending Fund
- 37 Dollar value of Quarter-End Adjusted CDLF Small Business Lending Baseline (line 13)
- 38 Dollar value of Quarter-End Adjusted Qualified CDLF Small Business Lending (line 35)
- 39 Dollar value of increase in Qualified CDLF Small Business Lending from baseline (line 39 equals line 38 minus line 37; if negative, enter 0 on line 39)
- 40 Percent increase in Qualified CDLF Small Business Lending (line 40 equals line 39 divided by line 37; must be calculated to two decimal points; if line 39 is 0, enter 0 on line 40)