



FY 2020 CDFI PROGRAM & NACA PROGRAM - TECHNICAL ASSISTANCE APPLICATION

Revised Encompassing Public Comments under the Paperwork Reduction Act

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CDFI FUND
U.S. DEPARTMENT OF THE TREASURY

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INTRODUCTION

This document contains the application questions for the Technical Assistance (TA) Application.

TECHNICAL ASSISTANCE (TA) APPLICATION OVERVIEW

There are 16 questions in the TA Application, organized into two main sections:

- **Section I.** Statement of Certification Qualifications (Questions 1-5), required for uncertified Applicants only
- **Section II.** Business Strategy (Questions 1-11), required for all Applicants

TA NARRATIVE QUESTIONS

Section I Questions: Uncertified Applicants Only: Statement of Certification Qualification Questions

I.1. Primary Mission

Criteria: A CDFI shall have a primary mission of promoting community development.

- Applicant type(s): Emerging CDFI, Certifiable CDFI, and Sponsoring Entity Applicants

In order to become a certified CDFI an organization must demonstrate that it has a primary mission of community development by providing activities directed toward improving the social or economic conditions of underserved people or residents of distressed communities. Furthermore, its primary mission should clearly evidence a mission of serving low-income individuals; individuals that lack adequate access to capital and/or financial services; distressed communities; or underserved people or communities.

I.1.a. Applicants must include the following in their discussion of how they meet or will meet

the primary mission requirement: (Narrative Response: 3,000 character limit)

- a) Explanation of how the Applicant's current or proposed Financial Products (e.g. Loans, Equity Investments, purchase of loans, and the provision of loan guarantees), other similar financing activities, Financial Services (e.g. Checking, savings accounts, certified checks, automated teller machines, and other similar services), and Development Services in conjunction with its Financial Products (e.g. financial or credit counseling to facilitate home ownership, promoting self-employment, or enhancing consumer financial management skills) support the stated primary mission;
- b) Explanation of how the Applicant's current or proposed activities are purposefully

directed toward improving the social and/or economic conditions of low-income, distressed, and/or underserved people or communities; and

- c) Explanation of how the Applicant ensures or will ensure that it engages in responsible financing practices.

I.1.b. Any Affiliates of the Applicant who control the Applicant or who engage in financing activities must also meet the primary mission requirements. If the Applicant has an Affiliate(s) meeting this criteria, it must address the following regarding how the Affiliate(s) meet the primary mission requirements: (Narrative Response: 1,000 character limit)

- a) Explain how the Affiliate’s activities promote community development.

I.2. Financing Entity

Criteria: A CDFI shall be an entity whose predominant business activity is the provision, in arms-length transactions, of Financial Products, Development Services, and/or other similar financing.

- Applicant type(s): Emerging CDFI, Certifiable CDFI, and Sponsoring Entity Applicants

I.2.a. Applicants must include the following in their discussion of how they meet or will meet the financing activity requirement: (Narrative Response: 3,000 character limit)

- a) Description of how the Applicant’s current or intended organizational structure supports their current or proposed financing activities and Development Services. The discussion should address employees, significant volunteer positions, consultants, and Affiliate staff as applicable;
- b) If the Applicant is already a financing entity, it should discuss its lending track record and current pipeline; and
- c) If the Applicant is not yet a financing entity, it should discuss its timeline and plan for commencing financing activities including how it has determined or will determine that there is sufficient demand for such activities.

I.2.b. Predominant Business Activity Validation

	Historic 3	Historic 2	Historic 1	Current	Projected 1	Projected 2	Projected 3
Fiscal Year (FY) Selection	FY will pre-populate	FY will pre-populate	FY will pre-populate	FY will pre-populate	FY will pre-populate	FY will pre-populate	FY will pre-populate
% of Assets Dedicated to Financing (Total On-Balance Sheet Loan Portfolio/Total Assets)	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data	Will pre-populate from Application Financial Data
% of Staff Time Dedicated to	Applicant to complete	Applicant to	Applicant to	Applicant to	Applicant to	Applicant to	Applicant to

Financing		complete	complete	complete	complete	complete	complete
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I.2.c. If the value for % of Assets Dedicated to Financing and/or % of Staff Time Dedicated to Financing is 50% or less for any of the fiscal years reported in the above table, the Applicant must explain why the percentage is 50% or less and provide a timeline and plan for demonstrating that financing is its predominant business activity. (Narrative Response: 1,000 character limit)

I.3. Target Market

Criteria: A CDFI may be found to serve a Target Market by virtue of serving one or more Investment Areas and/or Targeted Populations.

- Applicant type(s): Emerging CDFI, Certifiable CDFI, and Sponsoring Entity Applicants
- Narrative Response: 3,000 character limit

I.3.a Applicants must include the following in their discussion of how they meet or will meet the Target Market requirement:

- Brief description of the full geographic areas and/or populations that the Applicant serves or will serve;
- Indicate which Target Market type(s) (e.g. Investment Area, Low-Income Targeted Population, or Other Targeted Population) for which they intend to become certified to serve. Refer to Appendix A for Target Market criteria;
- Description of the major needs and challenges of the Applicant’s current or proposed Target Market(s); and
- Explanation of how becoming a certified CDFI will increase the Applicant’s capacity to address the identified needs and challenges of its current or proposed Target Market(s).

I.3.b Select the CDFI Fund-approved Target Market verification process that the Applicant currently uses or will use. (Select all that apply.)

I.4. Accountability

Criteria: A CDFI must maintain accountability to residents of its Investment Area(s) or Targeted Population(s) through representation on its governing board or otherwise.

- Applicant type(s): Emerging CDFI, Certifiable CDFI, and Sponsoring Entity Applicants
- Narrative Response: 2,000 character limit

Applicants must include the following in their discussion of how they meet or will meet the accountability requirement:

- Description of how the Applicant maintains or intends to maintain accountability to its

Target Market (identified above) through representation on its governing board and/or advisory board; and

- b) Explanation of the Applicant's current or proposed process for selecting governing board or advisory board members. Refer to Appendix B for governing and advisory board representation requirements.
- c) If the Applicant does not yet have a governing board and/or advisory board in place, it should discuss its timeline and plan for selecting board members that demonstrate accountability to its Target Market.
- d) If the Applicant's existing governing board and/or advisory board does not currently demonstrate accountability to its Target Market, it should discuss its timeline and plan for meeting the representation requirements.

I.5. Development Services

A CDFI directly, through an Affiliate, or through a contract with another provider, shall provide Development Services in conjunction with its Financial Products.

- Applicant type(s): Emerging CDFI, Certifiable CDFI, and Sponsoring Entity Applicants
- Narrative Response: 2,500 character limit

Applicants must describe their Development Services, as well as, describe how they meet or will meet the Development Services requirement by:

- a) Providing Development Services, that are directly linked to its financial product(s), directly or through another provider that are connected to Financial Products;
- b) Maintaining oversight and ensuring the quality of Development Services if offered through another provider; and
- c) If the Applicant is not yet providing Development Services, it should discuss its timeline and plan for commencing Development Services activities including how it has determined or will determine that there is sufficient demand for such activities.

I.6. CDFI Certification Application Submission

What is the Applicant's anticipated timeframe for submitting a CDFI Certification Application to the CDFI Fund?

Select Month	Select Year
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Section II Questions: All Applicants (As Applicable): Business Strategy Questions

II.1. Discuss the Applicant's strategic goals for the next five years and its progress toward meeting the strategic goals.

- Applicant type(s): All Applicants
- Narrative Response: 1,500 character limit

II.2. Explain how the Applicant's strategic goals support organizational sustainability and growth as well as address the needs and challenges of the Applicant's current or proposed Target Market.

- Applicant type(s): All Applicants
- Narrative Response: 1,500 character limit

II.3. If the Applicant is a prior TA award recipient, discuss the use of the previous TA award(s) and the impact the award(s) had on the Applicant's progress toward achieving its strategic goals.

- Applicant type(s): All Applicants with prior TA awards
- Narrative Response: 2,500 character limit

II.4. Describe how the Applicant will use the requested TA award and explain how the proposed uses(s) of the TA award will build the Applicant's capacity to serve its Target Market, and if applicable, achieve CDFI certification.

- Applicant type(s): All Applicants
- Narrative Response: 3,000 character limit

II.5. Discuss the Sponsoring Entity's plan to create an Emerging CDFI within one year and to support the Emerging CDFI in achieving CDFI certification within four years.

- Applicant type(s): Sponsoring Entity Applicants
- Narrative Response: 2,500 character limit

II.6. Provide examples of the Applicant's record of success in serving its Target Market.

- Applicant type(s): Certified CDFI Applicants
- Narrative Response: 3,000 character limit

II.7. Describe the experience and expertise of the key staff and management who are or will be responsible for carrying out the Applicant's strategic goals.

- Applicant type(s): All Applicants
- Narrative Response: 3,000 character limit

II.8. Explain how the Applicant works or will work with other organizations to increase resources for its Target Market.

- Applicant type(s): All Applicants
- Narrative Response: 2,000 character limit

II.9. For unregulated Applicants, discuss the Applicant's plan to pursue private and public financial support in order to meet its strategic goals. For regulated Applicants, discuss the Applicant's plan to increase its financial resources in order to meet its strategic goals.

- Applicant type(s): All Applicants
- Narrative Response: 2,000 character limit

II.10. Describe the Applicant's process for tracking and reporting on the use of funds from public and private sources.

- Applicant type(s): All Applicants
- Narrative Response: 2,000 character limit

II.11. Discuss the Applicant's financial health and viability including loan portfolio performance. For regulated CDFIs, discuss regulatory constraints that may impact the Applicant's performance.

- Applicant type(s): All Applicants
- Narrative Response: 3,000 character limit

II.12. Identify and describe the financial and programmatic risks associated with the Applicant's ability to expend the requested TA award and ability to achieve its strategic goals. Explain how the Applicant will mitigate each identified risk.

- Applicant type(s): All Applicants
- Narrative Response: 2,500 character limit

AMIS DATA COLLECTION TABLES

Table 1: Current Financial Products			
Line of Business	Dollar Amount of Portfolio Outstanding	Dollar Amount Closed	Product Description
Affordable Housing			
Commercial Real Estate			
Community Facilities			
Consumer Financial Products			
Intermediary Lending to Non-Profits and CDFIs			
Microenterprise			
Small Business			
Other - Please enter description here			
Total	\$ -	\$ -	

Table 2: Current Development Services		
Development Services Currently Offered	# of Clients Served Most Recent Fiscal Year	# of Clients Served to Date
Business Technical Assistance		
Credit Counseling		
Financial Education		
Homeownership Counseling and Technical Assistance		
Real Estate Technical Assistance		
Other - Please enter description here		
Total	0	0

Table 3: Key Staff				
Name	Title	Years of Relevant Experience	Years with Applicant	Role in implementing your strategic goals
<i>Applicants can provide information on up to 10 Key Staff members</i>				<i>[Provide a brief (700 character paragraph) description of this individual's capacity, skills, and experience.]</i>

Table 4: Board Members				
Name	Title	Years of Relevant Experience	Years on Board	Accountability to the Target Market(s)
<i>Applicants can provide information on up to 7 board members.</i>				<i>[Provide a brief (700 character paragraph) description of this individual's capacity, skills, and experience.]</i>

Table 5: Committees			
Name	Number of Board Members	Number of Key Staff Members	How this committee relates to the performance of the CDFI
<i>Applicants can provide information on up to 5 committees</i>			<i>[Provide a brief (700 character paragraph) description of this Committee's purpose and how it relates to the performance of your CDFI.]</i>

APPENDICES

Placeholder for shared FA and TA common appendices. All shared FA and TA common appendices will be cleared together in a separate document to ease the internal clearance and approval process, ensuring that a reviewer only need to review a shared Appendix once.

Shared FA and TA common appendices include:

[Appendix A: AAT Compliance Risk Evaluation Questions](#)

[Appendix B: Application Financial Data Inputs Overview](#)

[Appendix B\(i\): Application Financial Data Inputs: Unregulated Applicants](#)

[Appendix B\(ii\): Application Financial Data Inputs: Credit Union Applicants](#)

[Appendix B\(iii\): Application Financial Data Inputs: Bank and Bank Holding Company Applicants](#)