**DEPARTMENT OF THE TREASURY**



**WASHINGTON, D.C. 20220**

**Supporting Statement**

**CDFI Program and NACA Program Applications**

A. Justification

1. Circumstances necessitating collection of information

Pursuant to the Riegle Community Development Banking and Financial Institutions Act of 1994, as amended (the Act, 12 USC 4701 et seq.), the Community Development Financial Institutions (CDFI) Program provides financial and technical assistance to selected Applicants and Community Development Financial Institutions (CDFIs) in order to enhance their ability to make loans and investments and provide services for the benefit of designated Investment Areas and Targeted Populations.

The Application questions for the CDFI Fund’s Community Development Financial Institutions Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program) Financial Assistance (FA) and Technical Assistance (TA) programs have been modified to reflect public comments received through the request for public comment as required by the Paperwork Reduction Act (PRA). The revised FA Application includes the Base-FA Application as well as the following Applications for awards that are provided as supplemental to the Base-FA award: Persistent Poverty County Financial Assistance (PPC-FA), Healthy Food Financing Initiative-Financial Assistance (HFFI-FA), and Disability Funds-Financial Assistance (DF-FA). The supplemental Applications are only completed if the Applicant is requesting those specific funds.

In response to the request for public comment, the CDFI Fund received over 675 comments from 55 organizations during the 60-day comment period. Modifications reflect appropriate changes to the Application based upon the CDFI Fund’s review and adjudication of the public comments. Most changes were made to provide more clarity to intended users. The information collected will be used to select Recipients, based on a merit-based selection process. The requested information is required by the CDFI Program regulations (12 CFR Part 1805) and respective Notice of Funds Availabilities.

1. Method of collection and use of data

The CDFI Fund will collect data once per funding round by means of an online Application. Applicants must complete and upload all Application materials, except the Standard Form 424 (SF-424), through the Awards Management Information System (AMIS), the CDFI Fund-managed web-based Application portal. The SF-424 will be submitted through Grants.gov. The CDFI Fund uses the data collected to select eligible Applicants that are the most highly qualified and to determine the applicable award amounts.

1. Use of Information Technology

Only electronic Applications are accepted unless the Applicant receives advance written permission from the CDFI Fund to submit in other formats. All Application materials must be submitted in the CDFI Fund-managed web-based portal except for the SF-424 which will be submitted in Grants.gov.

1. Efforts to identify duplication

The CDFI Program Application does not request information that is publicly available from other Federal agencies other than financial information from insured depository institutions and insured credit unions for their historic and projected financials for evaluation of their Applications.

1. Impact on small entities

This collection of information is not expected to have significant impact on small entities. Small not-for-profit enterprises may be involved in these efforts; however, the CDFI Fund will minimize the burden on small entities by asking for readily available information and using short, easy-to-complete information collection instruments.

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

The CDFI Fund cannot meet its statutory requirement to make funding decisions based on data received from Applicants without the Application form. Elements specified in the Act and the CDFI Program regulations limit the extent to which the burden can be reduced.

1. Circumstances requiring special information collection

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

1. Solicitation of comments on information collection

Comments on the CDFI and NACA Program Application were solicited in the Federal Register on March 3, 2023 (88 FR 17298). The CDFI Fund received over 675 public comments from 55 organizations in response to this request. Comments generally fell into four classifications: (a) general clarifications, recommendations, and concerns, (b) concerns related to the burden on Applicants to provide data, (c) recommendations for improving the data entry process into the CDFI Fund managed web-based application system, Awards Management Information System (AMIS), and (d) broader policy and program design comments that do not impact the burden or data collection for the proposed Applications.

Please see Appendix A for the specific comments and CDFI Fund Responses.

1. Provision of payment to respondents

No payments or gifts will be made to respondents.

1. Assurance of confidentiality

The CDFI Fund is subject to all applicable Federal laws and regulations with respect to confidentiality of information supplied in the CDFI and NACA Program Application process. No other assurances of confidentiality have been provided.

1. Justification of sensitive questions.

No personally identifiable information (PII) is collected.

1. Estimate of the hour burden of information collection.

The estimated total number of burden hours for the fiscal year (FY) 2023 TA, FA and supplemental Applications is 77,944 hours and estimate of annualized cost to respondents is a total of $5.2 million. The hour burden estimate is based on the following: (i) the number of TA Applications, Base-FA Applications, and Base-FA supplemental Applications (PPC-FA, HFFI-FA and DF-FA) received during the FY 2022 funding round; (ii) estimate of average hours per annual Application based an analysis of Application data collected in the most recent FY 2022 Application; and (iii) estimate of cost per hour to respondents based on national estimate for the median hourly wage for Financial Managers according to the Bureau of Labor Statistics of $67.21 an hour for May 2022.

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| **Application/ Type of Collection** | **Number of Applicants (Based on FY 2022 Demand)** | **[[1]](#footnote-3)Hours per Annual Application** | **Total Hours per Application** | **Cost per Hour (Time Value)**[[2]](#footnote-4) | **Total Cost for all Applications** | **Cost per Application** |
| **Base-FA Applications** | 458 | 120 | 54,960 | $67.21 | $3,693,862 | $8,065 |
| **PPC-FA Supplemental Applications** | 237 | 0.5 | 119 | $67.21 | $7,964 | $34 |
| **HFFI-FA Supplemental Applications** | 15 | 20 | 300 | $67.21 | $20,163 | $1,344 |
| **DF-FA Supplemental Applications** | 19 | 20 | 380 | $67.21 | $25,540 | $1,344 |
| **Total all Base-FA + Supplemental Applications** | **729** | **N/A** | **55,759** | **N/A** | **$3,747,529** | **N/A** |
| **Total all TA Applications** | 261 | 85 | 22,185 | $67.21 | $1,491,054 | N/A |
| **Total all TA, FA and Supplemental Applications** | **990** | **N/A** | **77,944** |  | **$5,238,583** | **N/A** |

1. Estimate of total annual cost burden to respondents

It is not expected that this information collection will have a cost burden to respondents other than the hour burden described in item number 12. No purchases of equipment or services will need to be made by respondents for the sole purpose of completing the Application.

1. 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 (the entire lifecycle of the TA, FA, and supplemental Applications). The estimates of annualized cost to the Federal government based on a methodology that estimated the time and loaded labor rate for the CDFI Fund staff by GS level and cost of contractor services for the lifecycle of the collection. The estimated total cost is $2,031,995.

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| --- | --- |
| **Expense Category** | **Cost** |
| IT Contract | $520,000 |
| External Review Contract | $445,865 |
| CDFI Fund Staff | $1,066,130 |
| **Total** | **$2,031,995** |

Specifically, the CDFI Fund estimated the hours by grade level for each step of the Application life cycle from pre-Application preparation, Application collection, Application review, award announcement, and post award processes. The staff wage rate was based on Step 5 of the respective GS level and then multiplied by 1.63% to capture the value of non-wage compensation. The average fully loaded cost per hour was based on a standard 2,000 full time equivalent (FTE) hours per year.

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| **CDFI Fund Staff Cost Calculation** | | | | | |
| **Grade Level** | **GS-12** | **GS-13** | **GS-14** | **GS-15** | **Total** |
| Total Hours by Grade | 2,940 | 3,220 | 3,245 | 575 | 9,980 |
| Avg. FTE Fully Loaded Cost/Hour (See calculation below) | **$87** | **$103** | **$122** | **$144** |  |
| Total Cost by Grade  (Total Hours \* Fully Loaded Cost/Hour) | **$255,780** | **$331,660** | **$395,890** | **$82,800** | **$1,066,130** |
| **Calculation of FTE Fully Loaded Cost/Hour** | | | | | |
| Avg. FTE Annual Salary Step 5 | **$106,759** | **$126,949** | **$150,016** | **$176,458** |  |
| Avg. FTE Fully Loaded Cost/Year using 1.63x multiplier | **$174,017** | **$206,927** | **$244,526** | **$287,627** |  |
| Standard FTE Hours per year | 2,000 | 2,000 | 2,000 | 2,000 |  |
| Avg. FTE Fully Loaded Cost/Hour | **$ 87** | **$ 103** | **$ 122** | **$144** |  |

1. Any program changes or adjustments

The CDFI TA Program has not materially changed and the TA Application is substantially similar to what was approved in 2020, for FY 2020-22. The CDFI Fund refined narrative questions in the TA Application to align more closely with the recent changes to the CDFI Certification requirements.

The FA Program has not materially changed, and the FA Program Applications are substantially similar to what was approved in 2020, for FY 2020-22. The CDFI Fund made the following changes to the proposed FY 2023-25 Base-FA Program Application: 1) eliminated one narrative question, several financial input fields and statewide portfolio data fields, 2) refined narrative questions for clarity, and 3) simplified the selection of FA Objectives. No changes were made to the supplemental FA Applications.

It is not anticipated that these changes will increase nor decrease the total burden hours per Application from the FY 2022 funding round. Total burden hours requested for this submission is 77,944 (55,759 for FA, plus 22,185 hours for TA).

The estimate for FY 2023-25 is higher than the previous total Application burden hours cleared in FY 2020 for the FY 2020-22 Applications (50,000 hours), due to an additional 161 TA Applicants and an additional 19 FA Applications (including supplemental FA Applications), based on the actual number of Applications received by the CDFI Fund in FY 2022.

The estimated average amount of time to complete the Applications also increased. The CDFI Fund updated the estimated hours to complete an Application to more accurately reflect recent self-reported time estimates provided by Applicants. In addition, since the last PRA approval, there have been many new Applicants to the CDFI/NACA Program. It is reasonable to assume that first-time Applicants may take longer to complete an Application, thus, contributing to the increase in the reported time by Applicants to complete an Application.

1. Plans for information tabulation and publication

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

1. Reasons for not displaying expiration date of OMB approval

The CDFI Fund will display the expiration date of the OMB approval on the Application form.

1. Explanation of exceptions to certification statement

There are no exceptions to the certification statement.

1. Collections of Information Employing Statistical Methods  
   Not applicable

**Appendix A: FY 2023-2025 CDFI/NACA Program PRA**

**Summary of Public Comments**

**Table 1. FY 2023-2025 CDFI/NACA Program PRA Respondents**

| **No.** | **Organization Name** | **Organization Representative** | **Date Submitted** |
| --- | --- | --- | --- |
| 1 | Accion Opportunity Fund | Joshua Miller | 5/11/2023 |
| 2 | African American Alliance of CDFI CEOs | Lenwood V. Long, Sr. | 5/12/2023 |
| 3 | AltCap | Ruben Alonso III | 5/12/2023 |
| 4 | Capital Impact Partners | Ellis Carr | 5/12/2023 |
| 5 | CDFI Coalition | Paul Anderson | 5/12/2023 |
| 6 | Center for Rural Affairs Community Capital | Brian Depew | 5/10/2023 |
| 7 | Chicago Community Loan Fund (CCLF) | Calvin L. Holmes | 5/12/2023 |
| 8 | Clearinghouse CDFI | Douglas J. Bystry | 4/11/2023 |
| 9 | Coastal Enterprises, Inc. (CEI) | Betsy Biemann | 5/12/2023 |
| 10 | Community Development Bankers Association (CBDA) | Jeannine Jacokes and Brian Blake | 5/12/2023 |
| 11 | Community Development Venture Capital Alliance (CDVCA) | Kerwin Tesdell | 5/12/2023 |
| 12 | Community Investment Corporation | Stacie Young | 5/12/2023 |
| 13 | Community Reinvestment Fund | Matthew Roth | 5/12/2023 |
| 14 | Community Vision Capital and Consulting | Nate Schaffran | 5/11/2023 |
| 15 | Credit Builders Alliance | Dara Duguay | 5/10/2023 |
| 16 | Credit Union National Association | Elizabeth M. Sullivan | 5/12/2023 |
| 17 | CU Strategic Planning | Stacy S. Augustine | 5/10/2023 |
| 18 | DreamSpring | Marisa Barrera | 5/12/2023 |
| 19 | EBA Fund | Brett Simmons | 5/12/2023 |
| 20 | Economic Justice Fund | Scott Berman | 5/11/2023 |
| 21 | Enterprise Community Loan Fund (ECLF) | Elise Balboni | 5/12/2023 |
| 22 | Fahe | Joshua Stewart | 5/12/2023 |
| 23 | Greylock Federal Credit Union | John L. Bissell | 5/12/2023 |
| 24 | GROW South Dakota | Marcia Erickson | 5/11/2023 |
| 25 | Guadalupe Credit Union | Winona Nava | 5/12/2023 |
| 26 | Homeownership Alliance | Elizabeth Coats | 5/12/2023 |
| 27 | IFF | Kirby Burkholder | 5/12/2023 |
| 28 | Inclusiv | Cathie Mahon | 5/11/2023 |
| 29 | Indianapolis Neighborhood Housing Partnership | Rob Evans | 5/12/2023 |
| 30 | LiftFund, Inc. | Amy Hereford | 5/12/2023 |
| 31 | Local Initiatives Support Corporation | Matt Josephs | 5/12/2023 |
| 32 | Low Income Investment Fund | Daniel A. Nissenbaum | 5/12/2023 |
| 33 | Members First Credit Union | Marilyn Yoshida | 3/28/2023 |
| 34 | National Alliance of Latino CDFI Executives (NALCE) | Marla Bilonick | 5/12/2023 |
| 35 | National Disability Finance Coalition | Pam Porter | 5/12/2023 |
| 36 | Native CDFI Network (NCN) | Pete Upton | 5/12/2023 |
| 37 | NCRC Community Development Fund | Natasha Sim | 5/12/2023 |
| 38 | Neighborhood Housing Services of Chicago, Inc. | Anthony Simpkins | 5/12/2023 |
| 39 | NeighborWorks America | Kirsten T. Johnson-Obey | 5/12/2023 |
| 40 | New Hampshire Community Loan Fund | Bonnie Scadova | 5/11/2023 |
| 41 | Northwest Access Fund | Emerson Sekins | 5/12/2023 |
| 42 | On the Road Lending | Lonnie Smith | 3/15/2023 |
| 43 | Opportunity Finance Network | Jennifer A. Vasiloff | 5/12/2023 |
| 44 | Pacific Community Ventures | Bulbul Gupta | 5/12/2023 |
| 45 | Partners for Rural Transformation (PRT) | Jose A. Quinonez | 5/12/2023 |
| 46 | Pennsylvania Assistive Technology Foundation (PATF) | Ben Laudermilch | 5/12/2023 |
| 47 | People Trust Community Loan Fund | Did not provide | 5/10/2023 |
| 48 | River City Federal Credit Union | Jeff Ivey | 5/11/2023 |
| 49 | Rural Community Assistance Fund (RCAC) | Suzanne Anarde-Devenport | 5/12/2023 |
| 50 | Small Business Assistance Corporation | Angelique Serrano | 5/12/2023 |
| 51 | Sones & White Consulting | Ben Sones and Everett White | 5/12/2023 |
| 52 | The Community Development Trust | Christopher C. Blair | 5/11/2023 |
| 53 | Triple Bottom Line Foundation | Kristen Cheriegate | 5/10/2023 |
| 54 | Urban Beginnings Choice Federal Credit Union | Diane Starks | 5/12/2023 |
| 55 | Veenstra Consulting et al. | Marie Mann Bibbs | 5/12/2023 |

**Table 2. FY 2023-2025 CDFI/NACA Program PRA Summary of Public Comments and CDFI Fund Responses**

| **#** | **Date of Comment** | **Organization Name** | **Type** | **Topic** | **Category** | **Comment** | **CDFI/NACA Program Office Response** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 5/11/2023 | Accion Opportunity Fund | Policy | Continued Viability for CDFIs | Concern | Since 2018 the FA awards have consecutively decreased for some CDFIs, but the capital needs of entrepreneurs across the country have grown and budget expenses have increased. The FA grant is important to their portfolio both for the dollar amount and ability to leverage the grant. However, some CDFIs recognize they cannot accurately forecast CDFI grant funding for revenue projection, nor have the expectation for this grant in the future. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 2 | 5/11/2023 | Accion Opportunity Fund | Policy | Funding Levels for CDFIs | Recommendation | While there has been a significant growth in the number of CDFIs in the last five years, it is important to remember the role larger CDFIs play in reaching gaps and communities that continue to have insufficient access to capital and support. There recommend establishing two tranches of Financial Assistance awards—one for small and emerging CDFIs with assets of less than $20 million and the other for CDFIs with assets of more than $20 million, so that both small and large organizations have the means to continue and grow their respective impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 3 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Ability to Serve Native Communities | Recommendation | The CDFI Fund should consider ability to serve Native Communities when evaluating an FA Applicant. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 4 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Ability to Serve Native Communities | Recommendation | The CDFI Fund should improve the TA application to make it more effective in gathering information and evaluating an Applicant’s capacity to address the unique needs of Native Communities. Collecting data at a level of specificity that addresses challenges of these communities, such as language barriers, remote locations, and cultural differences would help. In addition, TA Application questions should be rephrased to more accurately target challenges and opportunities by Native Communities. The Application should request information on the Applicant's experience working with Native Communities, partnerships with Native organizations, and strategies for incorporating traditional knowledge and practices into their operations. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 5 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Beneficiary Data | Recommendation | Recommend the CDFI Fund to separate the beneficiary data between Financial Products/Financial Services and Development Services to get more specific and detailed information about beneficiaries served by an organization. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications, based on the feedback of other commenters. |
| 6 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Beneficiary Data | Concern | Providing three-year projections for beneficiary data can offer interesting insights but can be burdensome and prone to estimation errors due to external factors. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications, based on the feedback of other commenters. |
| 7 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Beneficiary Data | Concern | Providing beneficiary data separated out between financial products and financial services can be burdensome and lead to higher burden for reporting requirements. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 8 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Business Plan | Comment - No Action | The CDFI Fund already utilizes comprehensive and customized data in the Application to enable applicants to demonstrate their business plans and meet FA Objectives. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 9 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Capacity to Serve Target Markets | Recommendation | The CDFI Fund should update its TA application to enhance the accuracy of assessing the impact of TA awards on the capacity of CDFIs to serve their TMs. This can be accomplished by incorporating specific questions that emphasize the CDFI's TMs and how the TA award will enhance services in those markets, such as detailed plan, timelines, objectives, and metrics; additional information on organizational structure and governance of Certified CDFIs; and needs assessment or market analysis. Also, feedback from past TA award recipients can provide useful insight. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 10 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Continued Viability for CDFIs | Recommendation | Given that CDFIs operate in underserved communities and serve populations that lack access to capital, FA funding is essential in supporting ongoing operations of CDFIs, but the extent to which the funding is necessary for an organization’s continued viability will vary by CDFI. By building capacity through capital reserves, partnerships, technology, and staff training, CDFIs can better serve their communities with a reduced reliance on CDFI Fund assistance. Providing larger award sizes over a limited period will help with CDFI independence, but it has to be paired with efforts to increase CDFI capacity. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 11 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Deep Impact Lending | Concern | The CDFI Fund should include "deep impact" lending/investment as part of the application evaluation process. However, it is challenging to accurately and consistently measure "deep impact" lending/investment and relying on one set of targets may not align with individual and unique community needs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 12 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Deep Impact Lending | Comment - No Action | The proposed metrics for measuring deep impact offer a comprehensive framework for evaluating CDFI lending and investment activities ensuring alignment with CDFI mission. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 13 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Eligible Use of Funds | Guidance | The CDFI Fund should provide more clarity on eligible uses of funds through the TA application, guidance material and NOFA. The current documents do not provide sufficient information on which activities are eligible for TA funds and how they align with the CDFI Fund's mission. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 14 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Evaluation Criteria by Application Type | Comment - No Action | TA Application questions are designed to address the evaluation criteria for different the Applicant types. The questions focus on specific aspects of each Applicant type, such as eligibility criteria, readiness for certification, collaboration and partnership abilities, financial and programmatic capacity, and expansion plans. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 15 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | FA Objectives | Concern | Recommend eliminating FAOs that are difficult to measure and administer. However, CDFIs that focus on offering financial services and/or development services may not apply for an FA award as they find it challenging to demonstrate impact on their TM, particularly if they are required to select an FAO that is not aligned with their primary activities. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 16 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | FA Objectives | Concern | The proposed multiplier formula assumes that increasing number of financial products is the primary objective of all CDFIs, which may not be the case. Further, the multiplier formula may unfairly disadvantage CDFIs that experience unforeseen circumstances. The formula may also unfairly disadvantage smaller CDFIs. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 17 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | FA Objectives | Comment - No Action | Proposed formula of using multiplier of the FA award plus three years of historic lending could be an appropriate formula for FAO- 1-1, but the CDFI Fund should consider drawbacks from such a shift. Further, tying the PG&M directly to the amount of the FA award can make it easier for Applicants to understand. The current formula does not explicitly indicate how much an applicant should expect to increase its FA award amount, and moving to using a multiplier can provide targets that are easier to understand. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 18 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Guidance | Recommendation | In addition to the guidance the CDFI Fund provides, more guidance on capacity building, expanding access to credit, capital, and financial services to underserved communities would be useful. For example, providing guidance on meeting federal regulations and reporting and measuring impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 19 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Information or Data Request in Application | Comment - No Action | The information sought in the proposed FA application for CDFI & NACA programs is necessary and important for the CDFI Fund to make informed decisions on the allocation of FA awards. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 20 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Information or Data Request in Application | Comment - No Action | Information collected in the TA application is critical to the CDFI Fund's decision-making process and helps ensure the TA funding is reserved for only those CDFIs with capacity to deliver financial products and services to underserved markets. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 21 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should consider limitations of the proposed measures of Economic Distress. In addition, the Fund should consider other measures of Economic Distress such as housing affordability, food insecurity, and asset poverty in addition to MFI, unemployment rate, poverty rate, and share of OTP residing in census tracts. For CDFI's serving non-geographically based TMs, the CDFI Fund should also consider metrics that directly relate to the needs of the CDFI's target populations (e.g., access to affordable housing, education and health care). The CDFI Fund may also consider the CDFI's track record of serving their targeted populations, including loan performance and impact metrics, such as job creation, small business growth, and community development. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 22 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Net Asset Ratio | Recommendation | Use of Net Asset Ratio has both benefits and drawbacks. The Net Asset Ratio can provide insight into a CDFI's overall capital structure and help identify CDFIs that may be undercapitalized and incentivize CDFIs to leverage resources. On the other hand, it may not fully capture a CDFI's ability to leverage resources and does not consider other factors that impact lending and investment activities. For these reasons, the CDFI Fund should use the Net Asset Ratio in combination with other measures to assess a CDFI's effectiveness in utilizing its balance sheet to leverage resources, such as the types of loans and investments and how they are promoting economic growth. It should also collaborate with CDFIs to standardize the calculation of the Net Asset Ratio to ensure consistency and comparability across organizations. Net Asset Ratio varies across types of CDFIs and may not be an appropriate for certain CDFIs, such as nascent ones still building their capital base. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 23 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | To minimize impact of the proposed change where SECA qualified Applicants would no longer have the option to apply as Core Applicants, the CDFI Fund should implement the change over a phase-in period to give organizations time to adjust their strategies accordingly. Additionally, the CDFI Fund should consider providing additional support and resources for SECA-qualified organizations to meet the standards of Core Applicants and improve their operations and meet their growth goals, such as technical assistance, training, and mentoring programs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 24 | 5/12/2023 | African American Alliance of CDFI CEOs | Policy | Small and Emerging CDFI Assistance (SECA) | Concern | A requirement to move CDFIs to the Core Applicant category after receiving three FA awards under SECA designation incentivizes them to grow and develop beyond the small and emerging state. However, the CDFI Fund should consider unique challenges faced by individual CDFIs when consider shifting SECA-designated CDFIs to apply as Core Applicants. This shift could result in fewer CDFIs applying for FA awards or push others to apply prematurely, resulting in lower-quality applications. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 25 | 5/12/2023 | African American Alliance of CDFI CEOs | Application | Sponsoring Entities | Recommendation | The CDFI Fund should evaluate requiring Sponsoring Entities to establish a CDFI and the consequences of resource of capacity constraints associated with establishing a separate legal entity. To better assess a Sponsoring Entity's ability to successfully create an emerging CDFI and ensure the emerging CDFI achieves CDFI Certification, the CDFI Fund could consider adding questions that address the following in the NACA TA application: 1) Whether the Sponsoring Entity has the expertise and track record to create and operate a CDFI (or similar financial institutions) to ensure familiarity with the regulations and requirements for establishing a new CDFI. 2) Whether the Sponsoring Entity's board and staff have skills and expertise in finance, community development, and business management, to guarantee the success of the emerging CDFI. 3) Whether the Sponsoring Entity has partnerships and relationships to determine the level of community support and engagement for the emerging CDFI. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 26 | 5/12/2023 | AltCap | Policy | Ability to Serve Native Communities | Recommendation | Prioritize financial assistance to CDFIs with a track record of promoting economic empowerment, strengthening social services, addressing historical injustices, preserving cultural heritage, strengthening sovereignty, and supporting environmental stewardship in Native Communities. The CDFI Fund should seek information on the extent to which Native Communities are represented as end beneficiaries, contractors, staff, board members, and partners. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 27 | 5/12/2023 | AltCap | Application | Beneficiary Data | Recommendation | Separating beneficiary data between financial products/services and development services will increase the burden of data collection and reporting for CDFIs. Propose using borrower data for FA applications as it would be more efficient and reliable data. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 28 | 5/12/2023 | AltCap | Application | Beneficiary Data | Recommendation | Except in limited circumstances, regulated financial institutions cannot collect information on the race, ethnicity, disability status or (generally) marital status of their members or customers. Therefore, it would be helpful if the CDFI fund provided a system for using geographic proxies. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 29 | 5/12/2023 | AltCap | Policy | Continued Viability for CDFIs | Concern | A lot of CDFIs lack access to secondary capital markets and long-term debt and compete for a variety of funding streams, public and private. Subsidies provide CDFIs with the flexibility to experiment with new approaches, pilot innovative programs, and develop customized financial products tailored to the unique needs of their communities. Without the financial assistance of the Federal Government, there would be an accompanying decrease in resources available to communities and populations in need. Predatory lenders would almost certainly fill the void in distressed communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 30 | 5/12/2023 | AltCap | Application | FA Objectives | Clarification | Support the elimination of rarely selected objectives. However, several CDFIs select FA Objective New Development Services, often in combination with Increase the Volume of Financial Products. Absent this FA objective, encourage the CDFI Fund to clarify how CDFIs use their FA award to provide new development services. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). Further, Development Services will remain an eligible use of the FA Award. |
| 31 | 5/12/2023 | AltCap | Application | FA Objectives | Recommendation | Recommend against having a set multiplier for FAO 1-1. CDFIs need the flexibility to adjust their growth plans, otherwise a CDFI can be penalized for not achieving growth and while still creating meaningful impacts. Instead, recommend that the multiplier be tied to the FA Award rather than general lending, particularly now as many CDFIs are being evaluated using data during the pandemic, in which cases many CDFIs saw dramatic but unsustainable increases in their lending. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 32 | 5/12/2023 | AltCap | Policy | Funding Levels for CDFIs | Concern | Do not support a reduction in the funding cap and – absent a significant increase in CDFI Fund appropriations – do not support an increase in the cap. While inflation has diminished the value of $5 million since the cap was first set in 1994, the need for CDFI investment has increased and the number of certified CDFIs has greatly increased, effectively expanding the industry’s capacity to serve our communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 33 | 5/12/2023 | AltCap | Policy | Funding Levels for CDFIs | Recommendation | Support the CDFI Fund's proposal to provide multi-year awards as it would decrease the administrative paperwork required of CDFI staff. Also, applicants would be eligible for additional awards during the award period of any multi- year award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 34 | 5/12/2023 | AltCap | Policy | Funding Levels for CDFIs | Recommendation | Limiting access for FA awards for unregulated CDFIs that exceed $25 million in assets is too low. Recommend limiting access to FA awards to CDFI loan funds that exceed $250M in assets and they should not have a different threshold from credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 35 | 5/12/2023 | AltCap | Policy | Net Asset Ratio | Concern | The net asset ratio varies widely based on a CDFI’s strategy. CDFI take on different levels of risk and will operate differently. For example, CDFIs that concentrate on housing and real estate financing take on different levels of risk than microlenders. CDFIs that focus on equity investing – persistent need in low-income communities – will operate differently than CDFIs that provide debt products exclusively. The cost of capital also varies across different markets. CDFIs already provide a lot of information in the business strategy justifications. Trying to boil down the narratives into several simple metrics will be challenging. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 36 | 5/12/2023 | AltCap | Application | Redundant or Unnecessary Information Collection | Recommendation | Question 13 inquiries about how receiving an award would enhance the applicant's capacity to accomplish its strategic objectives. However, it appears to overlap with Question 4, which pertains to the utilization of funds, as well as Question 5, which focuses on strategic goals. One possible improvement could involve merging Question 4 and Question 13, effectively eliminating redundancy between these two inquiries while still gathering relevant information for reviewers. | The CDFI Fund is retaining all three questions. This information is necessary for the evaluation of the FA Application. The CDFI Fund will revise Question 5 and Question 13 based on public comments to clarify intent. |
| 37 | 5/12/2023 | AltCap | Policy | Small and Emerging CDFI Assistance (SECA) | Concern | There should be zero limits on the number of SECA awards a CDFI can receive, as long as award sizes are smaller than CORE FA awards. The overhaul of the Application will significantly increase the burden on smaller CDFIs. An arbitrary cap on SECA awards will deny these Applicants a critical source of funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 38 | 5/12/2023 | Capital Impact Partners | Application | Beneficiary Data | Concern | The current beneficiary data framework in the CDFI Program application is severely flawed and can lead to inflated and/or understated impact data depending on the type of project financed, the type of CDFI funding the project, and the type of beneficiaries involved. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 39 | 5/12/2023 | Capital Impact Partners | Application | Beneficiary Data | Recommendation | Due to the wide range of approaches used by CDFIs to compute Beneficiary Data, the CDFI Fund could improve the quality of Beneficiary Data collected by relying on quantitative metrics that are similar to the information requested in the CDFI Equitable Recovery Program application. For instance, the CDFI Fund should quantitatively measure an applicant's beneficiary impact by requesting the following: (1) The percentage of on-balance sheet Financial Products closed to individuals, businesses, or nonprofits in census tracts with severe distress (poverty rates > 30%; median family income < 60% of statewide median; or unemployment rates at least 1.5x the national average) in the most recent historic fiscal year.  (2) The total percentage of on-balance sheet Financial Products closed ($ volume and # of loans) in the most recent historic fiscal year to/in (a) Individuals who identify as a member of one or more Other Targeted Populations (OTP); (b) Businesses or nonprofits for whom 50% or more of the owner(s) or board members identify as members of one or more OTP; and/or (c) Majority Minority Census Tracts. (3) The percentage of average annual Financial Products made (in terms of both dollar volume and number of transactions) in low, very low, and extremely low-income census tracts in the three most recent historic fiscal years. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 40 | 5/13/2023 | Capital Impact Partners | Policy | Deep Impact Lending | Concern | The Emergency Capital Investment Program (ECIP) criteria for Deep Impact, developed for CDFI banks and credit unions, appear to favor CDFIs that purchase loans instead of originating their own loans. Therefore, stronger standards for Deep Impact should be developed that are more inclusive of different organization types and lines of business. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 41 | 5/13/2023 | Capital Impact Partners | Policy | Funding Levels for CDFIs | Recommendation | Unlike for-profit CDFIs and banks, non-profit loan funds cannot raise equity from investors or shareholders, but there is a rapidly increasing number of large for-profit CDFI banks and credit unions competing for a limited number of FA awards. Therefore, the CDFI Fund should limit the FA awards for Regulated Institutions to only CDFI banks and credit unions with assets of less than $1 billion, and receipt of an Emergency Capital Investment Program (ECIP) award should factor into funding decisions for applicants.  For example, the concentration of awards from the CDFI Fund and other Treasury programs to for-profit CDFI banks has contributed to disparities in lending to under resourced and underrepresented populations in Mississippi. Among 27 CDFI banks in the state that engage in mortgage lending, 68% of loans went to white borrowers and only 13% went to Black borrowers, while nearly 40% of the population in Mississippi is Black. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 42 | 5/12/2023 | CDFI Coalition | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should prioritize financial assistance to CDFIs with a track record promoting economic empowerment, strengthening social services, addressing historical injustices, preserving cultural heritage, strengthening sovereignty, and supporting environmental stewardship in Native Communities. The Fund should seek information on the extent to which Native Communities are represented as end beneficiaries, contractors, staff, board members, and partners. Applicants should demonstrate significant buy-in from tribal governments and Native Communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 43 | 5/12/2023 | CDFI Coalition | Application | Beneficiary Data | Recommendation | Separating benefits between financial products/services and development services will increase the burden of data collection and reporting for CDFIs. Regulated financial institutions cannot collect information on the race, ethnicity, disability status, or (generally) marital status of their members or customers. The CDFI Fund should provide guidance on and a system for using geographic proxies to estimate beneficiary data in the Application. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 44 | 5/12/2023 | CDFI Coalition | Application | Certification | Recommendation | The CDFI Fund should consider rereleasing the TA application for another short comment period after the release of the final Certification Application.  The TA Application provides resources for capacity building and often acts as on-ramp to certification. Many of the proposed additions to the application lean on the proposed changes to the CDFI Certification Application. It is difficult to judge the new application without access to the final certification application. | The CDFI Fund is retaining the TA Application questions as currently proposed. This information is necessary for the evaluation of the Applications. |
| 45 | 5/12/2023 | CDFI Coalition | Policy | Continued Viability for CDFIs | Concern | CDFIs require subsidies to focus on serving low-income, economically disadvantaged, and underserved communities. Subsidies also provide CDFIs with the flexibility to experiment with new approaches and innovative pilot programs which promotes the development of sustainable solutions to address complex social and economic challenges. Many CDFIs lack access to secondary capital markets and long-term debt. While many CDFIs would continue to exist without government subsidy, the absence of that subsidy would result in less families being supported, less affordable housing units created, and fewer people lifted out of poverty. This void would inevitably be filled by predatory lenders. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 46 | 5/12/2023 | CDFI Coalition | Policy | Deep Impact Lending | Concern | The limited use of the ECIP deep impact metrics may be a positive change if used to support a small number of stand-out applications. However, metrics designed for depository institutions (as the ECIP definitions were drafted) will not work well for non-depository CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 47 | 5/12/2023 | CDFI Coalition | Application | FA Objectives | Recommendation | The CDFI Fund should use caution in assigning a multiplier for the purposes of generating FA Objective 1-1 PG&Ms. CDFIs received one-time emergency support through programs such as the Paycheck Protection Program. The effect was a temporary upward distortion in the volume of financial products provided. If a multiplier is employed, CDFI applicants should be given a chance to explain why it may not meet targets due to factors beyond its control. If the CDFI Fund decides to use a 2x multiplier, it should be based on the actual award size not the request. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 48 | 5/12/2023 | CDFI Coalition | Application | FA Objectives | Recommendation | The CDFI Fund should not remove FAOs 1-2 (Increase Volume of Financial Services) or 1-5 (New Financial Services). Increasing access to Financial and Development Services is an important goal for CDFI Banks and Credit Unions. There is an industry perception that these FA Objectives are disfavored by the CDFI Fund which may explain why they are rarely chosen. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 49 | 5/12/2023 | CDFI Coalition | Application | FA Objectives | Recommendation | The CDFI Fund should provide an option for an FA Objective that allows the increase in volume of a particular existing product. This would provide CDFIs with the flexibility to tackle emerging community challenges by bolstering products that are already tested and needed in the community. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 50 | 5/12/2023 | CDFI Coalition | Application | FA Objectives | Recommendation | The CDFI Fund should not remove FAO 1-6: New Development Service(s). If FA Objective 1-6 (New Development Services) is removed, the CDFI Fund should provide additional guidance on how a CDFI can use FA Award Funds to provide these services. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). Further, Development Services will remain an eligible use of the FA Award. |
| 51 | 5/12/2023 | CDFI Coalition | Policy | Flexibility in times of Emergency | Recommendation | The CDFI Fund should increase the flexibility of its program requirements to allow CDFIs to meet the needs of communities during emergencies. The CDFI industry would benefit from a standing policy regarding emergencies. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 52 | 5/12/2023 | CDFI Coalition | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not reduce the 3-year, $5 million funding cap on receiving awards unless there is a significant increase in CDFI Fund appropriations in the future. Providing multi-year awards may be one constructive way to address funding levels for CDFIs, where Applicants would be ineligible for an FA Award during the award period of a multi-year award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 53 | 5/12/2023 | CDFI Coalition | Policy | Funding Levels for CDFIs | Recommendation | There should be no limit on the number of SECA awards a CDFI can receive. As long as award sizes are smaller than CORE FA awards, this program should continue to provide financial assistance to smaller CDFIs. The new CDFI Certification Application will also increase burden on smaller CDFIs and an arbitrary cap on SECA Awards will deny these groups a critical source of funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 54 | 5/12/2023 | CDFI Coalition | Application | Lack of Clarity on Purpose/Intent | Clarification | There is a misalignment in the FA Application between the request for five years of strategic goals but only three years of financial projections. | The CDFI Fund is retaining these questions as currently written. This information is necessary for the evaluation of the Applications and to meet requirements under the Authorizing Statute. |
| 55 | 5/12/2023 | CDFI Coalition | Policy | Measuring Economic Distress | Concern | Census tract data can help determine levels of economic distress, but data lags, high margins of error, the undercounting of Native people, and other well-known weaknesses also plague it. Efforts by the CDFI Fund to create alternate, place-based indicators of economic distress would constitute a welcome change as long as those indicators are transparent and easily accessible to CDFIs through maps and geocoding systems. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 56 | 5/12/2023 | CDFI Coalition | Policy | Net Asset Ratio | Concern | A CDFI's net asset ratio may provide a sense of the CDFI's financial stability and efficiency, but it will vary widely based on a CDFI's strategy. CDFIs already provide lengthy narrative justifications for their business strategy in the application. It can be misleading to draw conclusions based on how well a CDFI is leveraging resources solely based on this metric. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 57 | 5/12/2023 | CDFI Coalition | Application | Redundant or unnecessary information collection | Recommendation | Question 13 inquires about how receiving an award would enhance the applicant's capacity to accomplish its strategic objectives. It appears to overlap with Question 4, which pertains to the utilization of funds, as well as Question 5, which focuses on strategic goals.   The CDFI Fund should combine Questions 4 and 13, eliminating redundancy while still gathering relevant information for reviewers. | The CDFI Fund is retaining all three questions. This information is necessary for the evaluation of the FA Application. The CDFI Fund will revise Question 5 and Question 13 based on public comments to clarify intent. |
| 58 | 5/12/2023 | CDFI Coalition | Policy | Supplemental FA Awards | Recommendation | The CDFI Fund should allow CDFIs that have successfully applied for a CORE FA award within the past three application cycles to apply for HFFI-FA or DF-FA awards without reapplying separately for CORE FA. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 59 | 5/10/2023 | Center for Rural Affairs Community Capital | Policy | Continued Viability for CDFIs | Recommendation | The CDFI Fund should maintain its current approach to award sizing because it best supports widespread, sustained, incremental growth of the industry and allows the most people to benefit from program resources. Approaches where a smaller group of CDFIs receive larger awards over longer periods of time would be detrimental. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 60 | 5/10/2023 | Center for Rural Affairs Community Capital | Policy | Deep Impact Lending | Recommendation | While supportive of considering a CDFI's level of impact in underserved communities, the CDFI Fund should use more appropriate measures than the ECIP to evaluate impact on underserved communities. The CDFI Fund should measure a CDFI's deployment rate to target markets (with incentives for exceeding the minimum required 60%) or measure data points related to income status, OTP status, and geography. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 61 | 5/10/2023 | Center for Rural Affairs Community Capital | Application | FA Objectives | Recommendation | In general, support changes to the FAO 1-1 formula. The current process for measuring the increase in volume of Financial Products is confusing and difficult for CDFIs to track or understand. A multiplier of 2 may be appropriate. However, there are challenges with a fixed multiplier approach. One-time spikes in historic lending or a time-limited program such as PPP can create large spikes in loan volume for smaller CDFIs that are not necessarily indicative of future growth. If the CDFI Fund introduces a multiplier to measure FAO 1-1, care should be taken so CDFIs are not encouraged to inflate their loan volume with one-time solutions. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 62 | 5/10/2023 | Center for Rural Affairs Community Capital | Policy | Net Asset Ratio | Recommendation | If the CDFI Fund incorporates a net asset ratio requirement, it should also collect narratives from applicants and/or recipients about their leverage strategy and other factors influencing their current net asset ratio. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 63 | 5/10/2023 | Center for Rural Affairs Community Capital | Policy | Net Asset Ratio | Concern | Requiring specific net asset ratios could overlook the various factors that influence the ratios, including the CDFI's access to capital, availability of capital, interests of bank lenders in the CDFI's area, the CDFI's relationships with those lenders, and the CDFI's goals for product affordability. Additionally, a CDFI's net asset ratio may change over time depending on their strategies for raising equity or pursuing debt capital. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 64 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Policy | Continued Viability for CDFIs | Concern | FA awards should not be used to prop up a CDFI that would otherwise fail without it, but the work that CDFIs are committed to doing requires deep levels of federal subsidy. These subsidies allow CDFIs to deepen their reach in the historically disenfranchised communities and attract high levels of private investment that would never have reached those geographies and populations otherwise. If the intent is to push CDFIs to operate more like mainstream financial institutions, the following must be considered: 1. If mainstream institutions found the type of lending that CDFIs specialize fiscally viable without subsidy, then they would be operating at a much higher level in these underserved communities; and 2. CDFIs, generally speaking, do not have routine access to the types of tools that mainstream financial institutions utilize to create their independence, like access to large deposits, long-term capital, and a robust secondary market. Thusly, if CDFIs are to thrive, the CDFI Fund must be an evergreen source of capital for the industry. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 65 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Policy | Deep Impact Lending | Recommendation | CDFIs do incredibly meaningful work in under-resourced communities, often exceeding the basic eligibility requirements for certification. While more needs to be done to ensure that dollars are flowing to economically depressed neighborhoods, it is unclear whether applying ECIP deep impact metrics to non-depository CDFIs will achieve this goal. Rather, raising the standard for lending in these communities may be best achieved by creating a more rigorous certification process on the front end. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 66 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Policy | Deep Impact Lending | Recommendation | If ECIP deep impact lending principles are adopted across the board, the CDFI Fund should go beyond the county level and define persistent poverty at the census tract level. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 67 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Application | FA Objectives | Recommendation | While supportive of the suggested 2x multiplier for FAO 1-1, it should be undertaken with caution. The CDFI Fund should create flexibility within the program that allows individual CDFIs to establish a multiplier that would be advantageous for their unique business model, including ensuring that the multiplier is based on the actual award amount and not the requested amount. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 68 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Application | FA Objectives | Recommendation | For FAO 1-1, using years of heightened non-renewable investment, like the funds received from the Paycheck Protection Program (PPP) during 2020, 2021, and 2022, as a historic baseline is problematic because it is not a true reflection of a CDFI’s capacity. The CDFI Fund should consider factoring in longer-term historical financial averages. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 69 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund to consider additional supplementary metrics that will present a more comprehensive picture of economic distress. These factors include examining housing affordability, an indicator of a population’s ability to save and invest; food insecurity, an indicator of a population’s access to robust physical and mental health services; and asset poverty, an indicator of economic vulnerability and a household’s ability to absorb financial setbacks. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 70 | 5/12/2023 | Chicago Community Loan Fund (CCLF) | Policy | PPC-FA | Recommendation | Persistent poverty metrics must be assessed on a census tract level in order to unlock their greatest impact. Assessment on the county level makes it easier for underinvestment and systemic disenfranchisement to be camouflaged by nearby affluent neighborhoods. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 71 | 4/11/2023 | Clearinghouse CDFI | Application | FA Objectives | Recommendation | Changing market conditions impact the competitiveness of some CDFI business functions, which causes organizations to allocate more resources to other programmatic activities. However, CDFIs often do not have enough resources to grow these secondary programs, and they represent too large a proportion of the CDFIs’ recent activity to qualify as “new” products. The CDFI Fund should therefore implement a PG&M to expand existing products. Many CDFIs are not in the position to grow their overall activity, nor are they capable of or willing to carve out new products or expand indefinitely. Allowing the organizations to focus on growing specific program / product areas instead of growing overall activity would be beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 72 | 4/11/2023 | Clearinghouse CDFI | Application | FA Objectives | Recommendation | The CDFI Fund should adjust recipients' PG&M requirements to align with the percentage of their request that was awarded. For example, organizations receiving 70% of their request would only have to meet 70% of their PG&M projections. This is important because organizations are limited in the lending they can do based on the capital they can obtain and the assets they can leverage. It is often unrealistic to make more than a few loans with only $600,000 of grant capital. Even with 5:1 debt leverage, the award would translate into only $3.6 million of new capital. This would generate one or two loans in high-cost markets for small to medium-sized developments. Further, traditional moderate markets are now high-cost markets. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 73 | 4/11/2023 | Clearinghouse CDFI | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | The CDFI Fund should evaluate persistent poverty at the census tract level rather than the county level. Poverty is not evenly distributed within counties and certain census tracts within those counties may contain significantly higher poverty rates. The census tract approach can better address the root causes of persistent poverty by identifying the areas that are most in need of resources and programming. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to legislative requirements of the CDFI and NACA Program. |
| 74 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should consider ability to serve Native Communities in evaluating applications. However, CDFIs not geographically or strategically positioned to serve Native Communities should not be penalized. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 75 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Application | Beneficiary Data | Recommendation | Split Beneficiary Data into Financial Products and Development Services as it enhances clarity of data collected and is not burdensome to report. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications, based on the feedback of other commenters. |
| 76 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Continued Viability for CDFIs | Clarification | Continued need for grant funding does not imply a lack of viability of a CDFI. Access to affordable capital fluctuates with market conditions and CDFI lending serves to address gaps the market cannot and will not fill. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 77 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should not add a new Deep Impact PG&M without a comprehensive understanding of its requirements and a thoughtful design that considers the capabilities and opportunities of CDFIs of various sizes, target markets, and geographic locations. It is important to note that the Deep Impact definitions in ECIP were designed for depository institutions, and as such should not be used to assess the impact of non-depository CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 78 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Application | FA Objectives | Recommendation | For the purposes of calculating PG&Ms for FA Objective 1-1, allow CDFIs to propose a suitable growth amount based on their individual circumstances and markets. A standard multiplier would not be uniform across all CDFIs and would unfairly disadvantage rural CDFIs as they encounter difficulties due to limited capital. Relying on historic lending for these PG&Ms is also problematic as anomalous events and economic conditions can make historic activity an unfair representation of what should be expected of a CDFI in the projected years. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 79 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Application | FA Objectives | Recommendation | Modify FAO 1-1 or add new objective that allows CDFIs to propose growth in specific existing products within their existing portfolio of products. This would allow CDFIs to identify and address specific growth needs and opportunities in their TM while avoiding pressure to grow in ways that are unsustainable, don't address real needs, and may not align with mission or strategic plans. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 80 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not reduce the $5M funding cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 81 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not impose any additional limits on total dollar amount of number of awards beyond the $5M, three-year cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 82 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Measuring Economic Distress | Recommendation | The indicators are sufficient and reasonable to measure service to economically distressed communities. However, CDFI Fund should not solely rely on census tract data as the primary indicator of how CDFIs serve low-income individuals. CDFIs may finance businesses in high-income census tracts that provide jobs to contiguous low-income areas, making geography alone an insufficient measure of LITP impact. Other factors such as employment and residence of low-income entrepreneurs should be considered. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 83 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Net Asset Ratio | Concern | Net Asset Ratio is not an effective measure of balance sheet leverage. A one-size-fits all net assets ratio could have a detrimental effect on rural CDFIs, as they tend to receive less capital and grant funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 84 | 5/12/2023 | Coastal Enterprises, Inc (CEI) | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not limit the number of SECA awards a CDFI can obtain. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 85 | 5/12/2023 | Community Development Bankers Association | Application | Beneficiary Data | Recommendation | There are natural limitations to how much demographic information can be usefully and reliably gathered. For example, regulated, depository CDFIs are generally prohibited from tracking demographic data directly. The CDFI Fund should allow the submission of reasonable proxy methodologies for beneficiary data when appropriate, while recognizing the limitations of these methodologies. Although much of the requested demographic data related to beneficiaries must be estimated by most regulated institutions, as they are not permitted to track this data directly, there are reasonable, non-burdensome estimation methodologies available. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 86 | 5/12/2023 | Community Development Bankers Association | Application | Beneficiary Data | Concern | While not unduly burdensome, the CDFI Fund should consider whether separating out beneficiary data from financial products/services and development services provides meaningful insight, as it is likely to be very similar in the distinct categories. This will be especially true if FAOs related to Development and Financial Services are removed. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 87 | 5/12/2023 | Community Development Bankers Association | Application | Beneficiary Data | Recommendation | Where the CDFI Fund wishes to track and ultimately direct assistance to historically disadvantaged communities, the CDFI Fund should allow individual CDFIs to identify and justify the indicators of distress as appropriate to their targeted market(s). | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 88 | 5/12/2023 | Community Development Bankers Association | Application | Business Plan | Comment - No Action | The CDFI Fund should not request additional data and information to assess business plan activities. There is sufficient information for applicants to explain their business plans. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 89 | 5/12/2023 | Community Development Bankers Association | Application | Business Plan | Concern | There is an imbalance between the point allocation and character limits within the “Business Plan Review Scoring Criteria" narratives. The Market and Competitive Analysis section (worth 7 points) contains a single question with a 2,000-character limit, Products & Services (worth 12 points) contains a single Narrative question with a 6,000-character limit and a required table, but the Business Strategy section (worth 12 points) contains five questions with a combined character limit of 21,250 (or greater for prior recipients). | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit or add or change data fields, questions, or tables related to this item to the Applications |
| 90 | 5/12/2023 | Community Development Bankers Association | Application | Business Plan | Recommendation | The CDFI Fund should increase the points available for the Business Strategy section; reduce the Market and Competitive Analysis Section; and reduce the Products & Services section to attain a more proportional allocation of available points and character limits. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 91 | 5/12/2023 | Community Development Bankers Association | Application | Character Limits | Recommendation | The CDFI Fund should either increase the narrative character limit for Question 10 or reduce the points afforded to it. The Market and Competitive Analysis section severely limits Applicants’ responses in comparison to the points allotted to the section. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 92 | 5/12/2023 | Community Development Bankers Association | Policy | Continued Viability for CDFIs | Concern | CDFI banks are required by their state and federal regulatory agencies to maintain safe, sound, and sufficiently capitalized operations. They do not rely on the CDFI Fund generally or the FA program in particular for their viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 93 | 5/12/2023 | Community Development Bankers Association | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should encourage individual CDFIs to highlight key indicators of deep impact lending as appropriate for their targeted market(s) rather than developing the proposed indicators to measure deep impact lending. The current application allows applicants adequate opportunity to highlight their track records of deep impact lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 94 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | Some FAOs (such as FAOs 1-2, 1-5, and 1-6) are under-utilized because applicants will naturally orient toward FAOs with a perceived higher likelihood of success. Some applicants may not understand how these FAOs are evaluated by the CDFI Fund, may perceive that they are "disfavored" by reviewers, and consequently view them as less competitive for applications. Removing FAOs 1-2, 1-5, and 1-6 would restrict awards that are more likely accessed by depository CDFIs. If well designed, these FAOs can incentivize depository CDFIs to innovate and increase the volume of financial and development services in distressed areas. The CDFI Fund should not remove the FAOs related to Financial Services and Development Services, but instead modify them so they are easier to measure, evaluate, and administer and provide more detailed guidance on how they are scored. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). Further, Development Services will remain an eligible use of the FA Award. |
| 95 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | The CDFI Fund should implement a standard minimum multiplier for FAO 1-1, provided the multiplier doesn't deter smaller CDFIs with lower lending volumes, the impacts of pandemic response funding anomalies in historic years are considered, and that applicants have the ability to explain why they may not meet their targets due to factors beyond their control. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 96 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | The CDFI Fund should offer the option to increase the volume of a specific product for FA Objective 1-1. This would provide CDFIs with the flexibility to tackle emerging community challenges by bolstering products tailored to conditions on the ground. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 97 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | The CDFI Fund should use FA awards to recognize and encourage asset building and lowering the costs of access to basic financial services. Increasing the accessibility of financial and development services remains an important goal for CDFI banks and their goals to serve both customers and businesses. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 98 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | The current definition of “expansion” for FA Objectives is limiting as it is primarily focused on “new products.” A CDFI might have successfully demonstrated the viability of a product and have been usurped by more conventional lenders or might have reached market saturation in a certain area. Alternatively, market conditions have changed, rendering certain aspects of a business temporarily uncompetitive. The CDFI Fund should encourage the expansion of “what’s successful” or even “what has been under-utilized," in addition to developing new products. Expanding the distribution of existing products can be equally challenging and impactful as launching “new” products. It is not realistic or productive to expect CDFIs to only focus on “what’s new.” | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 99 | 5/12/2023 | Community Development Bankers Association | Application | FA Objectives | Recommendation | For FA Objective 1-3, New Geographic Area, the current definition of “new market” does not allow for any smaller geography than a “county," which is limiting to some organizations that would like to focus on smaller areas (e.g., densely populated regions, such as metropolitan neighborhoods). The CDFI Fund should adopt a wider definition of “new market” that includes census tracts at a minimum, but ideally encompasses neighborhoods (e.g., Harlem, NYC) as defined by applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 100 | 5/12/2023 | Community Development Bankers Association | Policy | Flexibility in times of Emergency | Recommendation | The CDFI Fund should increase the flexibility of its program requirements to allow CDFIs to meet the needs of communities during emergencies. Given the success of the timely accommodations during the height of COVID-19, a standing policy regarding emergencies (whether health-related or environmental) would be beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 101 | 5/12/2023 | Community Development Bankers Association | Policy | Funding Levels for CDFIs | Concern | There is no clear justification to support a cap on funding levels for large CDFIs. It is not certain whether large institutions, such as banks with assets of more than $1.5 billion, are monopolizing funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 102 | 5/12/2023 | Community Development Bankers Association | Policy | Funding Levels for CDFIs | Concern | Recipients that are successfully furthering relevant policy objectives (e.g., financing affordable housing) would have their progress stunted by capping the number or dollar amount of awards they could receive in a certain period. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 103 | 5/12/2023 | Community Development Bankers Association | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not reduce the current funding cap or realign funding relative to applicants' asset size, but instead ask applicants to justify their award request and demonstrate why the award is necessary to achieve their stated outcomes and impacts. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 104 | 5/12/2023 | Community Development Bankers Association | Policy | Funding Levels for CDFIs | Concern | There is no clear justification to support a reduction in the $5 million funding cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 105 | 5/12/2023 | Community Development Bankers Association | Policy | Funding Levels for CDFIs | Concern | The CDFI Fund should not implement caps on funding levels for large CDFIs when there is no clear justification for doing so. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 106 | 5/12/2023 | Community Development Bankers Association | Application | Guidance | Recommendation | The CDFI Fund should provide additional guidance regarding what constitutes a competitive DF track record and pipeline. Alternatively, the CDFI Fund could publish additional statistics regarding successful DF applications to help prospective applicants gauge whether their application would be competitive, e.g., the minimum, maximum, and average DF track record and pipeline for successful applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 107 | 5/12/2023 | Community Development Bankers Association | Application | Guidance | Recommendation | The CDFI Fund should provide additional information on how award sizes are determined in each program funding round NOFA and/or application guidance. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 108 | 5/12/2023 | Community Development Bankers Association | Application | Guidance | Recommendation | The CDFI Fund should consistently provide additional information on how application information is evaluated or utilized and how applicants receive the highest scores. Neither the FY 2022 NOFA nor FA Guidance provided any information around these topics. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 109 | 5/12/2023 | Community Development Bankers Association | Application | Guidance | Recommendation | The CDFI Fund should produce debriefing documents for awarded applicants, as well non-funded applicants, that provide numerical scores for each section. Debriefing documents help applicants understand where strengths, in addition to weaknesses, were identified in their applications. It would also provide insight into why they may have received a lower award amount than requested. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 110 | 5/12/2023 | Community Development Bankers Association | Application | Guidance | Recommendation | The CDFI Fund should provide additional guidance regarding what constitutes a competitive HFFI track record and pipeline. Alternatively, the CDFI Fund could publish additional statistics regarding successful HFFI applications to help prospective applicants gauge whether their application would be competitive, e.g., the minimum, maximum, and average HFFI track record and pipeline for successful applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 111 | 5/12/2023 | Community Development Bankers Association | Policy | Matching Funds | Recommendation | The CDFI Fund should adopt a three (3) year matching funds “look back” window for Core FA awards for CDFIs with less than $100 million in total assets, particularly for the upcoming combined 2023-2024 funding round. Small CDFIs – both regulated and unregulated – are most vulnerable to volatility in their local economies, which challenges their ability to raise consistent, adequate grants, equity capital or retain earnings to meet the match requirements. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 112 | 5/12/2023 | Community Development Bankers Association | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should encourage individual CDFIs to highlight key indicators of distress as appropriate for their targeted market(s) rather than developing the proposed indicators to measure economic distress. The current application allows applicants adequate opportunity to highlight their track records of serving underserved and distressed communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 113 | 5/12/2023 | Community Development Bankers Association | Policy | Net Asset Ratio | Recommendation | CDFI’s net asset ratios vary widely based on their business model and strategy. Net asset ratio metrics are institution-specific and require explanation. The CDFI Fund can improve its prioritization of awards by adding guidance instructing applicants how to identify and explain metrics that demonstrate their effectiveness in leveraging their balance sheet. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 114 | 5/12/2023 | Community Development Bankers Association | Application | Redundant or unnecessary information collection | Recommendation | FA Narrative Question 13 (how awards further strategic objectives) overlaps with Question 4 (utilization of funds), as well as Question 5 (strategic goals). The CDFI Fund should consider merging Question 4 and Question 13, to eliminate redundancy between the two questions while still gathering relevant information for reviewers. | The CDFI Fund is retaining all three questions. This information is necessary for the evaluation of the FA Application. The CDFI Fund will revise Question 5 and Question 13 based on public comments to clarify intent. |
| 115 | 5/12/2023 | Community Development Bankers Association | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should reconsider whether Narrative Question 1 (regarding mission statement) is necessary. The question appears redundant due to the Primary Mission requirement for CDFI Certification. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 116 | 5/12/2023 | Community Development Bankers Association | Application | Redundant or unnecessary information collection | Recommendation | There is also a misalignment between the request for five-years of strategic goals and three years of financial projections. The CDFI Fund should align the request for financial projections and the request for strategic goals to three years each. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications and meeting the requirements of the authorizing statute. |
| 117 | 5/12/2023 | Community Development Bankers Association | Application | Redundant or unnecessary information collection | Comment - No Action | Support the CDFI Fund’s elimination of Question 8(a) regarding community coordination strategy. It is duplicative of and less clear than Question 8(b) regarding partnerships. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the elimination of Question 8(a) is appropriate. |
| 118 | 5/12/2023 | Community Development Bankers Association | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add an optional narrative allowing organizations to explain any nuances/special features of their organizational structure, financial statements, and other characteristics. There is not enough space in the current financial conditions question to fully capture important context (e.g., the presence of subsidiary entities that could skew financial statement numbers, or activity across affiliates). | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 119 | 5/12/2023 | Community Development Bankers Association | Application | Should data fields, tables or questions be added? | Comment - No Action | The CDFI Fund should not add any data fields, questions or tables for the TA Application. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 120 | 5/12/2023 | Community Development Bankers Association | Application | Should data fields, tables or questions be added? | Comment - No Action | The CDFI Fund should not add any data fields, questions or tables for the FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 121 | 5/12/2023 | Community Development Bankers Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not cap the number of SECA awards an applicant can receive. Some CDFIs will remain small either due to their circumstances or the way they were designed. It is inappropriate to limit access to awards for both SECA CDFIs and larger, established CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 122 | 5/12/2023 | Community Development Bankers Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not limit the number of SECA awards a CDFI can receive. As long as SECA award sizes are smaller than CORE FA awards, SECA should continue to provide financial assistance to smaller CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 123 | 5/12/2023 | Community Development Bankers Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should update the asset size thresholds for banks to correspond with the FY 2022 Community Reinvestment Act asset size threshold. The threshold should be updated regularly to correspond with updates to the CRA asset size threshold for small institutions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 124 | 5/12/2023 | Community Development Bankers Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should continue allowing SECA qualified organizations to apply for Core funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 125 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Beneficiary Data | Recommendation | Flexibility is necessary when considering Beneficiary Data for capital venture funds and other CDFI that provide financing to businesses. Recommend that the Fund use a proxy, such as business location, to indicate the income of employees because it is very difficult, and perhaps illegal, to poll employees of an investee business regarding their family income. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 126 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Business Plan | Clarification | Add a direct question in the business plan that asks why what the CDFI does is important to their community. It is asked indirectly throughout the Application but is never asked in a straight-forward way. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 127 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | FA Objectives | Recommendation | Do not agree with making applicants identify a single FA Objective for their award. A recommendation is that the requirement to identify an FA Objective be abolished and that CDFIs simply be asked to show how an award will help it achieve its business plan. The CDFI should explain how the award will play an important purpose in increasing the capacity of the CDFI to carry out its business plan and benefit the community it serves | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 128 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | HFFI-FA | Recommendation | For HFFI, the impacts of community development venture capital investments should be explicitly recognized. The classic use of HFFI awards is to finance a supermarket in a low-income community. However, capital venture funds can play an important role in financing the production and availability of healthy foods for low-income populations and this financing activity should qualify for HFFI awards. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 129 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Matching funds | Recommendation | For capital venture funds making equity investments, proceeds of an exit should be eligible to serve as matching funds for an award. Rather than receive small amounts of interest each month, capital venture funds receive large investment returns all at once when they exit an investment (for example when there is an IPO or a company is sold). This influx of cash should be specifically listed as qualifying as matching funds for an award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 130 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Venture capital funds | Recommendation | Capital venture funds have limited lives and follow a life cycle. The CDFI Fund’s practice of simply considering a fund’s new loan and investment activity during the most recent 3 years does not take into account the reality of the life cycle of capital venture funds. To take into account the lifecycle of capital venture funds it is recommended that a “life cycle” concept is incorporated in assessment of the activity of traditionally structured capital venture funds. The application would ask capital venture funds to explain their activity in relation to where they are in their life cycles. All active portfolio investments should be considered, not just new investments in the past 3 years. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 131 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Policy | Venture capital funds | Recommendation | Venture capital funds should be allowed to include both on- and off-balance sheet investments, to the extent that these investments were made under the control of the CDFI parent or management company. This should include the various data tables provided in the application. If it is not possible to make this change in data tables, alternatively capital venture funds should be instructed to include both on-balance sheet and off- balance sheet information in the text of the answers to relevant application questions and that readers be instructed to take this information into account as if it were included in the tables. However, the CDFI Fund should not include off-balance sheet activity for capital venture funds for FAO 1-1 in calculating increases in investment activity required in Assistance Agreements. Assistance Agreements should require equity investment by capital venture funds only on a 1 to 1 basis. The equity investor should be required to invest 100%, but no more than 100% of the award. Further, consider only on-balance sheet activity of the management company and/or the not-for profit parent to assess a capital venture fund capital manager’s financial health | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 132 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Venture capital funds | Recommendation | To better address venture capital funds terminology, the CDFI fund should update the general terminology in the Application by replacing “loans” with “loans and investments” and “lenders” with “lenders and investors.” | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 133 | 5/12/2023 | Community Development Venture Capital Alliance (CDVCA) | Application | Venture capital funds | Recommendation | Respondent's public comment letter in response to this PRA appended two letters previously submitted to the CDFI Fund regarding CDFI Certification changes. One letter dated April 12, 2019, was submitted to Jeff Merkowitz, Senior Advisor, regarding CDFI Certification Changes, and the other letter was dated November 30, 2020, in response to a previous Request for Public Comment issued by the CDFI Fund regarding CDFI Certification changes. | The appended letters were in response to previous Information Collection Request (ICR) issued by the CDFI Fund and are not pertinent to this ICR. |
| 134 | 5/12/2023 | Community Investment Corporation | Policy | Deep Impact Lending | Concern | It is unclear whether the Emergency Capital Investment Program (ECIP) Rate Reduction Incentive Guidelines would be more impactful than current criteria CDFIs follow for certification. The guidelines seem tailored for traditional banks, credit unions, and more developed finance-oriented entities, not for CDFIs as a whole. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 135 | 5/12/2023 | Community Investment Corporation | Policy | Deep Impact Lending | Concern | Regarding the Deep Impact Lending metric for Deeply Affordable Housing, it is unclear how financing 30% AMI projects is markedly different from financing 50%, 60%, or even 80% AMI projects. The only way that housing can benefit 30% or lower AMI households is if it's deeply subsidized, and that deep subsidy is going to come from entities other than CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 136 | 5/12/2023 | Community Investment Corporation | Application | FA Objectives | Recommendation | The CDFI Fund should implement an FA Objective PG&M to expand existing products. Many CDFIs are not in the position to grow their overall activity, nor are they capable of or willing to carve out new products or expand indefinitely. Allowing the organizations to focus on growing specific program / product areas instead of growing overall activity would be beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 137 | 5/12/2023 | Community Investment Corporation | Application | FA Objectives | Recommendation | The CDFI Fund should adjust recipients' PG&M requirements to align with the percentage of their request that was awarded. For example, organizations receiving 70% of their request would only have to meet 70% of their PG&M projections. This is important because organizations are limited in the lending they can do based on the capital they can obtain and the assets they can leverage. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 138 | 5/12/2023 | Community Investment Corporation | Application | FA Objectives | Recommendation | The current approach for setting FAO 1-1 PG&Ms is confusing, and some CDFIs are subject to economic and market conditions that could impact their goal achievement. A multiplier of 2 may be appropriate in some cases, but applicants should have the option of proposing a standard multiplier specific to their CDFI’s circumstances. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 139 | 5/12/2023 | Community Investment Corporation | Application | FA Objectives | Concern | The multiplier is not the most accurate formula for FAO 1-1: Increase Volume of Financial Products as it does not take into account projections, nor does it appear to consider forecasted economic activity, such as recessions or slowdowns. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 140 | 5/12/2023 | Community Investment Corporation | Policy | Net Asset Ratio | Concern | The CDFI Fund should not rely on the net asset ratio as a blanket method to assess organizations' ability to leverage resources, as different organizations will and should adhere to different net asset (equity) ratios. Using an organization's net asset ratio and leverage position to assess its ability to maximize net assets for development is likely to disadvantage a significant number of CDFIs, particularly those that utilize significant equity. There is too much variation in product type, product structure, borrower type, funding restrictions, and the market to try to standardize a ratio across different organizations. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 141 | 5/12/2023 | Community Investment Corporation | Policy | Net Asset Ratio | Recommendation | Instead of using the net asset ratio, the CDFI Fund could use other approaches to assess asset maximization, such as: 1) request narratives on how the FA applicant leverages its existing capital and how it would leverage additional award dollars. These narratives could include discussion of third-party capital, monies leveraged at the project/borrower level, and/or the extent to which CDFI monies help fill project gaps or entice other lenders/investors; 2) focus on an applicant's average deployment rate over the past 3 years for unrestricted loan or equity funds – measured as (disbursed funds + committed but not yet disbursed funds)/total unrestricted financing capital. The most effective organizations should have ratios of at least 80%, ideally closer to 85%; and 3) focus on an applicant's average deployment rate over the past 3 years for all loan or equity funds - measured as (disbursed funds + committed but not yet disbursed funds)/total financing capital. The most effective organizations should have ratios of at least 70% or higher, with lower ratios indicating more unrestricted funds. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 142 | 5/12/2023 | Community Investment Corporation | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add an optional narrative allowing organizations to explain any nuances/special features of their organizational structure, financial statements, and other characteristics. There is not enough space in the current financial conditions question to fully capture important context (e.g., the presence of subsidiary entities that could skew financial statement numbers). | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 143 | 5/12/2023 | Community Reinvestment Fund | Policy | Continued Viability for CDFIs | Concern | The CDFI Fund is confusing the need for subsidy with the inability to be a viable institution. The two issues are distinct from one another. CDFIs are addressing capital and credit gaps in the market that other responsible capital providers are not filling. There is a need for CDFIs at different points in their operating life cycle to seek financial resources from the Fund that are specifically designed to help these institutions reach borrowers or clients who are unable to access credit from mainstream lenders. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 144 | 5/12/2023 | Community Reinvestment Fund | Policy | Continued Viability for CDFIs | Clarification | It is not clear what the Riegle Act envisioned or expected for CDFIs to become completely self-sufficient given the intractable nature of the credit gaps they are addressing. The CDFI Fund is overly focused on CDFIs becoming completely self-sufficient and thus entirely independent from the FA program and the CDFI Fund. The largest CDFIs that have successfully accessed the public debt capital markets still have a need for the grant capital provided by the CDFI Fund so that they have the net assets to allow them to take on private sector debt. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 145 | 5/12/2023 | Community Reinvestment Fund | Policy | Deep Impact Lending | Recommendation | Regarding the proposed Deep Impact metrics, the definition for Underserved Small Businesses should be modified to include loans or investments made to a business with revenues that do not exceed $500,000. This would allow the Fund to support a broader range of small businesses beyond micro entrepreneurs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 146 | 5/12/2023 | Community Reinvestment Fund | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should have discretion to consider the breadth and depth of impact when evaluating applications for CDFI Fund programs. The Fund should not be overly rigid in how it defines or applies deep impact. Applicants should be afforded the option to devise their own plans for delivering deep impact to the communities and populations in a way they believe will be most impactful and effective. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 147 | 5/12/2023 | Community Reinvestment Fund | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should not create a set-aside or internally allocate a portion of CDFI Program funding for applicants to select additional targeting of their activities to deep impact lending with the award. The CDFI Fund may wish to use its discretion to make higher awards to applicants engaged in deep impact lending as a factor in its evaluation process. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 148 | 5/12/2023 | Community Reinvestment Fund | Application | FA Objectives | Recommendation | Although the implementation of a multiplier for FAO 1-1 is not supported, if the CDFI Fund choses to do so, it is recommended that applicants be permitted to set their own multiplier in their applications as this factor may vary by product, geography, and by organization. The applicant is best suited to determine what multiplier is appropriate for their financial product(s) in a specific market or geography. CDFI applicants should be able to set their projected volume of financial products at higher levels using a multiplier to predict their volume if they receive an award and the Fund should have the discretion to reward Applicants that can deploy resources and deliver greater impact. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 149 | 5/12/2023 | Community Reinvestment Fund | Application | FA Objectives | Recommendation | The FAO 1-1 multiplier formula should be based on the actual award size, not the requested award amount, and corresponding program requirements. For example, if a program waives the match requirement, the multiplier should be reduced by 50 percent to reflect the absence of matching funds. Similarly, if a CDFI receives an award that is smaller than the amount requested, the award recipient would be required to increase the volume of their financial products by the amount received times the multiplier rather than the amount requested times the multiplier. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 150 | 5/12/2023 | Community Reinvestment Fund | Application | FA Objectives | Recommendation | For the FAO 1-1 formula, for the three-year historic lending benchmark, there should be an exception made for Small Business Lending CDFIs that were engaged in the Paycheck Protection program (PPP) lending during the pandemic. PPP lending dramatically increased the volume of loans in 2020 and 2021. PPP lenders should be allowed to adjust or estimate their lending for these two years as they were an aberration due to a national emergency. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 151 | 5/12/2023 | Community Reinvestment Fund | Application | FA Objectives | Recommendation | Recommend adding another FA Objective that would allow Applicants to increase specific lending product activity rather than requiring them to increase their total lending through a multiplier or an overall increase as is currently required. This will allow Applicants to better align their business strategy with their FA Objective request. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 152 | 5/12/2023 | Community Reinvestment Fund | Application | FA Objectives | Concern | The proposed formula of a multiplier of the FA award plus three years of historic lending is not an appropriate formula for the FAO 1-1 Increase Volume of Financial Products for several reasons. The different products, markets or geographies served by applicants may not lend themselves to this standardized formula. Incorporating standardization through a multiplier will increase compliance risk since it fails to account for the nature of the financial product, changing market conditions, capacity of the Applicant, and the time required to implement Assistance Agreements which may impact the ability to leverage the award by the amount prescribed by the CDFI Fund. Further, it is unclear why a multiplier is necessary given that CDFIs are proven experts at aggregating and leveraging public and private resources. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 153 | 5/12/2023 | Community Reinvestment Fund | Policy | Funding Levels for CDFIs | Recommendation | Do not support reducing the three-year funding cap below $5 million. This cap should be adjusted for inflation as it has not been changed since the authorizing statute was enacted in 1994. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 154 | 5/12/2023 | Community Reinvestment Fund | Policy | Funding Levels for CDFIs | Recommendation | Support a proposal to provide larger, multi-year grants that would make CDFIs ineligible for additional awards during the award period in which they received a multi-year grant. CDFIs would receive multi-year awards on a performance basis where they have demonstrated the ability to effectively deploy resources to underserved areas and/or populations and create significant impact. This approach would allow CDFIs to target their fundraising activities / requests more effectively. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 155 | 5/12/2023 | Community Reinvestment Fund | Policy | Funding Levels for CDFIs | Concern | Irrespective of size, CDFIs in general and particularly CDFI loan funds do not have the same opportunities to build net assets as their non-CDFI counterparts. Specifically for non-profit loan funds, the only way to build net assets and expand lending are through operating surpluses and grant capital such as that provided by the CDFI Fund. Placing a cap for larger CDFIs will stunt their growth and limit their impact in the communities they serve. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 156 | 5/12/2023 | Community Reinvestment Fund | Policy | Funding Levels for CDFIs | Recommendation | Instead of placing a cap on FA funding for larger CDFIs, the CDFI Fund should structure the award size based on impact and deployment. This would result in larger award sizes for bigger CDFIs in one year and disqualify them for the next two years based on the statutory maximum award amount restriction. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 157 | 5/12/2023 | Community Reinvestment Fund | Policy | Funding Levels for CDFIs | Recommendation | The proposed $25 million asset size for unregulated loan funds to be considered a larger CDFI is far too low given inflation and growth in the industry. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 158 | 5/12/2023 | Community Reinvestment Fund | Policy | Net Asset Ratio | Recommendation | While the Net Asset Ratio (NAR) should be considered when evaluating if a CDFI is effectively utilizing its balance sheet to leverage resources, the CDFI Fund should not impose a single NAR for all CDFIs. A one-size-fits all NAR is not appropriate and may restrict innovation in the field. Further, different types of financing activities require different levels of net assets. For example, equity investing requires different level of net assets to account for different level of risk than lending; small business lenders generally maintain a net asset ratio of 25-30%; and housing or facilities lenders may be comfortable with a lower NAR. Further, shifts in the economy (e.g., one-time large grants during the pandemic) could have short-term impacts on NAR. The CDFI Fund should consider the current context and adjust its consideration of CDFIs’ NAR accordingly. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 159 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Continued Viability for CDFIs | Recommendation | There is a distinction between CDFIs’ ability to operate without CDFI Fund assistance and their ability to grow without CDFI Fund awards. CDFIs should strive to operate viably independent of the CDFI Fund but remain eligible for FA grants toward net assets for lending indefinitely. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 160 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Deep Impact Lending | Recommendation | Concept of Deep Impact is redundant for mission driven non-profit CDFIs as activities such as lending in PPCs are aimed at achieving deep impact. The CDFI Fund should provide clear definitions and metrics if a deep impact metric is implemented. This includes: 1) define "Deep Affordable Housing" as financing for units for households earning below 50% of the Area Median Income (AMI) 2) Adopt a definition for "Lending to Underserved Nonprofits" that mirrors the proposed definition for "Lending to Underserved Businesses" 3) Include a metric for lending to organizations that primarily serve individuals who are low-income and/or from Other Targeted Populations. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 161 | 5/11/2023 | Community Vision Capital and Consulting | Application | FA Objectives | Recommendation | Mandating growth is not appropriate for all institutions at all times. Some CDFIs focus on impactful work with no intention of broadening their mission and those with growth aspirations face factors beyond their control that may impede their ability to meet proposed growth metrics. In addition, growth can be dependent on several factors beyond the CDFI's control. Circumstances may prevent CDFIs from meeting the proposed the proposed benchmark of the amount of the award plus historic three years of lending, such as unusual lending levels due to PPP, sources of investment capital may decline post pandemic programs, and lack of capital due rising interest rates and failure and consolidation of local banks. For these reasons, the Performance Goal and Measure of FAO 1-1 should solely consist of a multiplier based on the year's award without referencing historical lending volume. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 162 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Flexibility of CDFI Programs | Recommendation | The CDFI Fund should maintain the flexibility of the program to respond to local conditions. A rigid approach to evaluating grants may not be equally effective for all CDFIs, considering their varying sizes, missions, community requirements and financial needs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 163 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Funding Levels for CDFIs | Recommendation | Support the idea that the CDFI Fund should limit the total dollar amount of awards in a given time based on CDFI size as a means to ensure available CDFI Fund awards are distributed evenly. However, the proposed definition of "Larger CDFIs" for unregulated institutions is disproportionately low compared to limits suggested for banks and credit unions in the CDFI's Annual Certification and Data Collection Report. According to the CDFI Fund’s own Annual Certification and Data Collection Report for 2021, the average of total assets for CDFIs in these categories is as follows: • Banks/ Thrifts: $533,434,185 • Credits Unions: $522,192,710 • Loan Funds: $62,210,885 So while the proposed definition of “larger CDFIs” would represent 281% of the average size of bank assets, and 191% of average credit union assets, for unregulated loan funds it would be defined as 40% of average assets. In plainer terms, a bank would be considered large if it were about three times larger than the average bank CDFI, and a credit union if it were about twice as large as average, but a loan fund would be deemed “large” if it were less than half as large as the average unregulated institution. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 164 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Measuring Economic Distress and Persistent Poverty Counties | Comment - No Action | Concurs that the CFDI should update the measure of economic distress and supports use of census tract data to measure persistent poverty geographies for FA and PPC-FA programs. PPC counties are clustered in the South and Southwest, yet there are many persistent poverty census tracts located in other counties to which resources should be directed. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to legislative requirements of the CDFI and NACA Program. |
| 165 | 5/11/2023 | Community Vision Capital and Consulting | Policy | Net Asset Ratio | Recommendation | Net Asset Ratio (NAR) is not only an indicator of a CDFI's effective debt leveraging but also reflects the risk to its debtholders. Applying the same NAR metric to all FA Applicants could have a range of unintended and undesirable outcomes. As CDFIs have different risk profiles, applying the same NAR to all FA applicants could penalize higher-risk lenders or encourage over-leveraging. For these reasons, recommend replacing the NA) with a narrative question that asks applicants to describe their approach to leverage, how their target leverage ratio aligns with their business model and risk appetite, and their efforts to raise non-Federal debt. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 166 | 5/10/2023 | Credit Builders Alliance | Application | Small and Emerging CDFI Assistance (SECA) | Concern | The use of loan portfolio outstanding as a measure of capacity to deploy SECA funds fails to consider the high-volume nature of small-dollar lending and its rapid portfolio turnover. The calculation unfairly punishes CDFIs that make responsible short- term loans with 12–24-month amortization schedules as the principal balances on these loans are quickly repaid by borrowers. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 167 | 5/10/2023 | Credit Builders Alliance | Application | Small and Emerging CDFI Assistance (SECA) | Recommendation | A fairer method for determining the maximum amount of SECA-FA Award that an Applicant can apply for would be to allow a SECA Applicant to apply for the maximum SECA award if it has originated at least 50 loans and achieved $250,000 of total loan originations over the last two fiscal years (for example, 2021 and 2022 combined for the FY 2022 funding round). | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 168 | 5/10/2023 | Credit Builders Alliance | Application | Small and Emerging CDFI Assistance (SECA) | Concern | The rule of being limited to applying for a SECA award amount that is no greater than 75% of the total portfolio outstanding in the most recent historic fiscal year is flawed and unfair to new CDFIs, especially those dedicated to making small-dollar or microloans. CDFIs that make small-dollar loans are treated unfairly if their total loan portfolios are compared equally to different types of CDFIs that offer different types of Financial Products. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 169 | 5/10/2023 | Credit Builders Alliance | Application | Small and Emerging CDFI Assistance (SECA) | Concern | The application uses total Portfolio outstanding data from the most recent historic fiscal year (for FY 2022, this was often FY 2020). This lookback period is too old and does not capture relevant portfolio data. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 170 | 5/12/2023 | Credit Union National Association | Policy | Ability to Serve Native Communities | Recommendation | To provide necessary support for emerging Native CDFIs, the CDFI Fund should undertake a public engagement with Native communities with the goal of designing a sandbox or pilot program that allows for flexible, innovative, and diverse approaches. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 171 | 5/12/2023 | Credit Union National Association | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should consider conducting public engagements with Native communities in partnership with the National Credit Union Administration’s Office of Credit Union Resources and Expansion, which oversees the chartering of de novo credit unions and the support of newly chartered credit unions through the Community Development Revolving Loan Fund. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 172 | 5/12/2023 | Credit Union National Association | Application | Beneficiary Data | Concern | The requirement to collect, store, and report data around race, ethnicity, and household income raises legal concerns and risks that could harm the banking relationship between CDFI credit unions (CDCUs) and their membership, and potentially violate state laws. Further, Regulation B of the Equal Credit Opportunity Act prohibits inquiring into a loan applicant's marital status or whether the applicant’s income derives from any public assistance program (including in connection with disability). CDFIs and the CDFI Fund could negatively impact relationships with underserved and rural communities in connection with a requirement to collect actual race and ethnicity data. Since small business lending is more relationship-dependent than other forms of credit, customers and bank employees alike could be discomforted by a visual observation and surname data collection process. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 173 | 5/12/2023 | Credit Union National Association | Application | Beneficiary Data | Recommendation | The CDFI Fund should allow CDFIs to use any well documented statistical proxies for individual race, ethnic, and income data, including geographical proxies, Bayesian Improved Surname/Geocoding, and modeled income data. This could include low-income census tracts and/or block groups as geographic proxy for low-income Targeted Populations, and proxy data from any qualified third-party vendor. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 174 | 5/12/2023 | Credit Union National Association | Application | Beneficiary Data | Concern | In support of concerns around collecting around race, ethnicity, and household information of credit union membership, the Consumer Financial Protection Bureau (CFPB) recently eliminated a proposed requirement to collect ethnicity and race via visual observation or surname. Instead, CFPB opted to require lenders to establish reasonable procedures to collect the information, to establish sample data collection forms with plain language explanations, and to launch its own public awareness campaign to educate small business owners in order to improve willingness to provide the information. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 175 | 5/12/2023 | Credit Union National Association | Policy | Funding Levels for CDFIs | Concern | Limiting access and support for larger credit unions undercuts the Fund’s mission to support the growth and capacity of CDFIs, which should not have an upper limit. The CDFI Fund should not disincentivize CDFI credit union growth by limiting the total dollar amount or number of FA awards they receive within a timeframe. Large CDFI credit unions often are the most likely to have the balance sheets and sophistication to leverage CDFI funds to achieve multiplier effects in their communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 176 | 5/12/2023 | Credit Union National Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The SECA threshold of $100 million may be too low for credit unions because those with less than $100 million in assets represent less than 5 percent of all federally insured credit union assets. In comparison, all credit unions with less than $500 million in assets represent less than 15 percent of all credit union assets. If relying on an asset-based threshold for SECA credit unions, the CDFI Fund should consider a SECA threshold of the bottom 15 percent of all credit unions by asset size (less than $500 million) to be more evergreen and account for market fluctuations, such as increased deposits seen during the pandemic. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 177 | 5/12/2023 | Credit Union National Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | If relying on a $100 million asset-based threshold for SECA credit unions, the CDFI Fund should regularly cross-reference the National Credit Union Administration's regulatory provision regarding the Regulatory Flexibility Act thresholds, which contains the reference to the most current Interpretive Ruling and Policy Statement (IRPS) defining a small credit union. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 178 | 5/12/2023 | Credit Union National Association | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Rather than utilizing an asset-based threshold for SECA credit unions, the CDFI Fund should allow all MDI credit unions to qualify as SECA applicants to improve MDI participation in the CDFI and NACA Programs. A significant number of MDI credit unions appear to qualify as CDFIs, while the actual number of credit unions that have been certified as both is relatively small. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 179 | 5/10/2023 | CU Strategic Planning | Application | Beneficiary Data | Recommendation | Except in limited circumstances, regulated financial institutions cannot collect information on the race, ethnicity, disability status or (generally) marital status of their members or customers. The CDFI Fund should allow CDFIs to submit proxies for income data to promote a greater understanding of the beneficiaries served while not providing the actual data. When providing Financial Services or Development Services, credit unions do not collect information needed to categorize a beneficiary by income level. It is worth nothing however, that using proxy data, while beneficial to regulated Applicants, could make the application more difficult to complete due to the skill it requires to use. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 180 | 5/10/2023 | CU Strategic Planning | Application | Beneficiary Data | Concern | The Beneficiary Table breakdown of beneficiaries by income level (low income, very low income, etc.) will accurately reflect the beneficiaries served by a CDFI with a LITP Target Market, but CDFIs with Target Markets not based on income (IA Target Market, OTP Target Market or a blended Target Market) may reflect a significantly lower beneficiary breakdown percentage than the CDFI’s certification numbers based on actual loans made. This means that applicants may be asked to discuss Beneficiary Table income percentages significantly higher than the income among borrowers the CDFI specializes in serving. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 181 | 5/10/2023 | CU Strategic Planning | Application | Beneficiary Data | Concern | Requiring beneficiary data projections for the three-year performance periods to assess impact would be cumbersome for applicants. Different loan types could have their own unique methodologies for calculating the beneficiaries of the loan (e.g., one beneficiary for a credit card loan vs. many beneficiaries for a commercial business loan). | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 182 | 5/10/2023 | CU Strategic Planning | Application | Certification | Recommendation | The CDFI Fund should pause any proposed changes to the TA Application while proposed changes to the certification process are still pending. The proposed TA Application incorporates many of the proposed certification changes and the CDFI Fund is still actively reviewing comments on the certification changes and consulting regulators about potential impacts. | The CDFI Fund is retaining the TA Application questions as currently proposed. This information is necessary for the evaluation of the Applications. |
| 183 | 5/10/2023 | CU Strategic Planning | Policy | Certification | Recommendation | The CDFI Fund should allow applicants to apply for a FA award prior to being certified for the FY 23-24 Funding Round. The department’s pause on the acceptance of certification applications represents a factor out of the control of organizations seeking certification and intent on applying for grant funding. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund is considering changes to this policy for the upcoming funding round based on comments received. |
| 184 | 5/10/2023 | CU Strategic Planning | Application | Character Limits | Recommendation | The CDFI Fund should increase the character limits associated with Question 10, which seeks to describe both marketplace competitors and trends, of which there can be many. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 185 | 5/10/2023 | CU Strategic Planning | Application | Character Limits | Recommendation | The CDFI Fund should allow applicants to answer Question 4, which asks the applicant to describe how the award funds will be used, by using a table with short narratives that describe the use of funds in each category. The character limit associated with Question 4 is greater than what is needed. | The CDFI Fund is retaining this question in the FA Application as currently proposed and will not, at this time, modify the character count limit for this question in the Application. The character count is a maximum not a minimum and there is no minimum response length required. |
| 186 | 5/10/2023 | CU Strategic Planning | Application | Character Limits | Recommendation | The CDFI Fund should increase the character limits needed to address all the data in Table 1 and Table 2. The 2,000 character limit is insufficient to adequately expand the demographic information and statistics provided in the Beneficiary Snapshot and Portfolio Statistics charts. | This comment would increase burden and is not necessary for the evaluation of the Applications. Also note that the character count for Question 2 was mistakenly published with a 2,000 character limit in the proposed FA Application Template. The correct character limit for Question 2 is 3,250 and will not be changed from the existing FA Application. The CDFI Fund will not, at this time, modify the character count limit for questions in the Applications. |
| 187 | 5/10/2023 | CU Strategic Planning | Policy | Deep Impact Lending | Recommendation | ECIP requirements would encourage applicants to increase outreach to the hardest-to-serve borrowers and underserved communities, but they would also represent additional risk. Under ECIP, deep-impact lending resulted in a rate reduction on subordinated debt provided to the participating applicant. If the concept of deep-impact lending is woven into the application and/or evaluation processes, the CDFI Fund should increase grant awards commensurate with the increases in deep-impact lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 188 | 5/10/2023 | CU Strategic Planning | Application | FA Objectives | Recommendation | The CDFI Fund should request "loans originated" rather than "loans granted" when calculating projections for a CDFI's Target Market. "Loans originated" would provide greater accuracy of new loans deployed to the Target Market, while "loans granted" includes purchased and refinanced loans that do not necessarily represent new loans into the community. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 189 | 5/10/2023 | CU Strategic Planning | Application | FA Objectives | Recommendation | The CDFI Fund should retain the Financial Services FA Objective to be more consistent with the proposed changes to the certification process, which better recognize the importance of Financial Services as a community development tool. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 190 | 5/10/2023 | CU Strategic Planning | Application | FA Objectives | Concern | Introducing a multiplier for FAO 1-1 could address several concerns and complications with the current requirements, but it could be difficult to accurately project future growth due to anomalous historical lending. Currently, Applicants develop projections based on the receipt of a requested award amount and are held to those projections despite being awarded a lower award amount. Recipients with awards in more than one year must also ensure that loan dollars are not counted toward more than one award, which complicates the grant reporting process. While a multiplier for FAO 1-1 would ease burdens for applicants and recipients related to forming projections for their PG&Ms or reporting on multiple FA awards from different years, it would still be difficult to project future growth based on what may be anomalous historical lending (i.e., PPP, extraordinarily active mortgage market, etc.). These dramatic swings in lending represent unsustainable anomalies. If the multiplier becomes a factor in making a due diligence decision or assessing an applicant’s award, a negative multiplier would be likely to disqualify otherwise eligible applicants with a proven track record of leveraging grant funds for community development impact. Were it in place today, most credit union applicants' growth multiplier would be negative due to the financial market and other factors out of their control. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 191 | 5/10/2023 | CU Strategic Planning | Application | FA Objectives | Recommendation | The CDFI Fund should align FAO 1-1's multiplier with the 1:1 baseline required for matching funds and allow applicants to choose a higher multiplier. Applicants with a higher multiplier should be evaluated more positively as part of the evaluation process as they could leverage grant dollars for greater impact. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 192 | 5/10/2023 | CU Strategic Planning | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should continue to make awards based on community development impact. Limiting dollar awards to larger CDFIs would be counterintuitive as larger CDFIs, in some circumstances, are more effective at leveraging award dollars to expand economic opportunity for underserved people and communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 193 | 5/10/2023 | CU Strategic Planning | Policy | Net Asset Ratio | Recommendation | If the CDFI Fund implements net asset ratio benchmarks into the award evaluation process, it should provide specific ranges for acceptable ratios and/or explain how the applicant’s net asset ratio will be evaluated (i.e., 7%-9% is excellent, 9.01% - 11% is good, etc.).  If the CDFI Fund implements net asset ratio benchmarks into the award evaluation process, it should rely on the categories created by the applicant’s  functional regulator if the applicant is a regulated financial institution. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 194 | 5/10/2023 | CU Strategic Planning | Application | Redundant or unnecessary information collection | Recommendation | Question 13, which asks the applicant to describe how an award would build, increase or improve an applicant’s ability to achieve its strategic goals, seems redundant with Question 4 (use of funds) and Question 5 (strategic goals). The CDFI Fund should consider marrying Question 4 with Question 13 to eliminate the overlap between the two questions. | The CDFI Fund is retaining all three questions. This information is necessary for the evaluation of the FA Application. The CDFI Fund will revise Question 5 and Question 13 based on public comments to clarify intent. |
| 195 | 5/10/2023 | CU Strategic Planning | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should consider adding two years to the financial input tables to correspond with the application’s request for five-year strategic goals. This expanded financial projection would allow applicant financial input to align and support five-year strategic goals | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 196 | 5/10/2023 | CU Strategic Planning | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should allow SECA-qualified applicants to apply in either category, SECA or Core. While a SECA-qualified applicant may be a smaller organization,  many American credit unions have almost one hundred years of operational experience. Some would be well advised to apply as Small and Emerging CDFIs, while others would have the sophistication to qualify as Core applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 197 | 5/10/2023 | CU Strategic Planning | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The SECA threshold of $100 million may be too low for credit unions. The current NCUA definition (last revised in 2015) could more accurately define a “very small credit union” as the average asset size of American credit unions continues to grow. If relying on an asset-based threshold for SECA credit unions, the CDFI Fund should consider a more reasonable definition that reflects today's market, such as the $346 million figure proposed to define a small depository institution or depository institution holding company. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 198 | 5/12/2023 | DreamSpring | Application | FA Objectives | Recommendation | Recommend a uniform multiplier of "2" when considering the award amount for purposes of calculating the PG&Ms for FAO 1-1. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 199 | 5/12/2023 | DreamSpring | Application | FA Objectives | Concern | Using 3 years of historic lending as a baseline for determining FAO 1-1 PG&Ms is not recommended. For instance, using 2020, 2021 and 2022 as a benchmark is problematic given pandemic-related anomalies. CDFI lenders in the Paycheck Protection Program (PPP) experienced significant expansion in their lending in 2020 and 2021 which will drop with the expiration of PPP. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 200 | 5/12/2023 | DreamSpring | Policy | Funding Levels for CDFIs | Recommendation | The $5 million funding cap should not be reduced. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 201 | 5/12/2023 | DreamSpring | Policy | Funding Levels for CDFIs | Concern | The introduction of a limit on the total dollar amount or number of FA awards larger nonprofit, nondepository, unregulated CDFIs are eligible to receive within a certain timeframe is not supported. Introducing such a limit for nonprofit, nondepository CDFIs that reach assets of more than $25 million (compared to the proposed $1 billion and $1.5 billion for credit unions and banks, respectively) runs counter to supporting increased Target Market service. Nonprofit, nondepository CDFIs have limited avenues to raise capital to support increases in the volume of financial products provided to Target Markets. The CDFI Fund provides a vital and unique avenue for larger nonprofit, nondepository CDFIs to access the capital needed to achieve critical increases in Target Market service and impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 202 | 5/12/2023 | DreamSpring | Policy | Net Asset Ratio | Recommendation | Using net asset ratios to assess leverage may discourage CDFIs from accessing secondary markets while encouraging them to take on more debt to access more capital. Net Asset Ratio is an important measure of risk and potential to better leverage the balance sheet, but it cannot and should not be the main or only variable for looking at ability to leverage resources. More indicative of success would be measures such as the net assets relative to the total assets under management (including loans sold but still serviced by the CDFI) or average net assets relative to the total loan dollars deployed over the trailing 12-month period. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 203 | 5/12/2023 | EBA Fund | Policy | Net Asset Ratio | Recommendation | The CDFI Fund should not eliminate the net asset ratio as an important measure of risk and the ability of a CDFI to face changing circumstances.  However, the CDFI Fund should not rely solely on the net asset ratio to assess an organization's ability to leverage resources. Measures such as net assets relative to total assets under management (including loans sold but still serviced by the CDFI), or average net assets relative to the total loan dollars deployed over the trailing 12-month period, would be equally or more indicative of leverage capability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 204 | 5/12/2023 | EBA Fund | Policy | Net Asset Ratio | Concern | The net asset ratio is of limited value in indicating an organization's ability to effectively leverage resources and may discourage CDFIs from accessing secondary markets to achieve greater scale.  CDFIs can sell their loans on a secondary market to make the assets liquid and immediately redeploy those funds as a form a leverage. However, an organization's net asset ratio would remain effectively unchanged as no new debt leverage was taken on.  Assessing leverage using the net asset ratio could induce CDFIs to take on more debt at economically difficult terms in order to convey to stakeholders that it is using its resources effectively, when the same end could be achieved without the CDFI incurring additional risk or economic impact to its P&L from increased debt expense. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 205 | 5/12/2023 | EBA Fund | Policy | Net Asset Ratio | Recommendation | When considering ratios to assess an organization's leverage, the CDFI Fund should be mindful of potential developments around liquidity enhancement tools and secondary market tools. More meaningful data surrounding the use of these tools could be captured through measures other than the net asset ratio. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 206 | 5/11/2023 | Economic Justice Fund | Policy | DF-FA | Recommendation | All CDFIs should be eligible to apply for DF-FA, but many SECA applicants are excluded from applying under the current guidelines. The current SECA award limit prevents certain SECA CDFIs from being eligible to apply for DF-FA. Therefore, the CDFI Fund should exempt DF-FA awards from the total SECA award limit or create a separate competition for DF-FA entirely. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 207 | 5/11/2023 | Economic Justice Fund | Policy | Funding Levels for CDFIs | Recommendation | CDFI banks and credit unions with more than $1 billion of assets no longer need FA awards. The Fund should prioritize the limited appropriations for FA awards to build the capacity of smaller CDFIs, especially non-profit loan funds. As a factor in determining if future FA awards are warranted, the CDFI Fund should also review the historical number and total amount of awards to CDFI banks and credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 208 | 5/11/2023 | Economic Justice Fund | Policy | Funding Levels for CDFIs | Concern | Any CDFI bank or credit union with more than $1 billion of assets does not need future FA awards. If the first generation of CDFIs continues to monopolize FA from the CDFI Fund, the next generation of CDFIs will not be able to scale. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 209 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The calculation used for determining the eligibility for SECA awards is flawed and unfair to new CDFIs for the following reasons: 1) CDFIs that make small-dollar loans need SECA grants to grow. They are being unfairly treated if their total loan portfolios are compared equally to different types of CDFIs that offer different types of Financial Products. 2) The use of loan portfolio outstanding as a measure of capacity to deploy SECA funds fails to consider the high-volume nature of small-dollar lending and its rapid portfolio turnover. 3) The lookback period for portfolio outstanding is too old and does not capture relevant portfolio data. For example, in the FY 2022 CDFI Program round, the CDFI Fund used loan portfolio data as of FY end 2020. Based on these issues the recommendation is that any CDFI can apply for the maximum SECA award if it has originated at least 50 loans and achieved $250,000 of total loan originations over the last two fiscal years (2021 and 2022 combined). | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 210 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should raise the SECA threshold to $7.5 million for non-profit loan funds. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 211 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | There is opposition to the Fund using the FY 2022 Community Reinvestment Act (CRA) asset size threshold for “small banks” set by the Federal bank regulatory agencies. This asset threshold should have no impact on eligibility for SECA. It is recommended to lower the threshold on asset size to $125 million rather than considering an increase to keep large banks from competing under SECA. Furthermore, the National Credit Union Administration (NCUA) definition for “small institutions” should have no impact on determining the CDFI Fund’s asset size threshold for SECA. The recommendation is to apply the lower asset size limit of $75 million to credit unions for SECA eligibility. Banks with more than $125 million of assets and credit unions with more than $75 million of assets should be competing in the CORE Program against CDFIs with similar asset sizes. Under the current SECA rules, it’s highly unfair for depository CDFIs with $250 million in assets to be competing against a non-profit loan fund with less than $5 million in assets. Ultimately the CDFI Fund should create a fairer SECA competition. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 212 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | If SECA qualified groups must apply as SECA (versus having the option to apply as Core), the CDFI Fund may unintentionally create a more competitive SECA round with additional large CDFI banks and credit unions. Therefore, the recommendation is to reduce the asset sizes for SECA eligibility to $125 million or less for CDFI banks and $75 million or less for credit unions as the solution. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 213 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Concern about the recent increase in the number of for-profit CDFIs and depository institutions competing as SECA applicants against small, non-profit loan funds. A recommendation is that the CDFI Fund ensures that at least 70% of the top non-profit loan funds move from Step 3 to Step 4 and establish separate scoring thresholds for CDFI banks and credit unions with significantly larger asset sizes. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 214 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Strongly support limiting the number of SECA awards to three for CDFIs that are for-profit and depository institutions. However, new CDFIs that are non-profit loan funds should not be limited to three SECA awards because larger CDFIs have taken advantage of SECA. Continue to maintain the historical precedent of ensuring that approximately 25 percent of annual CDFI Program appropriations are awarded through SECA grants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 215 | 5/11/2023 | Economic Justice Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The number of years an entity began financing activities prior to the opening of the funding round is not an appropriate test for SECA eligibility and can be used as a loophole by large CDFIs to compete for SECA awards. The eligibility for SECA should only be based on the asset size of the CDFI. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 216 | 5/12/2023 | Enterprise Community Loan Fund | Application | Beneficiary Data | Recommendation | The CDFI Fund should collect historic and projected beneficiary data from applicants to gain a general understanding of projected impact but should not incorporate this information into PG&M requirements. Basing PG&Ms on projected beneficiary data greatly increases recipient compliance risk as market conditions change and it is difficult for applicants to accurately predict how many beneficiaries they will serve over multiple years. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 217 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Continued Viability for CDFIs | Concern | Any public or private source of subsidy, including an FA award, enables a CDFI to expand its work in its Target Markets and increase its community development impact. CDFIs fill gaps in the financial market that mainstream financial institutions do not, while continuing to recognize the persistence of race and gender-based discrimination in accessing fair credit. Even if CDFIs could achieve self-sufficiency without grant support (from the CDFI Fund or other sources) while serving low-income communities, subsidy is still critical to bring capital at the right price and terms to create and complete community development products and projects. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 218 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Deep Impact Lending | Concern | Successful applicants already demonstrate a commitment to ‘‘deep impact’’ lending/investment as their awards must be utilized in a CDFI’s Target Market. Some criteria proposed in the Emergency Capital Investment Program (ECIP) Rate Reduction Incentive Guidelines are generally duplicative of existing requirements, such as Lending to Low-Income Borrowers under 80 percent of area median income. Further, the CDFI Fund already focuses on investing funds in “deep impact” geographies by designating funding for CDFIs serving Native communities, persons with disabilities, and persistent poverty counties. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 219 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Deep Impact Lending | Recommendation | Instead of setting aside or internally allocating a portion of CDFI Program funding for deep impact lending activities, the CDFI Fund should include a separate PG&M for Applicants that optionally commit to deep impact lending with their awards. Many of the places and populations in the deep impact category are already being served through the CDFI program. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 220 | 5/12/2023 | Enterprise Community Loan Fund | Application | FA Objectives | Recommendation | For FAO 1-1, the CDFI Fund should allow applicants to choose its own multipliers for PG&Ms based on their unique circumstances, rather than incorporating a standard multiplier. Incorporating a standard multiplier would increase compliance risk for individual Applicants since it requires Applicants to leverage their award over a three-year period by an amount set during application submission. Market conditions and opportunities change over time which can impact leverage of the award amount. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 221 | 5/12/2023 | Enterprise Community Loan Fund | Application | FA Objectives | Concern | When establishing FAO 1-1 PG&Ms, market changes such as the pandemic and unique funding opportunities (i.e., Paycheck Protection Program) can impact a recipient's ability to leverage funds and keep pace with historic lending, especially since actual program dollars are awarded up to a year post-application. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 222 | 5/12/2023 | Enterprise Community Loan Fund | Application | FA Objectives | Recommendation | The CDFI Fund should adjust recipients' PG&M requirements to align with the percentage of their funding request awarded. It is difficult for organizations with reduced award amounts to secure the additional low-cost capital needed to meet the PG&Ms from their original request. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 223 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Funding Levels for CDFIs | Recommendation | The $5 million funding cap was set in 1994 and has never been adjusted for inflation. If tied to an annual inflation adjustment, the funding cap would be over $10 million. The current caps to Financial Assistance funding awards result in larger organizations receiving roughly the same award size as smaller CDFIs. The CDFI Fund should not limit the dollar amount or number of FA awards outside of the Riegle Act’s three-year, $5 million cap. Reducing the funding cap could effectively shut larger CDFIs out of future funding rounds, and CDFIs of all sizes are in need of CDFI Program awards since it’s one of the only no cost capital sources available to support CDFI lending activities and ultimately grow the field. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 224 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should tailor award sizes to recipients' capacity and ability to achieve FA application objectives. Capping FA award amounts at $1 million is inconsistent with the CDFI Fund’s objective of providing additional funding for Applicants with an identified ability to leverage and deploy funds for FA-eligible activities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 225 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should determine award sizes based on demonstrated performance to deploy funds, not funding caps. Implementing this would result in larger award sizes for bigger CDFIs in one year and ultimately disqualify them for the next two years due to the $5 million cap. This reduces public paper burden by reducing the number of annual applications submitted by larger CDFIs for relatively small award amounts. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 226 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Recommendation | The CDFI Fund should include information in the application which describes current HFFI-FA deployment compliance requirements so applicants understand what they will be held to if they receive an award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 227 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Concern | While the FA NOFA provides scoring thresholds for each of the five application sections, it does not state what the CDFI Fund considers to be exemplary in each scoring category. Neither the FY 2022 NOFA nor FA Guidance provided any information on how the CDFI Fund reviews submissions or how applicants receive the highest scores. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 228 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Recommendation | The CDFI Fund should provide FA Applicants information on the standards used to evaluate an Applicant’s financial health and loan portfolio quality, as was provided in prior years. This information should be included in each CDFI Program NOFA, guidance materials, and debriefing documents. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 229 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Recommendation | The CDFI Fund should provide additional information on how award sizes are determined in each program funding round NOFA and/or application guidance. While awards from other CDFI and COVID-19 recovery programs include standardized award amounts, CDFI Program award recipients are given no information about their how their award amounts were determined. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 230 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Recommendation | The CDFI Fund should produce debriefing documents for awarded applicants as well non-funded applicants, as done in prior years. Debriefing documents help applicants understand where strengths and weaknesses were identified in their applications, help them refine their business plan for future applications, and provide insight into why they may have received a lower award amount than requested. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 231 | 5/12/2023 | Enterprise Community Loan Fund | Application | Guidance | Recommendation | The CDFI Fund should list the total points available per HFFI-FA section. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 232 | 5/12/2023 | Enterprise Community Loan Fund | Policy | HFFI-FA | Recommendation | CDFI Fund should issue standalone HFFI-FA awards, rather than limiting HFFI-FA awards to FA award recipients. This would increase application competitiveness and increase FA program dollars for Applicants with specific funding requests instead of having CDFIs who may only be eligible for a smaller-dollar FA award apply to access the HFFI-FA funding. When considering the feasibility of standalone HFFI-FA awards, the CDFI Fund should 1) review annual compliance and certification data for recipients with active FA Assistance Agreements to understand and mitigate against any risk of decoupling the two programs, and 2) continue to require FA applications from HFFI-FA applicants without current awards or request a subset of the FA application information to evaluate enterprise level risk. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 233 | 5/12/2023 | Enterprise Community Loan Fund | Application | HFFI-FA | Recommendation | The CDFI Fund should state defined HFFI-FA terms, including Food Desert, Healthy Foods, Healthy Food Retail, and others in the application so Applicants include data consistent with the Fund’s terminology. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 234 | 5/12/2023 | Enterprise Community Loan Fund | Application | HFFI-FA | Recommendation | The CDFI Fund should link to outside references used in HFFI-FA compliance (e.g., USDA Food Access Research Atlas and USDA Dietary Guidelines), specify which standards are used for compliance purposes, and provide specific examples of compliant programming. This information will provide HFFI-FA applicants with standardized data and outside reference sources, which will lower applicant burden and increase the CDFI Fund’s ability to standardize application review and compliance procedures. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 235 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should introduce a narrative question and "other" data category for applicants to contextualize economic distress in the communities they propose to serve as this data, while important, is difficult to standardize. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 236 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Measuring Economic Distress | Recommendation | Supportive of the CDFI Fund defining economic distress criteria for communities to promote greater standardization of application review and scoring. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 237 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | The CDFI Fund should use census tract level data when measuring persistent  poverty in communities receiving FA and PPC awards to allow for greater targeting of resources, specifically in areas encountering persistent poverty within a larger geographic area. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 238 | 5/12/2023 | Enterprise Community Loan Fund | Policy | Net Asset Ratio | Concern | Using the net asset ratio to evaluate an applicant's ability to leverage resources is complicated because leverage is influenced by factors such as: line of business, lending strategy, and the time required for net assets to grow. Historically, many private investors have required a net asset ratio of 20% but this percentage is not always warranted. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 239 | 5/12/2023 | Fahe | Policy | Continued Viability for CDFIs | Clarification | The CDFI does not rely on CDFI FA for continued viability but uses FA on its balance sheet to leverage more funding to serve communities and neighborhoods. The need far outstrips ability to serve with current resources. If CDFIs could achieve self-sufficiency without grant support (from the CDFI Fund or other sources) and still serve low-wealth communities, wouldn’t mainstream financial institutions be doing this work? | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 240 | 5/12/2023 | Fahe | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should consider the following for deep impact lending measurements: 1) The definition of low-income should use an unmodified MFI system. In other words, it should always use the national nonmetropolitan floor rather than the Area Median Income (AMI) to determine low-income. Using AMI means severe place-based disadvantage enters the system, 2) add "Underserved Communities" from ECIP guidelines to the list of definitions/metrics to qualify for deep impact lending, and 3) include lending in low-income census tracts in determination of deep impact lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 241 | 5/12/2023 | Fahe | Application | FA Objectives | Recommendation | FAO 1-1 PG&Ms should be determined by actual award amounts and not on the award size requested. When applicants make commitments, such as with projected lending activity, they are making those commitments based on the assumptions that the application will be awarded. However, if the FA award is made – but not in its full amount as applied for – those commitments are expected to be kept in full. For example, if an organization applies for FA with the proposed commitment of 11% growth based on a $1 million grant award, but is only awarded half of that $1 million, they are still held to the 11% growth commitment. This is asking awardees to do more than they project is possible with less than they were asking for and should be avoided. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 242 | 5/12/2023 | Fahe | Application | FA Objectives | Recommendation | Keep status quo of determining lending activity for FAO 1-1 unchanged, i.e., Applicant’s three years of projected lending activity must exceed its historic three years of lending activity plus the FA award amount. However, understand that for smaller CDFIs, an aggressive growth strategy might not be possible. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 243 | 5/12/2023 | Fahe | Application | FA Objectives | Recommendation | If the keeping the current FAO 1-1 formula is not acceptable, allow Applicant to choose FAO 1-1 projected lending amount to be the greater of: 1) a set percentage of its three-year lending average, or 2) size of FA award. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 244 | 5/12/2023 | Fahe | Application | FA Objectives | Recommendation | Add another FA Objective which would allow for the deepening of services to an already well-targeted market as opposed to identifying new areas for expansion. This is especially important for CDFIs of small-to-medium size, in difficult-to-serve markets, which are unable to become self-sufficient through earned income. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 245 | 5/12/2023 | Fahe | Policy | Funding Levels for CDFIs | Concern | The characterization of an unregulated institution with $25M or more in assets as a "Large CDFI" is misleading because: 1) The asset amount is too low for designating institutions as large, and 2) ignores other information about the CDFI. In addition to asset-size, context of the CDFI and the communities it serves should be factored. For example, communities working in rural areas have a harder time attracting investment, especially through CRA. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 246 | 5/12/2023 | Fahe | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should adopt the definition in the Community Reinvestment Act for the subcategory of “intermediate small bank” and define a Large CDFI (unregulated) as an unregulated institution with more than $346M in assets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 247 | 5/12/2023 | Fahe | Policy | Measuring Economic Distress | Recommendation | Economic distress is a crucial metric. It is equally crucial, however, to recognize that places are not all the same, and that measurements and metrics which work in some places do not work in all. In particular, there are issues inherent with metrics which compare individuals against their neighbors, rather than against a separate, constant figure. For example, the Department of Housing and Urban Development's Median Family Income (MFI) system compares a family's/ individual's income to the area income to qualify as low income. In areas where the income is quite low (such as PPC), this means certain families/individuals may not qualify a low-income. Therefore, it is crucial that if the MFI system is used, a proposed solution is to use a national non-metropolitan floor. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 248 | 5/12/2023 | Fahe | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should use county-level data in conjunction with census tract data to measure levels of economic distress, especially for rural and poverty counties, to provide a more complete picture. Census tracts within PPC may not themselves be persistent poverty census tracts. Further there is data fidelity at the census tract level, much of it inaccurate, based on very small sample sizes with statistical multipliers that result in huge swings in indicators year-over-year. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 249 | 5/12/2023 | Fahe | Policy | Net Asset Ratio | Concern | Using the Net Asset Ratio to assess use of balance sheet to leverage resources will inadvertently incentivize CDFIs to work in areas where it is easy to move capital and stifle investments to hard-to-serve communities, including rural areas. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 250 | 5/12/2023 | Fahe | Policy | PPC-FA | Recommendation | Expand use of PPC funds to include areas/regions not explicitly designated as PPCs but struggle from poverty and lack of investments as PPCs. | This request cannot be accommodated due to legislative requirements of the CDFI and NACA Program. |
| 251 | 5/12/2023 | Fahe | Application | PPC-FA | Comment - No Action | PPC-FA Application is currently sufficient and should not be made any more difficult or restrictive. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the PPC-FA application is appropriate. |
| 252 | 5/12/2023 | Fahe | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not have asset size limits for SECA Applicants. If it must, asset limit should be increased to $25M for unregulated institutions and chained to CPI-W inflation indicator. This increase in SECA asset size recognizes that organizations wishing to enter the CDFI world already may be established nonprofits of varying sizes and have a variety of assets including real property. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 253 | 5/12/2023 | Greylock Federal Credit Union | Application | FA Objectives | Recommendation | Removing the proposed FA Objectives would have the effect of directing most CDFI credit unions towards just one: FAO 1-1 - Increase Volume of Financial Products, but the leverage requirements for that FAO are higher than the other remaining FAOs. Therefore, the recommendation is to broaden the remaining 4 FAOs to be more inclusive to Credit Unions. The recommendations are as follows: Modify FAO 1-1 to allow flexibility for changes in economic conditions that affect lending volume, especially for small institutions. Broaden FAO 1-3 from “New Geographic Area(s)” to “Increased Volume of Financial Products in a Specific Geographic Area” to support activities that meet the needs of targeted communities through the delivery of significantly increased volumes of high impact financial products. Broaden FAO 1-4 from “New Financial Product(s)” to “New, Improved, or Increased Volume of Specific Financial Product(s)” to support the efforts of CDFIs to use the full range of innovative marketing, outreach, and delivery channels. Broaden FAO 1-7 from “Serve New Targeted Population(s)” to “Increase Service to Specific or New Targeted Population(s)” to support the efforts of CDFIs to increase the delivery of high- impact financial products on specific Targeted Populations. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 254 | 5/11/2023 | GROW South Dakota | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should consider ability to serve Native Communities in evaluating applications. However, the CDFI Fund should not standardize specific PG&Ms related to Native Communities and instead allow for flexibility within programs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 255 | 5/11/2023 | GROW South Dakota | Policy | Continued Viability for CDFIs | Recommendation | The CDFI Fund should not introduce initiatives that restrict CDFIs' access to CDFI Fund Awards or 'graduate' CDFIs from eligibility. CDFIs rely on zero-cost CDFI Fund awards to support lending activities in underserved target markets. Loss of this capital would have a detrimental effect on the impactful work of CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 256 | 5/11/2023 | GROW South Dakota | Policy | Deep Impact Lending | Recommendation | The CDFI Fund program already focuses on deep-impact lending through its current target market designations. The Fund should not add additional compliance or evaluation measures that could disproportionately affect rural CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 257 | 5/11/2023 | GROW South Dakota | Application | FA Objectives | Recommendation | Applicants should have the choice to propose a loan volume tailored to their CDFI's specific circumstances. The CDFI Fund should not adopt a multiplier as a methodology for measuring growth as CDFIs are influenced by external factors which impact lending. An increase in the volume of Financial Products may not be the best approach and could drive CDFIs to make loans that don’t align with the needs of businesses and homeowners for their success. An increase in the volume of Financial Products should not be a Performance Goal and Measure (PG&M). | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 258 | 5/11/2023 | GROW South Dakota | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not impose additional limits on total dollar amount or number of awards beyond the $5M, three-year cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 259 | 5/11/2023 | GROW South Dakota | Policy | Funding Levels for CDFIs | Recommendation | Unregulated institution CDFIs with assets exceeding $15M should be eligible for a maximum annual allocation of $2M in FA awards, up to a total of $5M within a three-year period. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 260 | 5/11/2023 | GROW South Dakota | Policy | Net Asset Ratio | Concern | The Net Asset Ratio (NAR) is not a suitable measure to assess a CDFI's resource leverage ability. Some funding sources for CDFIs have restrictions based on use, geography, or other criteria (such as requiring cash loan-loss reserves) which can affect the NAR making it challenging to leverage assets effectively. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 261 | 5/12/2023 | Guadalupe Credit Union | Policy | Ability to Serve Native Communities | Recommendation | Recommendation for a flexible award that allows for uses to support innovative proposals for existing CDFIs serving Native communities. This would allow Native CDFIs to pursue diverse strategies to support a broad range of efforts to expand access in their communities. For example, allow the FA award to support existing CDFI credit unions serving Native communities to structure an incubator for start-up tribal credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 262 | 5/12/2023 | Guadalupe Credit Union | Application | Business Plan | Comment - No Action | Supports clarification in the Application documents that subcontractors and staff from affiliated organizations may support the CDFI in executing its strategic plan. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 263 | 5/12/2023 | Guadalupe Credit Union | Application | Compliance Data | Recommendation | The CDFI Fund should make clear that section C2 of Appendix A is not applicable to CDFI credit unions as the CDFI Fund obtains this information directly from the National Credit Union Administration. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 264 | 5/12/2023 | Guadalupe Credit Union | Policy | Deep Impact Lending | Recommendation | Support aligning the Fund’s definitions in measuring deep impact with ECIP definitions. This will be a significant help to institutions that have received CDFI awards and ECIP as it will avoid duplicative data tracking and reporting. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 265 | 5/12/2023 | Guadalupe Credit Union | Application | FA Objectives | Recommendation | Removing the proposed FA Objectives would have the effect of directing most CDFI credit unions towards just one: FAO 1-1 - Increase Volume of Financial Products, but the leverage requirements for that FAO are higher than the other remaining FAOs. Therefore, the recommendation is to broaden the remaining 4 FAOs to be more inclusive to Credit Unions. The recommendations are as follows: Modify FAO 1-1 to allow flexibility for changes in economic conditions that affect lending volume, especially for small institutions. Broaden FAO 1-3 from “New Geographic Area(s)” to “Increased Volume of Financial Products in a Specific Geographic Area” to support activities that meet the needs of targeted communities through the delivery of significantly increased volumes of high impact financial products. Broaden FAO 1-4 from “New Financial Product(s)” to “New, Improved, or Increased Volume of Specific Financial Product(s)” to support the efforts of CDFIs to use the full range of innovative marketing, outreach, and delivery channels. Broaden FAO 1-7 from “Serve New Targeted Population(s)” to “Increase Service to Specific or New Targeted Population(s)” to support the efforts of CDFIs to increase the delivery of high- impact financial products on specific Targeted Populations. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 266 | 5/12/2023 | Guadalupe Credit Union | Application | FA Objectives | Recommendation | There are two problems with the measure of FAO 1-1: Increase Volume of Financial Products. The first concern is a three-year lookback period runs a significant risk of creating a lending volume benchmark that may either be too low or too high depending on current economic conditions and conditions over the prior three years. The second concern is the structure of the goal penalizes smaller institutions (a flat multiplier of the award amount will be dramatically different for a large CDFI versus a small one). To address these two problems the recommendation is for The Fund to set deployment goals based primarily on the FA grant award amount. Multipliers should be based on historical volume and then adjusted upward or downward based on institutions’ analysis of current and projected economic conditions and how those are likely to affect their lending as well as a size adjustment. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 267 | 5/12/2023 | Guadalupe Credit Union | Application | FA Objectives | Recommendation | Changes to FA Objectives Focused on New Geographies, Products or Targeted Populations: The Fund should expand the permissible range of activities for these three FA Objectives to include increasing the volume of financing activities in specific underserved communities, modifying products to better meet community credit needs, and expanding programs with proven impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 268 | 5/12/2023 | Guadalupe Credit Union | Application | Guidance | Recommendation | Recommendation that the CDFI Fund provide detailed and substantive debriefings to all applicants – successful and unsuccessful alike. At a minimum, applicants should receive their exact scores for each application section with specific reasons given for all point deductions. This change would provide all applicants with important, objective feedback on performance areas that are less competitive with their peer CDFIs and in need of improvement. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 269 | 5/12/2023 | Guadalupe Credit Union | Policy | Net Asset Ratio | Recommendation | Since Net Asset Ratios are specific to unregulated CDFIs, the CDFI Fund should not rely on complex capital ratios for CDFI depositories during FA funding rounds beyond the threshold evaluation of financial health and viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 270 | 5/12/2023 | Guadalupe Credit Union | Application | Opportunity Zones | Recommendation | The CDFI Fund should remove Opportunity Zones. | The CDFI Fund has taken this comment into consideration as confirmation that the elimination of all questions and other data collection pertaining to Opportunity Zones is appropriate. |
| 271 | 5/12/2023 | Homeownership Alliance | Application | Business Plan | Recommendation | Consider making homeownership-focused applications eligible for extra points in the Business Plan Review category. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, make changes to address this item. |
| 272 | 5/12/2023 | Homeownership Alliance | Application | Character Limits | Concern | Character limits for both FA and TA applications, at the current thresholds are too restrictive. It is difficult to fully account for programs, guidelines, products, policies, and other elements within a narrow character limit. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 273 | 5/12/2023 | Homeownership Alliance | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should further clarify the Deep Impact definitions and ensure an unbiased award process across both depositories and loan funds. The proposed Deep Lending definitions should include expanding access to mortgage credit and homeownership in order to stabilize communities, support income diversity, and narrow the racial wealth gap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 274 | 5/12/2023 | Homeownership Alliance | Policy | Deep Impact Lending | Concern | It is unclear how the Deep Impact Lending definitions are different than from the work CDFIs already do. There are concerns that the definition may be designed to advantage insured depositories and how this can fairly apply to other CDFI types. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 275 | 5/12/2023 | Homeownership Alliance | Policy | Evaluation Criteria | Recommendation | The CDFI Fund consider a greater weighting of homeownership activities within the Base FA funds, particularly in the absence of available funds to deploy a new set aside for a "Homeownership Finance Fund". | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 276 | 5/12/2023 | Homeownership Alliance | Application | FA Objectives | Recommendation | Currently, the CDFI FA application requires an awardee to expand overall operations into a new investment area, serve a new population, or increase the volume of its business. The CDFI Fund should ensure that FA applications are focused on continuing to serve existing populations, geographies, and products and are not disadvantaged relative to those focused on new populations, geographies, and products. While prioritization of expanding into new areas or activities is a well-intentioned method of spurring innovation, such a requirement has unintended consequences for some awardees, and in turn stifles innovation within their existing, targeted, high-needs markets. Allowing CDFIs to deepen their current activities with FA awards will result in greater stability and enhancement of existing, evidence-based, and community-informed activities, in turn laying a stronger foundation for new and innovative projects. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 277 | 5/12/2023 | Homeownership Alliance | Application | FA Objectives | Recommendation | The CDFI Fund can establish consistency between the level of funds awarded in comparison to the amount applied for, and the stated goals that an awardee must complete based on their submitted application. For example, if an awarded organization receives 45% of its requested amount, an applicant should not be required to fulfill 100% of the stated goals with less than half of the funding requested. Instead, the CDFI Fund should allow the commitments by the applicants to be adjusted to align with the percentage of awards received. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 278 | 5/12/2023 | Homeownership Alliance | Policy | Greater Parity of Awards by Institution Type | Recommendation | The CDFI Fund should closely review how many awards are provided to each institution type of CDFI and establish greater parity between depositories and loan funds. Loan funds detect a trend of depository institutions receiving greater levels of funding from the CDFI Fund writ large in comparison to loan funds. The CDFI Fund could consider setting aside a certain percentage of awards that are only provided directly to loan funds to ensure equitable treatment of both types of CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 279 | 5/12/2023 | Homeownership Alliance | Application | Guidance | Recommendation | The CDFI Fund should provide additional instructional webinars and Q&A sessions throughout the year, even if there is not a current application period underway. As CDFIs add new staff to their organizations, entities can become more familiar with the application process, resulting in a better- informed and compliant application from prospective awardees. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 280 | 5/12/2023 | Homeownership Alliance | Application | Guidance | Recommendation | The CDFI Fund improve the service request process by accelerating the speed and efficiency at which an applicant can discuss their specific concern with a CDFI Fund staff member. Improving this process will remove the CDFI Fund improve the service request process by accelerating the speed and efficiency at which an applicant can discuss their specific concern with a CDFI Fund staff member. Improving this process will remove additional time-wasting barriers to applying | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 281 | 5/12/2023 | Homeownership Alliance | Application | Guidance | Recommendation | Additional time and staff bandwidth is required to initiate additional correspondence with the CDFI contact to further explain information not provided in the manual, amid a fast-approaching application deadline. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 282 | 5/12/2023 | Homeownership Alliance | Policy | Homeownership Financing | Recommendation | The CDFI Fund should collaborate with Congress in creating a "Homeownership Finance Fund", which would create additional opportunities for CDFIs to undertake homeownership financing. This fund would: 1) be as an additional set aside with a separate line item (not including PPC-FA, Disability Funds (DF-FA), and the Healthy Food Financing Initiative (HFFI-FA) under CDFI-FA; 2) provide increased and maximum flexibility for CDFIs to address the diverse homeownership and housing finance needs of LMI buyers; 3) support home purchase assistance for individual homebuyers, and homeownership projects for which valuation gaps must be addressed in the financing stack; and 4) draw from parts of the CMF framework to further shape the eligible activities, uses, and priorities (the CMF statute that imposes a minimum 10:1 leverage requirement and the home purchase price limits that currently apply under CMF should be excluded.) | This request cannot be accommodated due to Statutory requirements of the CDFI and NACA Program. |
| 283 | 5/12/2023 | Homeownership Alliance | Application | Homeownership Financing | Recommendation | Base FA applications are currently evaluated on their ability to meet three policy objectives set by the Fund: addressing economic distress and need; expanding economic opportunities; and increasing resources through collaborations and partnerships. Consider adding as a fourth policy objective: reducing racial disparities in homeownership and household wealth building. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 284 | 5/12/2023 | Homeownership Alliance | Application | Information or Data Request in Application | Recommendation | The CDFI Fund should improve standardization of financial data required across applications. Such a change would assist in easing current administrative burdens experienced by applicants. | The CDFI Fund is retaining all of the current financial data fields requested in the FA and TA Applications. The requirements across the various CDFI Fund Program Applications vary based on the requirements and objectives of each Program. The requested information is necessary for the evaluation of the Applications. |
| 285 | 5/12/2023 | Homeownership Alliance | Application | Information or Data Request in Application | Recommendation | Further streamlining the application process from a data perspective by allowing the utilization of information already provided in the AMIS. Information required for an FA application is duplicative, creating additional administrative burdens for applicants. | The CDFI Fund already utilizes existing information in AMIS to the extent possible. The information requested in the Application is not readily available from other parts of AMIS and is necessary for the evaluation of the Applications. The CDFI Fund continually explores options for streamlining data collection in AMIS to reduce Applicant burden. |
| 286 | 5/12/2023 | Homeownership Alliance | Policy | Measuring Economic Distress | Recommendation | Many CDFIs serve immigrant communities and populations wherein English is not the primary spoken and written language, therefore information on linguistic isolation can be an important factor in assessing a population’s level of economic distress. The CDFI Fund also consider this data point as a targeting economic distress measure to assist CDFIs in supporting immigrant populations. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 287 | 5/12/2023 | Homeownership Alliance | Policy | Measuring Economic Distress | Recommendation | The CDFI should take a deeper view into the data that can determine the distress of a household or a community outside of race alone. There are many sources of public and readily available demographic data that can contribute to an accurate and fuller picture of the barriers experienced by populations in economic distress. For example, the CDFI Fund should include the percentage of household income contributing to household expenses as an indicator of economic distress. The data speaks directly to the presence or lack of housing affordability. Also, include homeownership rates as a targeting metric and assess the racial breakout within those rates to better understand the prevalence or absence of nonwhite households living in owner-occupied units. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 288 | 5/12/2023 | Homeownership Alliance | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should consider the Home Mortgage Disclosure Act data as a measure of Economic Distress. There are disproportionate rates of mortgage denials in people of color, who are more often denied traditional mortgage loans in comparison to white families. Analyses display that these race-based denials take place regardless of income, Debt-to-Income ratio, or Loan-to-Value ratio | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 289 | 5/12/2023 | Homeownership Alliance | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund can improve data consolidation for new and targeted markets by allowing applicants to compile and present information on a census tract basis. Currently, a county designation is accepted by the CDFI Fund as the smallest market size. This geographic level is too broad for many CDFIs, and a narrower view will provide greater specificity in neighborhoods served. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 290 | 5/12/2023 | Homeownership Alliance | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund could also consider allowing the individual applicants to highlight key indicators of distress as appropriate for their individual markets and allow as much additional space in the application as possible to discuss specific market indicators. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 291 | 5/12/2023 | Homeownership Alliance | Application | Redundant or unnecessary information collection | Recommendation | Streamlining and simplifying the CDFI TA application would benefit nonprofit organizations seeking to access and maximize this resource. | The commentor does not provide specific information on what changes in the Application would reduce complexity and burden. |
| 292 | 5/12/2023 | Homeownership Alliance | Application | Supplemental FA Awards | Recommendation | Removing the requirement that an organization must qualify, apply for, and receive a base FA award before applying for any other dedicated awards (HFFI-FA, PPC-FA, and DF-FA) would simplify the CDFI Fund application and implementation process for applicants and ensure applicants for the various CDFI-FA set asides are properly equipped to receive the funds and effectively operate the program. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 293 | 5/12/2023 | IFF | Application | Beneficiary Data | Concern | Oppose the proposition to separately request beneficiary data for financial products and development services particularly for CDFIs that have Development services that go beyond the FA-supported lending. Tracking these data separately would constitute an undue burden on such Applicants. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 294 | 5/12/2023 | IFF | Policy | Certification | Comment - No Action | Support the Fund’s efforts to protect the CDFI brand and to ensure that the benefits of certification – eligibility for the Fund’s programs, Community Reinvestment Act credits, and Federal Home Loan Bank membership – accrue only to bona fide CDFIs. | This comment is not pertinent to this Information Collection Request (ICR). |
| 295 | 5/12/2023 | IFF | Policy | Continued Viability for CDFIs | Recommendation | CDFIs should not be reliant on the Fund for their long-term operations. By the time a CDFI has graduated from SECA and moved on to CORE FA, they should be generating annual surpluses. FA grants should be used only to leverage additional private capital and recycled in perpetuity in order to keep driving impact. Support the Fund similarly restricting the use of FA grants (by removing the option to use FA for Direct Administrative Expenses in the Core program) once a CDFI is found to be viable, ensuring that future FA grants are not subsidizing operations, only increasing impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 296 | 5/12/2023 | IFF | Policy | Deep Impact Lending | Recommendation | Support the CDFI Fund’s proposed changes to the current FA application, especially “deep impact lending”. However, the best starting point for any new, higher standard of impact, are the eligibility criteria the Fund developed for the Equitable Recovery Program (ERP) – maintaining a minimum of 30 percent of a CDFI’s closed loans and grants in the ERP-eligible geographies identified by the Fund and deploying the majority of new funds in those same areas impacted by the COVID-19 pandemic. In addition, recommend that the Fund specifically include, as a “deep impact lending” metric, the number and percentage of closed loans, grants, and investments in low- and moderate-income census tracts that are also majority minority. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 297 | 5/12/2023 | IFF | Policy | DF-FA | Recommendation | Consider allowing CDFIs to apply for DF-FA separately (and not solely as a supplemental Application to base-FA) if they have successfully applied for the CORE FA program over the past five years. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 298 | 5/12/2023 | IFF | Application | FA Objectives | Comment - No Action | General support for (and no additional comment) on the proposal to eliminate underutilized FA objectives (Section A, question 13). | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 299 | 5/12/2023 | IFF | Application | FA Objectives | Recommendation | Recommend the implementation of a standard multiplier of the award amount of 2 to measure a CDFI’s increased volume of financial products (question 14) and to generate PG&Ms for FAO 1-1. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 300 | 5/12/2023 | IFF | Policy | Funding Levels for CDFIs | Concern | Oppose reducing the $5 million funding cap on FA grants over a three- year period. FA grants remain the only consistent source of equity capital available to nonprofit CDFIs that are not depository institutions. Arbitrarily limiting their access to this scarce capital will undermine the impact of the Fund’s FA program. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 301 | 5/12/2023 | IFF | Policy | Funding Levels for CDFIs | Recommendation | Unregulated CDFIs—largely nonprofit community development loan funds—should not be cut off from FA grants because the size and strength of their balance sheet or the number of FA grants they have received. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 302 | 5/12/2023 | IFF | Policy | Funding Levels for CDFIs | Recommendation | The asset threshold for what is considered large among unregulated CDFIs should be increased substantially, and to at least to $100 million. No additional comments were provided on the asset size thresholds for Credit Unions or Banks. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 303 | 5/12/2023 | IFF | Policy | Funding Levels for CDFIs | Recommendation | The Fund must consider more than just a CDFI’s size and not limit access to FA grants when a CDFI achieves the scale it needs to drive larger impact. A more appropriate measure of how to award CDFIs and thereby set a higher standard is whether a CDFI has the track record and capacity to reach the low-income communities and underserved populations the Fund seeks to benefit. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 304 | 5/12/2023 | IFF | Application | General Support for FA Application | Comment - No Action | General support for (and no additional comment) on the Application in its current form as described in Section A Questions 1 through 11. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 305 | 5/12/2023 | IFF | Policy | HFFI-FA | Recommendation | Consider allowing CDFIs to apply for HFFI-FA separately (and not solely as a supplemental Application to base-FA) if they have successfully applied for the CORE FA program over the past five years. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 306 | 5/12/2023 | IFF | Policy | Measuring Economic Distress | Recommendation | The proposed indicators often do not coincide with the beneficiaries served by CDFIs with Low Income Target Populations (LITP) as their Target Market (TM). This presents a misalignment between the CDFI certification and the FA application processes. To better understand the beneficiary populations to which CDFIs are lending, the CDFI Fund could collect and consider data on the number and location of nonprofits with certain pre-approved NAICS codes. Additionally, the Fund may want to consider data on the number and location of nonprofits administering certain federal programs that can serve as proxies for economic and social duress. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 307 | 5/12/2023 | IFF | Policy | Net Asset Ratio | Recommendation | Net Asset Ratios should continue to be an important consideration in the FA application, however CDFIs with different business models should also be allowed to explain how they are effectively leveraging funds in a way that is consistent with their own business strategy. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 308 | 5/12/2023 | IFF | Policy | PPC-FA | Recommendation | Consider allowing CDFIs to apply for PPC-FA separately (and not solely as a supplemental Application to base-FA) if they have successfully applied for the CORE FA program over the past five years. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 309 | 5/11/2023 | Inclusiv | Policy | Ability to Serve Native Communities | Recommendation | Recommendation for a flexible award that allows for uses to support innovative proposals for existing CDFIs serving Native communities. This would allow Native CDFIs to pursue diverse strategies to support a broad range of efforts to expand access in their communities. For example, allow the FA award to support existing CDFI credit unions serving Native communities to structure an incubator for start-up tribal credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 310 | 5/11/2023 | Inclusiv | Application | Business Plan | Comment - No Action | Supports clarification in the Application documents that subcontractors and staff from affiliated organizations may support the CDFI in executing its strategic plan. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 311 | 5/11/2023 | Inclusiv | Application | Compliance Data | Clarification | In Appendix A, section C2, the Fund should make clear that C2 is not applicable to CDFI credit unions as the Fund obtains this information directly from the National Credit Union Administration. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 312 | 5/11/2023 | Inclusiv | Policy | Deep Impact Lending | Recommendation | Support aligning the Fund’s definitions in measuring deep impact with ECIP definitions. This will be a significant help to institutions that have received CDFI awards and ECIP as it will avoid duplicative data tracking and reporting. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 313 | 5/11/2023 | Inclusiv | Policy | Deep Impact Lending | Recommendation | The definition of Deep Impact Lending needs clarification or consider removing the phrase. CDFIs provide meaningful services every day and is required already, as a certified CDFI, to demonstrate how lending impacts their target markets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 314 | 5/11/2023 | Inclusiv | Application | FA Objectives | Recommendation | Removing the proposed FA Objectives would have the effect of directing most CDFI credit unions towards just one: FAO 1-1 - Increase Volume of Financial Products, but the leverage requirements for that FAO are higher than the other remaining FAOs. Therefore, the recommendation is to broaden the remaining 4 FAOs to be more inclusive to Credit Unions. The recommendations are as follows: Modify FAO 1-1 to allow flexibility for changes in economic conditions that affect lending volume, especially for small institutions. Broaden FAO 1-3 from “New Geographic Area(s)” to “Increased Volume of Financial Products in a Specific Geographic Area” to support activities that meet the needs of targeted communities through the delivery of significantly increased volumes of high impact financial products. Broaden FAO 1-4 from “New Financial Product(s)” to “New, Improved, or Increased Volume of Specific Financial Product(s)” to support the efforts of CDFIs to use the full range of innovative marketing, outreach, and delivery channels. Broaden FAO 1-7 from “Serve New Targeted Population(s)” to “Increase Service to Specific or New Targeted Population(s)” to support the efforts of CDFIs to increase the delivery of high- impact financial products on specific Targeted Populations. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 315 | 5/11/2023 | Inclusiv | Application | FA Objectives | Recommendation | Changes to FA Objectives Focused on New Geographies, Products or Targeted Populations: The Fund should expand the permissible range of activities for these three FA Objectives to include increasing the volume of financing activities in specific underserved communities, modifying products to better meet community credit needs, and expanding programs with proven impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 316 | 5/11/2023 | Inclusiv | Application | FA Objectives | Recommendation | There are two problems with the measure of FAO 1-1: Increase Volume of Financial Products. The first concern is a three-year lookback period runs a significant risk of creating a lending volume benchmark that may either be too low or too high depending on current economic conditions and conditions over the prior three years. The second concern is the structure of the goal penalizes smaller institutions (a flat multiplier of the award amount will be dramatically different for a large CDFI versus a small one). To address these two problems the recommendation is for The Fund to set deployment goals based primarily on the FA grant award amount. Multipliers should be based on historical volume and then adjusted upward or downward based on institutions’ analysis of current and projected economic conditions and how those are likely to affect their lending as well as a size adjustment. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 317 | 5/11/2023 | Inclusiv | Policy | Funding Levels for CDFIs | Recommendation | Large CDFI credit unions should have the opportunity to access financial assistance grants. Many times, these funds are allocated to specific programs or loan loss reserves within the credit unions that would not otherwise be opportunities for deeper lending and impact to members and historically underbanked communities. Recommend placing limits on application frequency for large CDFIs, not eliminating a subset of CDFIs due to their size altogether, to achieve more equitable levels for large CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 318 | 5/11/2023 | Inclusiv | Application | Guidance | Recommendation | Recommendation that the CDFI Fund provide detailed and substantive debriefings to all applicants – successful and unsuccessful alike. At a minimum, applicants should receive their exact scores for each application section with specific reasons given for all point deductions. This change would provide all applicants with important, objective feedback on performance areas that are less competitive with their peer CDFIs and in need of improvement. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 319 | 5/11/2023 | Inclusiv | Policy | Net Asset Ratio | Concern | It would be inappropriate to use the complex capital ratios of CDFI depositories as a competitive element in FA applications, beyond the threshold evaluation of financial health and viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 320 | 5/11/2023 | Inclusiv | Application | Opportunity Zones | Recommendation | Suggest the removal of Opportunity Zones from the FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that the elimination of all questions and other data collection pertaining to Opportunity Zones is appropriate. |
| 321 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should carefully define the concept of "deep impact" lending/investment, as a single definition cannot adequately address the diverse needs of every community. For instance, households earning 30% or less of AMI face significant challenges in achieving homeownership due to rising housing costs and interest rates. Therefore, a narrow definition of deep impact lending focused solely on this income bracket would create an impossible situation for CDFIs engaged in homeownership lending. Additionally, the presence of low-income households can be concealed within gentrifying areas, rendering geographic definitions of deep impact problematic as well. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 322 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Application | FA Objectives | Concern | Using historic lending data from 2020, 2021, and 2022 as a baseline could be problematic due to pandemic related anomalies. Some CDFI lenders experienced significant lending expansion during this period due to the pandemic relief programs, such as the Paycheck protection Program, but may face a reduction in lending in subsequent years. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 323 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Application | FA Objectives | Recommendation | The CDFI Fund should provide greater clarity and transparency in the formula used to measure an increase in the volume of Financial Products. A multiplier of 2 may be appropriate in most cases, but Applicants should have an option to propose an alternative multiplier based on their CDFI's specific circumstances. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 324 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Application | FA Objectives | Recommendation | FAO 1-1 PG&Ms should be determined by actual award amounts and not on the award size requested. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 325 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Policy | Measuring Economic Distress | Recommendation | Census tract data has some limitations, including delays in data availability and potential high margins of error. The CDFI Fund should develop alternative indicators of economic distress that are specific to geographic areas, as long as these indicators are transparent and readily accessible to CDFI applicants through maps and geocode systems. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 326 | 5/12/2023 | Indianapolis Neighborhood Housing Partnership | Policy | Net Asset Ratio |  | The CDFI Fund should perform a more comprehensive review of an Applicant's financials rather than relying solely on a single metric to assess overall balance sheet leverage. Metrics like the Net Asset Ratio (NAR) fail to differentiate between CDFI business strategies and fail to account for the impact of one-time events on an organization’s balance sheet. Incorporating the NAR as proposed could have negative consequences. For instance, CDFIs receiving restricted or significant grants that are held on their balance sheet for a certain period may appear to have an inflated NAR which could impact their performance relative to benchmarks and competitiveness for an FA award. Should the CDFI Fund use the NAR, it should calculate it using unrestricted/undesignated assets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 327 | 5/12/2023 | LiftFund, Inc. | Application | Beneficiary Data | Concern | A separation of beneficiary data points will lead to an increased burden in data collection and reporting. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 328 | 5/12/2023 | LiftFund, Inc. | Application | Character Limits | Recommendation | Character limitations should be expanded to allow for fuller, more informative responses. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 329 | 5/12/2023 | LiftFund, Inc. | Policy | Continued Viability for CDFIs | Recommendation | On-going funding is vital to addressing the systemic inequities in the US economy. FA awards are difficult to find and essential for continued viability, especially for nonprofit non­-depository CDFIs serving the CDFI Fund target markets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 330 | 5/12/2023 | LiftFund, Inc. | Policy | Deep Impact Lending | Recommendation | No further changes to deep impact lending definitions are needed. The competition for the CDFI Fund implicitly encourages and exhibits levels of impact that far exceed the eligibility requirements. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 331 | 5/12/2023 | LiftFund, Inc. | Application | FA Objectives | Recommendation | A change in the number of FA Objective options from seven to four is preferred. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 332 | 5/12/2023 | LiftFund, Inc. | Application | FA Objectives | Recommendation | The addition of an FAO option allowing for the expansion of an existing product/program, rather than only growing overall activity, would be highly beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 333 | 5/12/2023 | LiftFund, Inc. | Application | FA Objectives | Recommendation | For FAO 1-1, disaster-relief programs should be excluded from the historic baseline. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 334 | 5/12/2023 | LiftFund, Inc. | Application | FA Objectives | Recommendation | To maintain equity in funding the multiplier for FA Objective 1-1 should be standardized. Some flexibility should be allowed based on an organization's unique situation. However, if a CDFI proposes a higher multiplier than the standard multiplier, it should be scored equally to ensure fairness in evaluation. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 335 | 5/12/2023 | LiftFund, Inc. | Policy | Funding Levels for CDFIs | Recommendation | Funding caps should not be implemented for nonprofit lender and non-depository CDFls. Funding caps should be expanded to this particular sector of CDFls to assist their continued viability in the CDFI Fund target markets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 336 | 5/12/2023 | LiftFund, Inc. | Policy | Funding Levels for CDFIs | Recommendation | When considering funding limits for larger CDFIs consideration should be given to the distinctions between nonprofit, non-depository CDFI models and their for-profit counterparts. Funding limits imposed on nonprofit organizations would result in hardships for the underserved communities the CDFI Fund aims to serve. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 337 | 5/12/2023 | LiftFund, Inc. | Application | Information or Data Request in Application | Recommendation | Allow for estimations on data requested that is typically difficult to attain, such as income levels and family size | The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 338 | 5/12/2023 | LiftFund, Inc. | Application | Lack of Clarity on Purpose/Intent | Recommendation | The Application should provide clarity and further description for the purpose and relevancy of the information requested in the application, such as when inquiring on the impact of past awards and business plans. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 339 | 5/12/2023 | LiftFund, Inc. | Policy | Measuring Economic Distress | Recommendation | CDFIs should be permitted to highlight key indicators of distress for their targeted markets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 340 | 5/12/2023 | LiftFund, Inc. | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | Update and expand the interpretation of Persistent Poverty Counties to specific census tract data to serve more people in need. Under the current interpretation, people residing in persistent poverty census tract located in a county with wealthier areas are not eligible to benefit from CDFI Fund resources. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to legislative requirements of the CDFI and NACA Program. |
| 341 | 5/12/2023 | LiftFund, Inc. | Policy | Net Asset Ratio | Recommendation | The Application should include questions on how a CDFI leverages its existing capital and also how it would leverage the additional dollars. The net asset ratio should not be the primary variable for looking at the ability to leverage resources. Measures such as the net assets relative to the total assets under management (including loans sold but still serviced by the CDFI), or average net assets relative to the total loan dollars deployed over the trailing 12- month period, would be indicative of success at leveraging resources. Alternatively, the program should employ a ratio of CDFI grant funding as compared to total funding support procured. Additionally, placing emphasis on a net asset ratio would incentivize overleveraging of debt to grow CDFls. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 342 | 5/12/2023 | Local Initiatives Support Corporation | Application | Award Sizing | Recommendation | The NOFA and application guidance materials provide very little information on how the final award size is determined. Recipients have no information to understand why they were funded at a certain amount and if deficiencies were identified. The CDFI Fund should provide additional information on how award sizes are determined in each program funding round NOFA. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 343 | 5/12/2023 | Local Initiatives Support Corporation | Application | Beneficiary Data | Recommendation | It is appropriate to capture beneficiary data over a three-year projected period in the application. However, it is not recommended to include this data as a performance goal and measure (PG&M) in the Assistance Agreement because of the inability for applicants to accurately predict at the time of application how many beneficiaries will be served over the next three years. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 344 | 5/12/2023 | Local Initiatives Support Corporation | Policy | Deep Impact Lending | Recommendation | Certified CDFIs are already required to serve economically distressed communities and/or populations through their Target Market requirements. Some of the proposed standards are duplicative of existing requirements, such as Lending to Low-Income Borrowers under 80 percent of area median income. In addition, it is recommended that the Lending to Underserved Small Businesses standard is increased to at least $500,000 in revenues since under $100,000 would be difficult to serve with financing. Also, the Deeply Affordable Housing Financing objective is based on factors outside the control of CDFIs applying for CDFI Program funding. For example, for affordable rental housing serving extremely low-income residents, access to other federal and state rental assistance resources are typically very limited, and for higher opportunity housing, developers need to secure site control of land in higher income communities. While it is appropriate to include a separate PG&M for Applicants which optionally commit to deep impact lending with the award, it is not recommended that the CDFI Fund set- aside or internally allocate a portion of CDFI Program funding for these activities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 345 | 5/12/2023 | Local Initiatives Support Corporation | Application | FA Objectives | Recommendation | CDFI Program applicants should be allowed to increase specific lending product activity instead of requiring an increase in total lending through a multiplier or overall increase as is currently required. The current options do not allow an Applicant to propose to use FA to increase a specific lending product currently greater than five percent of their existing portfolio. It is recommended that the CDFI Fund provide applicants a FA Objective, which would allow applicants to use FA to increase certain lending products. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 346 | 5/12/2023 | Local Initiatives Support Corporation | Application | FA Objectives | Concern | It is unclear why a multiplier is necessary since the CDFI Fund’s internal data already shows high leverage from CDFI Program resources. In addition, incorporating standardization through a multiplier will increase compliance risk since it requires Applicants to leverage the award by a set amount at the time of application over a three-year period. This doesn’t take into account changing market conditions, which impact the ability to leverage the award by the amount prescribed by Treasury. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 347 | 5/12/2023 | Local Initiatives Support Corporation | Application | FA Objectives | Recommendation | Applicants that receive a reduced award amount are still held to the FA Objective goals entered in the application even though these goals are based on the receipt of a full award request. This penalizes organizations that receive award cuts and the CDFI Fund should reduce compliance requirements on a pro rata basis. Moreover, this effectively results in a modification of the performance goals, since the reduction in the award with no proportionate reduction in the performance goals results in the applicants having to make up the difference in the financing needs to yield those performance goals. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 348 | 5/12/2023 | Local Initiatives Support Corporation | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Program design should be structured to reward impact and the ability of CDFIs to deploy the award. To make a larger number of awards, the CDFI Fund internally caps Financial Assistance funding awards. Core FA awards have been capped at $1 million in recent years, which is inconsistent with the CDFI Fund's objective of providing additional funding for Applicants with an identified ability to leverage and deploy FA. It is recommended that the CDFI Fund provide larger awards if a CDFI can adequately show it can be deployed. These groups can then be restricted from participating in future funding rounds. This both rewards performance and reduces public burden since it doesn’t require a CDFI to submit annual applications for relatively small award amounts. Also note that the $5 million funding cap was set in 1994 and has never been adjusted for inflation. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 349 | 5/12/2023 | Local Initiatives Support Corporation | Policy | Funding Levels for CDFIs | Recommendation | CDFIs of all sizes are in need of CDFI Program awards since it’s one of the only no cost capital sources available to support CDFI lending activities and ultimately grow the field. Limiting the dollar or number of FA awards outside of the Riegle Act’s three-year, $5 million cap is not supported. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 350 | 5/12/2023 | Local Initiatives Support Corporation | Policy | Further differentiate applicant categories based on size of CDFI | Recommendation | The CDFI Fund is encouraged to revisit the current bifurcation of the FA application pool into only two categories of Small and Emerging CDFIs (SECA) and Core applicants. The current bifurcation doesn’t recognize the maturation of the CDFI industry since the Fund’s inception. It is recommended that the CDFI Fund create differentiated applicant categories based on financial and loan portfolio metrics so CDFIs of like size and capacity compete amongst one another. Ultimately, award sizes should be structured based on the ability of the CDFI to deploy the award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 351 | 5/12/2023 | Local Initiatives Support Corporation | Application | Guidance | Recommendation | Debriefing documents should be provided for all applicants, regardless of whether an organization receives an award. Awarded applicants, including those which receive a reduction in their award, do not receive any feedback on how their application was evaluated. It would be helpful for awarded organizations to see where the CDFI Fund identified weaknesses and strengths. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 352 | 5/12/2023 | Local Initiatives Support Corporation | Application | Guidance | Recommendation | Provide additional feedback on how the CDFI Fund is reviewing application information and finalizing award sizes. The CDFI Fund collects a wide array of information in the CDFI Program application although provides the public very little detail on how this information is evaluated or utilized by the Fund. The NOFA lists the total scores available by section although doesn’t provide FA applicants an understanding of what the CDFI Fund considers to be exemplary in each scoring category. The Fund is encouraged to provide applicants additional information on how applications are being reviewed internally in each CDFI Program NOFA, guidance materials, and debriefing documents. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 353 | 5/12/2023 | Local Initiatives Support Corporation | Policy | HFFI-FA | Recommendation | CDFI Fund should allow standalone HFFI-FA awards. For HFFI-FA applicants, with an active FA Assistance Agreement, the CDFI Fund review annual compliance and certification data to understand and mitigate against any risk of decoupling the two programs. For HFFI-FA applicants without an active award, it is recommended that the CDFI Fund continue to require a FA award or ask for a subset of that information to evaluate enterprise level risk. These recommendations will lower applicant burden since it would not require annual FA applications to receive a HFFI-FA award and leverages information that the CDFI Fund already collects. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 354 | 5/12/2023 | Local Initiatives Support Corporation | Application | HFFI-FA | Recommendation | The Fund should include information in the application which describes current HFFI-FA deployment compliance requirements so applicants understand what they will be held to if they receive an award. In addition, the CDFI Fund should state defined HFFI-FA terms so that Applicants include data consistent with the Fund’s terminology. Furthermore, a link to outside references used in HFFI-FA compliance standards would be useful as well as specifying which standards are used for compliance purposes. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 355 | 5/12/2023 | Local Initiatives Support Corporation | Policy | Measuring Economic Distress | Recommendation | Support defining economic distress criteria since it will allow greater application review standardization and scoring. The CDFI Fund should allow Applicants the ability to contextualize this data through a narrative response and provide an “other” data category for data which is difficult to standardize although provides important descriptions of economic distress. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 356 | 5/12/2023 | Low Income Investment Fund | Policy | Continued Viability for CDFIs | Concern | FA and TA awards from the CDFI Fund do not encourage dependence but instead encourage recipients to experiment with new approaches, pilot innovative programs, and develop products tailored to the needs of their communities. Recipients can achieve continued viability without sole reliance on CDFI Fund awards while also enhancing their impact strategies, adapting with the market, and addressing complex socioeconomic challenges. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 357 | 5/12/2023 | Low Income Investment Fund | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should hold CDFIs to a high standard of impact, such as the definitions and metrics contained in the U.S. Department of Treasury’s Emergency Capital Investment Program (ECIP) Rate Reduction Incentive Guidelines. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 358 | 5/12/2023 | Low Income Investment Fund | Application | FA Objectives | Recommendation | Using historic lending data from 2020, 2021, and 2022 as a baseline could be problematic due to pandemic related anomalies. CDFI lenders in the Paycheck Protection Program (PPP) experienced significant expansion in their lending in 2020 and 2021, which will drop with the expiration of PPP. The Economic Recovery Program awards could skew the baseline for 2023. Therefore, the CDFI Fund should allow applicants to propose their own multiplier for FAO 1-1. This will promote equity for organizations of different sizes and allow them to account for the unique circumstances influencing their historic lending baselines. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 359 | 5/12/2023 | Low Income Investment Fund | Policy | Funding Levels for CDFIs | Concern | The current funding cap was set almost 30 years ago and does not reflect current agency funding levels. Reducing the funding cap from $5 million could hinder CDFIs' ability to scale operations, build capacity, and meet growing demands for services. A reduced funding cap could also make it more difficult for CDFIs to meet the necessary matching fund & co-investment requirements for other funding partnerships. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 360 | 5/12/2023 | Low Income Investment Fund | Policy | Funding Levels for CDFIs | Concern | Asset size alone is not a good indicator of impact because a CDFI's reach and effectiveness is influenced by their geographic area served, target population, and organizational structure. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 361 | 5/12/2023 | Low Income Investment Fund | Policy | Funding Levels for CDFIs | Recommendation | Imposing specific asset size thresholds to classify larger CDFIs may be ineffective because a CDFI's reach and effectiveness is influenced by their geographic area served, target population, and organizational structure, in addition to asset size. Funding levels should be determined by a more comprehensive evaluation of a CDFI's impact, track record, and capacity, rather than asset size alone. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 362 | 5/12/2023 | Low Income Investment Fund | Policy | Net Asset Ratio | Concern | Using the net asset ratio to evaluate an applicant's ability to leverage resources is complicated because leverage is influenced by factors such as: line of business, lending strategy, the pricing of capital, availability of capital, and whether there are geographic or other restrictions on how certain capital is deployed. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 363 | 3/28/2023 | Members First Credit Union | Application | Capacity to Serve Target Markets | Comment - No Action | The TA grant has been useful for not only offering loans, but also reaching out to community partners, teaching financial literacy, hiring Spanish speaking employees and adding products and services to help with the Spanish speaking community. The TA grant has been used to send employees to training, update computer hardware and software, and make the lending process more efficient. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, TA awards help CDFIs serve their Target Markets. |
| 364 | 3/28/2023 | Members First Credit Union | Application | Information or Data Request in Application | Concern | The FA application process can be daunting for smaller credit unions (i.e., $200 million in assets) to pursue, even for credit unions that were successful in applying for and implementing TA awards in their community. | The commentor does not provide specific information on what changes in the Application would reduce complexity and burden. |
| 365 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | Beneficiary Data | Clarification | Mandating the separate collection of data for financial products, financial services and development services would impose additional burden on data collection and reporting. Furthermore, the collection of development services data could be intrusive in certain cases. The CDFI Fund should provide further clarification on the rationale behind the proposal to gather beneficiary data separately for financial services and developmental services. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 366 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | Character limits | Recommendation | The CDFI Fund should increase character count rather than decrease them. The current character lengths of 2000 to 4000 are insufficient for providing meaningful information. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 367 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | FA Objectives | Recommendation | Standardizing the multiplier would ensure fairness in funding allocation. However, should the CDFI Fund adopt a 2X multiplier, it should allow flexibility to accommodate variations based on each organization's unique situation and circumstances. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 368 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | FA Objectives | Recommendation | Support reducing the number of objective options from seven to four, eliminating rarely selected objective. The proposed categories can be incorporated into other FAOs. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 369 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | FA Objectives | Recommendation | It would be useful to include an FAO option for expanding existing products as the Fund currently only considers expanding overall lending activity or developing completely "new" products. However, many CDFIs are unable to increase their overall activity or create new products. Alternatively, changes in market conditions may render certain aspects of their business less competitive. Allowing CDFIs to focus on growing specific program/product areas instead of overall activity would be highly beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 370 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Application | Lack of Clarity on Purpose/Intent | Clarification | In requesting data and information from Applicants, provide clarity and information on the purpose and relevance, such as when inquiring about the impact of past awards and question number 11 regarding business plans. The CDFI Fund should allow for increased flexibility of the data requested. For example, gathering income level and family size data poses challenges due to lack of specific guidance. Would be helpful to consider collecting income level data only or allowing for estimations given difficulties obtaining this information. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 371 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Policy | Measuring Economic Distress | Concern | Many CDFIs do not currently collect socio-economic and demographic data on the end beneficiaries. Capturing this information is easier if the beneficiaries are the actual borrowers, but more challenging when lending to organizations that serve the end beneficiaries. In this case, CDFIs rely on borrowers to collect and provide information on their employees and/or clients, which varies in capacity. CDFIs often estimate the number and proportion of beneficiaries based on income bands or racial/ethnic/gender categories. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 372 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should allow individual CDFIs to highlight key indicators of distress relevant to their target markets. The proposed approach uses the percentage of other targeted populations (OTP) in census tracts as a measure of economic distress. Although there is a correlation between poverty and higher concentrations of people of color, it is not a precise relationship. Some communities with significant proportions of Black, Latinos and OTP are not experiencing distress. However, people of color encounter greater difficulties in accessing credit compared to Whites, regardless of their economic or geographic location. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 373 | 5/12/2023 | National Alliance of Latino CDFI Executives (NALCE) | Policy | Net Asset Ratio | Recommendation | The CDFI Fund should include a question in the FA application explicitly asking how organizations leverage their existing capital and how they would leverage their existing funds associated with an award. This approach would allow organizations to present their case according to their unique circumstances. Different organizations have different net asset (equity) ratios due to their specific financing strategies. For instance, entities relying on substantial equity investments may find it impractical to leverage on-balance sheet debt capital. Equity investments involve higher risk as they lack collateral and claims to assets in case of a faltering investee. CDFIs that provide extensive development service or engage in non-financing community development activities often rely on grants to cover related costs. These net assets are typically restricted for non-lending purposes and cannot be used to leverage lending capital. Consequently, these organizations may appear under leveraged because their financial statement combine lending operations with non-lending activities. Similarly, CDFIs may have net assets restricted for certain financing purposes that are not easily utilized to leverage debt for less-restricted lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 374 | 5/12/2023 | National Disability Finance Coalition | Application | Certification | Recommendation | The CDFI Fund should include Persons with Disabilities as a potential new target population as proposed. | This comment is not pertinent to this Information Collection Request (ICR). |
| 375 | 5/12/2023 | National Disability Finance Coalition | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should incorporate specific references to PWD into its definition of deep impact lending. By referencing the U.S. Department of Treasury’s ECIP Guidelines, the CDFI Fund may be unintentionally excluding PWD as a deep impact lending/investment market. To ensure all programs administered by the CDFI Fund and the U.S. Department of Treasury address deep impact needs, they must all include PWD as an OTP. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 376 | 5/12/2023 | National Disability Finance Coalition | Policy | DF-FA | Recommendation | The CDFI Fund should raise the Award Cap level from its current level of $500,000. Many current awardees indicate they can deploy significant amounts beyond the current cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 377 | 5/12/2023 | National Disability Finance Coalition | Application | DF-FA | Comment - No Action | The DF-FA application collects sufficient information to determine if the Applicant is financing eligible DF-FA transactions and can deploy a DF-FA award. The straightforward application consisting of four questions and three tables allow applicants to provide the information requested in a reasonable amount of time with acceptable levels of quality, utility, and clarity. The CDFI Fund should maintain the current application without additional questions or data tables. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the DF-FA application is appropriate. |
| 378 | 5/12/2023 | National Disability Finance Coalition | Application | DF-FA | Comment - No Action | The DF-FA narrative questions ask for appropriate information concerning the Applicant's understanding of the unmet needs of PWD and the CDFI's strategy to meet those needs. The additional questions allow the CDFI to address how the DF-FA will allow the Applicant to increase or expand services to PWD. These are sufficiently clear to guide the CDFI to provide relevant information and broad enough to allow for the variety of needs felt by PWD across different types of financial products and services. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the DF-FA application is appropriate. |
| 379 | 5/12/2023 | National Disability Finance Coalition | Policy | DF-FA | Recommendation | The CDFI Fund should continue efforts to educate CDFIs about the unmet needs of Persons with Disabilities. These efforts would be directly responsive to the Executive Order on Increasing Access to High Quality Care and Supporting Caregivers. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 380 | 5/12/2023 | National Disability Finance Coalition | Policy | DF-FA | Recommendation | The CDFI Fund should eliminate the Matching Funds requirement for the DF-FA Award. | This request cannot be accommodated due to Statutory requirements of the CDFI and NACA Program. |
| 381 | 5/12/2023 | National Disability Finance Coalition | Application | Lack of Clarity on Purpose/Intent | Recommendation | The CDFI Fund should amend Question 2 Table 4 of the FA Application. Beneficiaries Gender and Other Characteristics should be updated to reflect the information being requested in the table. The new title should be Table 4. Beneficiaries’ Gender, Disability Status, and Other Characteristics. The subtitle should read: Total Beneficiaries’ Gender, Disability Status, and Other Characteristics. This change would improve the usability of the table by making the information requested more visible, improve the quality, and clarity of the information collected. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will revise the title of this Table based on public comments to clarify intent. |
| 382 | 5/12/2023 | National Disability Finance Coalition | Policy | Measuring Economic Distress | Recommendation | If the CDFI Fund intends on measuring distress at the Census Tract level it must consider the availability of data on Persons with Disabilities, which are generally only publicly available at the state and county level. If this is the case, the CDFI Fund should ensure there are free, easy-to-use, web-based tools available that include data on PWD at the census track level. It should still be noted that requiring CDFIs that serve PWD to report on this OTP by census track when county-level data are readily available may be very burdensome and may dissuade CDFIs from serving this population, especially for new and/or emerging CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 383 | 5/12/2023 | Native CDFI Network (NCN) | Application | Ability to Serve Native Communities | Recommendation | CDFI Fund applications and awards should acknowledge and include federally designated service counties and areas whenever there is reference or geographic requirements involving reservations or tribal lands. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 384 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should provide the maximum amount of flexibility possible in the new NACA FA and TA Applications. With more flexibility, Native CDFIs will be better able to deploy their FA and TA award dollars in ways that they consider most beneficial for serving Native Communities. Native CDFIs operate under various business models and deploy FA dollars for different purposes, have varying Net Asset Ratios, and different capital requirements. A highly prescriptive approach to underwriting Native CDFIs will inevitably hinder meaningful impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 385 | 5/12/2023 | Native CDFI Network (NCN) | Application | Ability to Serve Native Communities | Comment - No Action | The CDFI Fund should not adjust the TA Application to better collect information and evaluate ability to serve Native Communities. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 386 | 5/12/2023 | Native CDFI Network (NCN) | Application | Beneficiary Data | Recommendation | It would be acceptable to separate out beneficiary data between Financial Products/Services and Development Services, but it is important to note that most Native CDFIs do not collect income and other data on their Development Services clients and would need to rely on estimates. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 387 | 5/12/2023 | Native CDFI Network (NCN) | Application | Beneficiary Data | Concern | The CDFI Fund should not consider requesting 3 years of projections for beneficiary data. The proposed change is both burdensome and also would not result in the collection of meaningful data due to the difficulty in making such projections accurately. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 388 | 5/12/2023 | Native CDFI Network (NCN) | Application | Character limits | Recommendation | Increase the character count on questions 2 and 3. This section holds significance for Native CDFIs as it allows them to effectively communicate the story of the markets they serve. | This comment would increase burden and is not necessary for the evaluation of the Applications. Also note the character count for Question 2 was mistakenly published with a 2,000 character limit in the proposed FA Application Template. The correct character limit for Question 2 is 3,250 and will not be changed from the existing FA Application. The CDFI Fund will not, at this time, modify the character count limit for questions in the Applications. |
| 389 | 5/12/2023 | Native CDFI Network (NCN) | Application | Character limits | Recommendation | The CDFI Fund should increase the character limit for question 8b: Community Coordination. Partnerships are a critical aspect to the business model of Native CDFIs. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 390 | 5/12/2023 | Native CDFI Network (NCN) | Application | Character limits | Recommendation | The CDFI Fund should increase the character counts for Section II Questions 1 and 2 from the current limit of 1,500 characters to a limit of 3,000 characters. This is necessary for Certified CDFIs to adequately address the needs and challenges of their market. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 391 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Continued Viability for CDFIs | Concern | Native CDFIs need subsidies to continue offering the services they offer in the markets they serve. The suggestion that self-sufficiency is achievable and desirable for all CDFIs is false and counterproductive. If the work of Native CDFIs could be done without subsidies, traditional financial providers would have already met the needs of Native communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 392 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Deep Impact Lending | Concern | Incorporating Deep Impact standards presents an undue burden on Native CDFIs who are already engaged in lending to Native Communities - some of the most marginalized people and communities in the nation. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 393 | 5/12/2023 | Native CDFI Network (NCN) | Application | FA Objectives | Recommendation | The CDFI Fund should retain both Financial Services and Development Services as FA Objective options as these offer enhanced flexibility and viable alternatives for projecting growth solely for the sake of growth (as is the perceived case with FA Objective 1-1). However, if the CDFI Fund ceases using future projections to inform PG&Ms on FAO 1-1, that would somewhat lessen the need for alternative options. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 394 | 5/12/2023 | Native CDFI Network (NCN) | Application | FA Objectives | Recommendation | The CDFI Fund should use a multiplier of 1x the award amount for Native CDFIs, *not* the award plus historic lending. In addition to FAO 1-1, this same approach should be used for all FA Objectives that involve lending (i.e., new geographic area, new loan product, new targeted population). | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 395 | 5/12/2023 | Native CDFI Network (NCN) | Application | FA Objectives | Recommendation | The CDFI Fund should stop tying PG&Ms to future loan projections or to historic loan volume. Instead, it should tie the PG&M benchmarks to the award amount, similar to the Rapid Response Program (RRP). The current approach of connecting PG&Ms to future loan volumes leads to application projections that lack meaningful insight as they are more likely to be distorted to be able to meet future performance goals. Similarly, tying benchmarks to past loan volumes presents the problem of holding CDFIs to historical anomalies (which are becoming the norm as of late) like COVID or an economic downturn for instance. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 396 | 5/12/2023 | Native CDFI Network (NCN) | Application | FA Objectives | Recommendation | The CDFI Fund should reduce the complexity of both the Application and subsequent compliance and not increase it by additional data collection, new application projections, and compliance requirements. For example, tying PG&M requirements to lending projections and estimated future loan volumes has resulted in confusion, uncertainty, and a significant increase in staff time and resources. By simplifying the application process and streamlining compliance and reporting, CDFI Fund resources can be more effectively utilized to drive impact rather than support unnecessary administrative functions to meet compliance requirements. | While the CDFI Fund is retaining the application requirements for this data, the CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 397 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not reduce the funding cap. Instead of limiting or reducing award amounts, the CDFI Fund should continue to request larger appropriations to increase the impact of the program on distressed communities throughout the country. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 398 | 5/12/2023 | Native CDFI Network (NCN) | Application | Guidance | Recommendation | The CDFI Fund should provide a more detailed breakout of the scoring evaluation criteria for the application. This will enhance clarity and enable a better understanding of the specific criteria the Fund seeks in a successful applicant. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 399 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should include federally recognized tribal service counties/service areas into Target Market definitions and should also incorporate them in the definition of Native Communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 400 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Measuring Economic Distress | Concern | Tracking Economic Distress data by census tract would create an undue burden on Native CDFIs, most of whom currently do not track their loans by census tract. The Fund already collects sufficient data in the Application and TLR to be able to measure economic impacts. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 401 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Net Asset Ratio | Concern | The CDFI Fund should not prescribe a targeted Net Asset Ratio for CDFIs. A CDFI’s capital structure will vary depending on the market it serves, the loan products it offers, and the amount of Development Services it provides. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 402 | 5/12/2023 | Native CDFI Network (NCN) | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should not include Question 11, even with the suggested edits. Compliance questions already address key issues that should be addressed in policies and procedures. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 403 | 5/12/2023 | Native CDFI Network (NCN) | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should eliminate Question 8a. It is not meaningful or relevant for most Native CDFIs. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the elimination of Question 8(a) is appropriate. |
| 404 | 5/12/2023 | Native CDFI Network (NCN) | Application | Should data fields, tables or questions be added? | Recommendation | Include an optional narrative question to allow an Applicant to provide additional details, nuances, or special features that may not fit elsewhere in the application. This will allow Native CDFIs to better reflect the unique nature of their business. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 405 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Sponsoring Entities | Recommendation | The CDFI Fund should implement the change to require Sponsoring Entities to create the new legal entity that will become the Certified CDFI before being eligible to receive a NACA TA Award. This would help increase the chances the entity would become certified. Sponsoring Entities should also be limited to receiving only one TA Award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 406 | 5/12/2023 | Native CDFI Network (NCN) | Policy | Sponsoring Entities | Concern | The CDFI Fund should not eliminate Sponsoring Entities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 407 | 5/12/2023 | NCRC Community Development Fund | Application | Beneficiary Data | Comment - No Action | No opposition to the collection of separate data on beneficiaries of Financial Products/Financial Services and beneficiaries of Development Services. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 408 | 5/12/2023 | NCRC Community Development Fund | Application | Beneficiary Data | Concern | The request of three years of projections for beneficiary data is excessively burdensome due to the significant resources required to develop projections. This proposal is not adequately justified in the Federal Register Notice and additional rationale is requested. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 409 | 5/12/2023 | NCRC Community Development Fund | Application | Beneficiary Data | Clarification | The CDFI Fund should clearly articulate its rationale for requesting three years of projections relative to the current one year of projections required or any other number of years. Although projections serve a critical role in determining the viability of a project, the process involved in creating them has a significant toll on the limited resources of CDFIs. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 410 | 5/12/2023 | NCRC Community Development Fund | Application | Beneficiary Data | Concern | The expansion of requirements to demonstrate beneficiary impact will be unduly burdensome and duplicative with the CDFI Fund’s other proposed requests and the CFPB’s recently announced Section 1071 regulation. With the proposed requirement that both certified and applicant CDFIs now submit Transaction Level Reports (TLRs) that cover three years of information; the CDFI Fund should consider whether the information captured on the CDFI FA award application is necessary or is available already in a CDFI Fund or other federal database. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 411 | 5/12/2023 | NCRC Community Development Fund | Policy | Continued Viability for CDFIs | Recommendation | An FA award should not be used to hold up an institution that would otherwise fail without it. Any public or private source of subsidy, including an FA award, enables a CDFI to expand its work in its target markets and increase its community development impact. Subsidy will always be important to address the systemic inequities and injustice present in the US economy. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 412 | 5/12/2023 | NCRC Community Development Fund | Policy | Deep Impact Lending | Recommendation | In support of the CDFI Fund focusing its efforts on lending to communities with the greatest need. However, deep impact should also include financial products for Other Targeted Populations beyond Low-Income Targeted Populations (LITP) and those engaging in mortgage lending. Specifically, Black and Latino targeted populations are among the communities in greatest need of capital support for their small businesses. Also take into consideration the Asian community and women when developing the deep impact categories, as demonstrated in the ERP program. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 413 | 5/12/2023 | NCRC Community Development Fund | Application | FA Objectives | Concern | FAO 1-1: Increase Volume of Financial Products is the most applicable category and eliminating this category would eliminate a significant source of funding and therefore would have downstream effects on the clients that are served with FA funding. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 414 | 5/12/2023 | NCRC Community Development Fund | Policy | Funding Levels for CDFIS | Recommendation | Asset size should not be correlated with the maximum award size or frequency of awards. Asset size is not indicative of how much flexible or unrestricted capital a CDFI has. Therefore, providing fixed asset-based caps in relation to how many or how large of an award a CDFI is able to receive is unsupported. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 415 | 5/12/2023 | NCRC Community Development Fund | Policy | Funding Levels for CDFIs | Recommendation | Support the existing $5 million cap on awards to ensure that funding can be distributed among CDFIs, especially to small and emerging CDFIs, however the funding cap should not be reduced from $5 million, especially as businesses continue to recover from the pandemic. Moreover, $5MM is an appropriate level to ensure funding is equitably distributed among CDFIs while not unduly penalizing CDFIs that have continued to demonstrate impact in their communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 416 | 5/12/2023 | NCRC Community Development Fund | Policy | Funding Levels for CDFIS | Recommendation | No opposition to minimum Asset size requirements for larger CDFIs with respect to limiting the number of awards for larger CDFIs. However, it is important to note that Asset Size is not an accurate measure of a CDFI's health. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 417 | 5/12/2023 | NCRC Community Development Fund | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | Support for the proposal to use census tracts as opposed to counties as the indicator of Poverty Rates and Historical Poverty because it reduces the risk that those who reside with a Persistent Poverty Census Tract will be overlooked because the census tract is housed within a wealthy county. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 418 | 5/12/2023 | NCRC Community Development Fund | Policy | Net Asset Ratio | Concern | It will be difficult to uniformly apply Net Asset Ratio thresholds across different types of CDFIs. Business strategy and the lending sector impact decisions about leverage. The availability and pricing of debt capital in a particular market is also a factor. Some sources of debt capital restrict its use by geography or other factors, limiting the ability of a CDFI to deploy this capital which can lead to a higher than desired net asset ratio. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 419 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Application | Business Plan | Clarification | The FA application asks CDFls to note whether changes have been made in systems and processes, however it is unclear whether this refers to changes only pertaining to the request for funding, or the organization as a whole. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 420 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Policy | Deep Impact Lending | Recommendation | Although Deep Impact Lending is an important and critical activity, the definition should extend to Other Targeted Populations and should consider only income levels. For example, black and brown families are denied mortgages at twice the rate of white families so designing mortgage products specifically for black and brown households should be considered deep impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 421 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Application | FA Objectives | Recommendation | The application should allow a "new market" to be defined at a more granular level. For instance, currently a county designation is the smallest unit size that an Applicant can select as a new market, but this is too broad a geography for organizations that are focused on building wealth and equity in historically disinvested neighborhoods of larger cities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 422 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Application | FA Objectives | Recommendation | Adjust Performance Benchmarks for FA Objective 1-1 so that they are tied to the percent of the total award compared to the total amount requested. This is similar to the parameters outlined in the Capital Magnet Fund Program. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 423 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Application | FA Objectives | Recommendation | CDFls would benefit from being able to apply for an FA Award to support to expand a specific existing product that has proven demand rather than being limited to an overall growth in lending across an entire portfolio. CDFls are often challenged to compete with traditional lenders once a product has shown itself to be highly viable to our target market and thus, could benefit from additional support for an existing successful product. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 424 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Policy | Funding levels for CDFIs | Concern | Would not support a change in the $5 million funding cap for CDFI applicants. The removal of this cap would allow larger organizations to take up a considerably larger margin of the total CDFI fund resources and would reduce diversity of organizations and clients served by the fund itself. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 425 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Policy | Homeownership Financing | Recommendation | Propose the creation of a Homeownership Finance Fund (HOFF) to support homeownership by allocating $25 million to a new program. This fund would provide additional opportunities for CDFls to create affordable homeownership opportunities for their clients across the country. The HOFF would serve as a set-aside under CDFI-FA that provides increased flexibility for CDFls to address the diverse homeownership and housing finance needs of buyers. | This request cannot be accommodated due to Statutory requirements of the CDFI and NACA Program. |
| 426 | 5/12/2023 | Neighborhood Housing Services of Chicago, Inc. | Policy | Net Asset Ratio | Recommendation | Leverage is important but should not be the only priority when making CDFI fund awards, particularly because leverage will vary based on CDFI type and business model. If net asset ratios are definitively established for FA, then there should be other options available for lower-ratio applicants. Additionally, different reviewers may have differing ideas of what leverage is needed to make a good CDFI fund application, so if certain net asset ratios are being considered as part of the process, they should be made more public and transparent so that all applicants are treated equally. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 427 | 5/12/2023 | NeighborWorks America | Application | FA Objectives | Concern | Concerned with the proposal to remove Development Services and Financial Services from the list of eligible FA Objectives. Provision of development services is a key differentiator between CDFIs and other financial institutions and excluding it as an eligible objective limits the extent to which CDFIs can invest in programs that bridge access gaps. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 428 | 5/12/2023 | NeighborWorks America | Application | Information or Data Request in Application | Recommendation | Section 1, Q6 in the TA application on CDFI Certification Application Submission status creates undue burden on Applicants. It is unreasonable for the CDFI Fund to require historical information on efforts of organizations whose Certification Application was declined. The CDFI Fund has access to information supporting decision to decline and information to evaluate subsequent applications. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 429 | 5/12/2023 | NeighborWorks America | Application | Lack of Clarity on Purpose/Intent | Recommendation | The CDFI Fund should adopt a nuanced approach to defining "responsible financing". Concerned about the definition of responsible financing practices in Section 1 Q1 of the TA Application on Primary Mission. The standards for assessing what constitutes responsible financing practices should not be overly prescriptive that it limits CDFIs' ability to serve consumers. CDFIs within the NeighborWorks network, for example, have created alternatives to payday lending products that meet consumers’ needs without subjecting them to the predatory and abusive practices of others serving this market. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 430 | 5/11/2023 | New Hampshire Community Loan Fund | Policy | Continued Viability for CDFIs | Recommendation | FA funding is important due to limited mainstream capital for the manufactured housing sector. The CDFI Fund Program is one of the few equity sources available for building capacity to make loans for manufactured homes. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 431 | 5/11/2023 | New Hampshire Community Loan Fund | Application | FA Objectives | Recommendation | For the purposes of generating PG&Ms for FA Objective 1-1, a multiplier of 1 x the award for SECA Applicants and 2 x the award for CORE Applicants would provide greater flexibility and ability to achieve goals in case of sudden changes of economic circumstances | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 432 | 5/11/2023 | New Hampshire Community Loan Fund | Application | FA Objectives | Recommendation | The CDFI Fund should allow Applicants to eliminate one of the prior historic years as an outlier due to the unique needs of the pandemic and the availability of PPP funds, for the purposes of generating any Performance Goals that are based on historic lending volume. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 433 | 5/11/2023 | New Hampshire Community Loan Fund | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund's proposed limit of $25 million in assets for an Unregulated CDFI to be considered "large" is too low and unfairly advantages banks and credit unions over CDFI Loan Funds. If the CDFI Fund intends on implementing limits on awards for large CDFIs, then the asset size threshold for unregulated CDFIs should be equal to that of Credit Unions at $1 billion.  Asset size does not reflect business strategy and markets served. Larger CDFIs may be better positioned to take risks and innovate and unlike banks and credit unions, Unregulated CDFIs are not subject to government regulation and can take on more risk. Limiting large CDFI Loan Funds from receiving awards would hamstring innovation and overall impact in the industry. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 434 | 5/11/2023 | New Hampshire Community Loan Fund | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should move away from place-based indicators as the sole measure of success. In some states, low-income households are spread throughout large areas and live among other higher income households. Serving these populations is as impactful as serving a geographic low-income area. Serving low-income households living in higher income areas also prevents the buildup of concentrated poverty.  Certain lines of business that are very impactful, are also not necessarily able to be controlled geographically. For instance, a CDFI that helps mobile home communities purchase the land where their homes are located and turn that land into a Resident-Owned Community (ROC) cannot control the census tract where the mobile home community is located. Performance measures should instead include numbers of low-income people served, as well as the soundness of strategy for total impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 435 | 5/11/2023 | New Hampshire Community Loan Fund | Policy | Measuring Economic Distress | Concern | The CDFI Fund should note that there are several problems with using Census Tract-level data from the ACS. While the ACS data include metrics for measuring economic distress such as affordable housing availability, housing cost burden, seniors, and people receiving disability benefits, the data do not accurately reflect current conditions due to sample size and collection date. This issue is particularly acute in rural communities where there are smaller sample sizes and larger margins of error in the data. In addition, census tracts do not well-define communities, because some tracts cover multiple communities that vary widely in population characteristics, including density. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 436 | 5/12/2023 | Northwest Access Fund | Policy | Deep Impact Lending | Recommendation | Deep Impact lending was created to incentivize Banks and Credit Unions to deepen their lending beyond “Qualified” lending and to increase their lending to Microbusinesses, Low-Income People and Other Targeted Populations. In other words, to incentivize Banks and Credit Union receiving ECIP to lend more like CDFIs. As such, the CDFI Program will not benefit from adding these metrics. However, if they are added, People with Disabilities (OTP), should be included in the definition of Deep Impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 437 | 5/12/2023 | Northwest Access Fund | Policy | DF-FA | Recommendation | The Award Cap for DF-FA should be raised. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 438 | 5/12/2023 | Northwest Access Fund | Policy | DF-FA | Recommendation | The matching funds requirement for DF-FA should be eliminated, like HFFI, for Core applicants to encourage CDFIs to deploy more funds to benefit persons with disabilities. | The matching funds request cannot be accommodated due to Statutory requirements of the CDFI Program. |
| 439 | 5/12/2023 | Northwest Access Fund | Application | FA Objectives | Recommendation | For FAO 1-1, a multiplier of the FA-Base award plus three years of historic lending is not an appropriate formula in today's post-COVID operating, financing, and funding environment. It is difficult to accurately complete the FA Loan Portfolio table and the 3-year projections as an increasing portion of the 3-year historical and 3-year projected loans closed will be assigned to meet the PG&M for a CDFI Fund Award other than FA Base. Similarly, it is difficult to track that the same loan can count toward multiple FA-Base awards (with overlapping years), but that loans to all other awards must be unique. Recommend that for FY2023-FY2025, the FA-Base Objective PG&M not be tied to 3-year historical Loans Closed as many of these loans were closed in accordance with other CDFI Fund awards | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 440 | 5/12/2023 | Northwest Access Fund | Policy | Measuring Economic Distress | Concern | Agree with the proposal for CDFIs to provide data to measure the level of economic distressed experienced by persons with disabilities within the geographic target market they serve. However, the requirement to report by census tract is inconsistent with the current availability of data and is burdensome. Available data on persons with disabilities is broken down by state and county but not census tract. Requiring CDFIs that serve persons with disabilities to report on the OTP by census track would be a burden which could dissuade CDFIs from serving this population. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 441 | 5/12/2023 | Northwest Access Fund | Policy | Net Asset Ratio | Concern | The CDFI Fund's proposal to re-introduce Self Sufficiency and Net Asset Ratio metrics and criteria will hinder CDFI growth, impact, and innovation. These metrics are challenges to produce the growth and impact of some CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 442 | 5/12/2023 | Northwest Access Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | As long as a CDFI qualifies for SECA, they should be allowed to continue to apply for FA Core and/or FA SECA at their discretion. The creation of additional barriers that would require a CDFI to apply as a SECA until they get three Awards and then require application to CORE is discouraged. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 443 | 5/12/2023 | Northwest Access Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Agree with the proposal to increase the SECA Asset Limit to $7.5M in FY2023, and to consider further increases in future years. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 444 | 3/15/2023 | On the Road Lending | Policy | Funding Levels for CDFIs | Concern | It appears that some CDFIs may be denied awards because of their focus on niche products and services, such as consumer lending and/or auto loan financing, even if they were prior recipients of FA, RRP, and other awards. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 445 | 3/15/2023 | On the Road Lending | Policy | Funding Levels for CDFIs | Recommendation | Niche CDFIs should be given consideration for funding and not denied access due to their consumer focus, size, or lack of other marketplace incentives to support their growth. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 446 | 3/15/2023 | On the Road Lending | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should continue supporting smaller CDFIs that are under-capitalized and cannot access growth funding as easily as larger CDFIs. Withholding access to growth funding for smaller CDFIs runs counter to the purpose of CDFIs: to provide access to transformational capital for those who have traditionally been excluded. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 447 | 5/12/2023 | Opportunity Finance Network | Application | Ability to Serve Native Communities | Recommendation | While important, the CDFI Fund should refrain from requesting additional information from applicants regarding their ability to serve the unique needs of Native Communities in the FA Application, as the reporting requirements in the FA application are already burdensome. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 448 | 5/12/2023 | Opportunity Finance Network | Policy | Continued Viability for CDFIs | Concern | While FA awards should not be used to “prop up” institutions that would otherwise fail, FA awards and other subsidies enable CDFIs to expand their work in target markets and better address economic issues of injustice and systemic inequity in ways that mainstream financial institutions do not. If CDFIs could achieve self-sufficiency without grant support (from the CDFI Fund or other sources) and still serve low-wealth communities, wouldn’t mainstream financial institutions be doing this work? | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 449 | 5/12/2023 | Opportunity Finance Network | Policy | Deep Impact Lending | Concern | Given the fierce competition for limited CDFI Fund awards, successful applicants already demonstrate levels of impact that far exceed the eligibility requirements expected of CDFIs. Further, the PPC-FA program already focuses on investing funds in “deep impact” geographies. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 450 | 5/12/2023 | Opportunity Finance Network | Application | FA Objectives | Concern | Using historic lending data from 2020, 2021, and 2022 as a baseline for FAO 1-1 projected activity could be problematic due to pandemic related anomalies. CDFI lenders in the Paycheck Protection Program (PPP) experienced significant expansion in their lending in 2020 and 2021, which will drop with the expiration of PPP. The Economic Recovery Program awards could skew the baseline for 2023. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 451 | 5/12/2023 | Opportunity Finance Network | Application | FA Objectives | Recommendation | FAO 1-1 PG&Ms should be determined by actual award amounts and not on the award size requested. A multiplier tied to the amount of the actual FA award is one approach to addressing this issue. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 452 | 5/12/2023 | Opportunity Finance Network | Application | FA Objectives | Recommendation | An award multiplier of 2 for FAO 1-1 may be appropriate in many instances, but Applicants should have the option of proposing alternative multiplier specific to their CDFI’s circumstances. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 453 | 5/12/2023 | Opportunity Finance Network | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | The CDFI Fund should use census tract level data when measuring persistent  poverty in communities receiving FA and PPC awards to allow for greater targeting of resources, specifically in counties that are ineligible to receive funding due to the wealthier regions they contain. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 454 | 5/12/2023 | Opportunity Finance Network | Policy | Net Asset Ratio | Recommendation | The CDFI Fund should not rely on the net asset ratio to evaluate an applicant's ability to leverage resources because leverage is influenced by factors such as: line of business, lending strategy, the pricing of capital, availability of capital, and whether there are geographic or other restrictions on how certain capital is deployed. Historically, many private investors have required a net asset ratio of 20% but this high percentage is not always warranted. For many CDFIs, a ratio of 15% is more than adequate to protect the investor and allow the CDFI to lend and invest in its community for maximum benefit. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 455 | 5/12/2023 | Opportunity Finance Network | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not limit the number of SECA awards a CDFI can obtain to three or any other number. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 456 | 5/12/2023 | Opportunity Finance Network | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Support raising the asset size threshold to $7.5 million for unregulated institutions applying for a SECA award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 457 | 5/12/2023 | Opportunity Finance Network | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | Applicants that meet the criteria for the SECA category should be allowed to apply to the CORE-FA program, at the CDFI’s discretion. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 458 | 5/12/2023 | Pacific Community Ventures | Application | Ability to Serve Native Communities | Recommendation | The proposed TA application would be ineffective at collecting information or evaluating an applicant's ability to meet the unique needs of Native Communities.  To be more effective, the questions should more directly address the Applicant’s capacity to address challenges in these communities such as language barriers, remote locations, and cultural differences. In addition, to enhance the evaluation process, the questions should be rephrased to more accurately target the challenges and opportunities faced by Native Communities. The application should furthermore include requests for information on the Applicant’s experience collaborating with Native Communities, partnering with Native-led and Native-serving organizations, and strategies for incorporating traditional knowledge and practice into their operations. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 459 | 5/12/2023 | Pacific Community Ventures | Policy | Ability to Serve Native Communities | Clarification | The CDFI Fund should consider the ability to serve Native communities in evaluating CDFI Fund FA program applicants. Modifications that have already been made to the FA application for the Native American CDFI Assistance Program have enhanced the collection of information and the evaluation of an applicant's capacity to meet the unique needs of Native Communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 460 | 5/12/2023 | Pacific Community Ventures | Policy | Continued Viability for CDFIs | Recommendation | Subsidies are important to address the systemic inequities and injustice in the US economy. If it were possible to do the work of CDFIs without subsidy, mainstream financial institutions would already be doing it. The CDFI Fund should prioritize increasing direct technical assistance (TA) funding to CDFIs, especially those led by minority individuals, as these organizations have a deep understanding of the needs of historically underserved communities and how to improve economic outcomes. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 461 | 5/12/2023 | Pacific Community Ventures | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should implement Deep Impact standards into the evaluation process because those awarded through the CDFI Fund Program, should be accountable to meeting high impact standards.  Given the intense competition for limited CDFI Fund awards, successful applicants often already exceed the basic eligibility requirements expected of certified CDFIs in terms of impact. In addition, the PPC-FA Application directs grant funds to areas where significant impact is possible.  The CDFI Fund should reconsider how they reward Deep Impact activities, prioritizing non-depository CDFIs since they lack a revenue stream from deposits. Depository CDFIs have the advantage of raising lending capital through deposits and may gain an advantage in a competitive grant program meant to serve all types of CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 462 | 5/12/2023 | Pacific Community Ventures | Application | FA Objectives | Recommendation | The CDFI Fund should consider adopting a multiplier of 2x the award amount for the purpose of generating PG&Ms for FA Objective 1-1. While this may be suitable in most cases, Applicants should also have the flexibility to propose an alternative multiplier that aligns with their specific CDFI's circumstances. The CDFI Fund's proposed formula concentrates only on the volume of Financial Products provided, which may not fully reflect the broader objectives and impacts of CDFIs. At the same time, the proposed formular may unfairly disadvantage smaller CDFIs, or CDFIs that experience unforeseen circumstances beyond their control that might prevent them from achieving the same amount of increases in lending volume as other CDFIs. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 463 | 5/12/2023 | Pacific Community Ventures | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | The CDFI Fund should incorporate census tract-level data to measure persistent poverty in both the FA and PPC-FA applications. As the quality and granularity of poverty data improve, it allows for greater targeting of resources to persistent poverty areas. It is important to update the measure of economic distress to ensure that individuals residing in a persistent poverty census tract within a county with wealthier areas can also benefit from Fund resources aimed at persistent poverty counties. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 464 | 5/12/2023 | Pacific Community Ventures | Policy | Net Asset Ratio | Concern | Net Asset ratio is not an effective way to measure a CDFI's ability to leverage its balance sheet. While private investors have historically required a ratio of 20%, 15% may be more reasonable in many instances. Still, prudent Net Asset Ratios will vary based on the line of business a CDFI is engaged in as well as the availability and cost of debt capital in different markets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 465 | 5/12/2023 | Pacific Community Ventures | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not impose any limit on the number of SECA wards a CDFI can receive. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 466 | 5/12/2023 | Pacific Community Ventures | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | If a CDFI meets the SECA criteria, they should have the option to apply to the Core FA Program in accordance with the rules in prior funding rounds. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 467 | 5/12/2023 | Pacific Community Ventures | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should increase the asset size threshold for unregulated institutions seeking a SECA award to $7.5M. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 468 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Ability to Serve Native Communities | Recommendation | The CDFI Fund should consider ability to serve Native Communities in evaluating FA application. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 469 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Continued Viability for CDFIs | Clarification | The CDFI does not rely on CDFI FA for continued viability but uses FA on its balance sheet to leverage additional funding to sustain its activities. FA awards should not be utilized solely to support failing institutions. FA awards and subsidies allow CDFIs to expand operations in Target Markets and tackle economic issues in ways mainstream financial institutions would not. If CDFIs could achieve self-sufficiency without grant support (from the CDFI Fund or other sources) and still serve low-wealth communities, wouldn’t mainstream financial institutions be doing this work? | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 470 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should consider the following for deep impact lending measurements: 1) The definition of low-income should use an unmodified MFI system. In other words, it should always use the national nonmetropolitan floor rather than the Area Median Income (AMI to determine low-income. Using AMI means severe place-based disadvantage enters the system, 2) add "Underserved Communities" from ECIP guidelines to the list of definitions/metrics to qualify for deep impact lending, and 3) include lending in low-income census tracts in determination of deep impact lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 471 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | FA Objectives | Recommendation | Add another FA Objective which would allow for the deepening of services to an already well-targeted market as opposed to identifying new areas for expansion. This is especially important for CDFIs of small-to-medium size, in difficult-to-serve markets, which are unable to become self-sufficient through earned income. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 472 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | FA Objectives | Recommendation | If the keeping the current FAO 1-1 formula is not acceptable, allow Applicant to choose FAO 1-1 projected lending amount to be the greater of: 1) a set percentage of its three-year lending average, or 2) size of FA award. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 473 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | FA Objectives | Concern | Using historic lending data from 2020, 2021, and 2022 as a baseline for FAO 1-1 could be problematic due to pandemic related anomalies. CDFI lenders in the Paycheck Protection Program (PPP) experienced significant expansion in their lending in 2020 and 2021, which will drop with the expiration of PPP. The Economic Recovery Program awards could skew the baseline for 2023. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 474 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | FA Objectives | Recommendation | Keep status quo of determining lending activity for FAO 1-1 unchanged, i.e., Applicant’s three years of projected lending activity must exceed its historic three years of lending activity plus the FA award amount. However, understand that for smaller CDFIs, an aggressive growth strategy might not be possible. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 475 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | FA Objectives | Recommendation | FAO 1-1 PG&Ms should be determined by actual award amounts and not on the award size requested. When applicants make commitments, such as with projected lending activity, they are making those commitments based on the assumptions that the application will be awarded. However, if the FA award is made – but not in its full amount as applied for – those commitments are expected to be kept in full. For example, if an organization applies for FA with the proposed commitment of 11% growth based on a $1 million grant award, but is only awarded half of that $1 million, they are still held to the 11% growth commitment. This is asking awardees to do more than they project is possible with less than they were asking for and should be avoided. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 476 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Funding Levels for CDFIs | Concern | The characterization of an unregulated institution with $25M or more in assets as a "Large CDFI" is misleading because: 1) The asset amount is too low for designating institutions as large, and 2) ignores other information about the CDFI. In addition to asset-size, context of the CDFI and the communities it serves should be factored. For example, communities working in rural areas have a harder time attracting investment, especially through CRA. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 477 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should adopt the definition in the Community Reinvestment Act for the subcategory of “intermediate small bank” and define a Large CDFI (unregulated) as an unregulated institution with more than $346M in assets. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 478 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Measuring Economic Distress | Recommendation | Economic distress is a crucial metric. It is equally crucial, however, to recognize that places are not all the same, and that measurements and metrics which work in some places do not work in all. In particular, there are issues inherent with metrics which compare individuals against their neighbors, rather than against a separate, constant figure. For example, the Department of Housing and Urban Development's Median Family Income (MFI) system compares a family's/ individual's income to the area income to qualify as low income. In areas where the income is quite low (such as PPC), this means certain families/individuals may not qualify a low-income. Therefore, it is crucial that if the MFI system is used, a proposed solution is to use a national non-metropolitan floor. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 479 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should use county-level data in conjunction with census tract data to measure levels of economic distress, especially for rural and poverty counties, to provide a more complete picture. Census tracts within PPC may not themselves be persistent poverty census tracts. Further there is data fidelity at the census tract level, much of it inaccurate, based on very small sample sizes with statistical multipliers that result in huge swings in indicators year-over-year. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 480 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Net Asset Ratio | Concern | Using the Net Asset Ratio to assess use of balance sheet to leverage resources will inadvertently incentivize CDFIs to work in areas where it is easy to move capital and stifle investments to hard-to-serve communities, including rural areas. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 481 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | PPC-FA | Recommendation | Expand use of PPC funds to include areas/regions not explicitly designated as PPCs but struggle from poverty and lack of investments as PPCs. | This request cannot be accommodated due to eligibility requirements of the CDFI and NACA Program. |
| 482 | 5/12/2023 | Partners for Rural Transformation (PRT) | Application | PPC-FA | Comment - No Action | PPC-FA Application is currently sufficient and should not be made any more difficult or restrictive. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the PPC-FA application is appropriate. |
| 483 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The SECA Award category is valuable. Therefore, the CDFI Fund should not limit the number of SECA awards a CDFI can obtain. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 484 | 5/12/2023 | Partners for Rural Transformation (PRT) | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not have asset size limits for SECA Applicants. If it must, asset limit should be increased to $25M for unregulated institutions and chained to CPI-W inflation indicator. This increase in SECA asset size recognizes that organizations wishing to enter the CDFI world already may be established nonprofits of varying sizes and have a variety of assets including real property. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 485 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Application | Beneficiary Data | Concern | Requesting Beneficiary Data separately will be overly burdensome for some CDFIs. Some CDFIs will be unable to collect all the required low‐income data on the people served through Development Services (unless proxy data are able to be used). | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 486 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Policy | Deep Impact Lending | Recommendation | Persons with disabilities (PWD) should be included in the list of definitions under deep impact lending. In addition, PWD should be included in all CDFI Fund and U.S. Department of Treasury programs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 487 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Policy | DF-FA | Recommendation | Recommend raising or eliminating the current maximum DF-FA Award Request amount of $500,000 because disability‐serving CDFIs need more funds to serve people with disabilities and available funding is greater than when the cap was initially implemented. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 488 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Application | DF-FA | Recommendation | The CDFI Fund should ensure there are free, easy‐to‐use, web‐based tools available that include data on persons with disabilities at the census tract level if the Fund will be requiring census‐level reporting on disability finance (as opposed to the readily available, county‐level disability data). | The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 489 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Application | DF-FA | Comment - No Action | Maintain the current DF‐FA narrative questions and data tables as is with no changes. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the DF-FA application is appropriate. |
| 490 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Policy | DF-FA | Recommendation | Recommend eliminating the matching funds requirement for DF-FA as it results in an additional burden for CDFIs serving the disability community especially for those smaller CDFIs. Lastly maintain the current DF‐FA narrative questions and data tables as is. | This request cannot be accommodated due to Statutory requirements of the CDFI and NACA Program. |
| 491 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Policy | Small and Emerging CDFI Assistance (SECA) | Concern | Placing a limit on the number of FA awards that a SECA applicant can receive while having SECA status is not recommended. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 492 | 5/12/2023 | Pennsylvania Assistive Technology Foundation (PATF) | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | SECA asset level should be increased to $7.5 million. Smaller CDFIs, whether they graduate into the CORE category due to asset size or choose to apply as a CORE applicant, have fewer resources at their disposal than many of the large CORE CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 493 | 5/10/2023 | People Trust Community Loan Fund | Application | Business Plan | Recommendation | The CDFI Fund could use the proposed business strategy to ensure that the certified CDFI’s initiative or business model aligns with CDFI Fund’s mission, goals and objectives for the TA Application. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 494 | 5/10/2023 | People Trust Community Loan Fund | Policy | Continued Viability for CDFIs | Recommendation | CDFIs rely on FA funding to support new initiatives and growth opportunities that in turn support LMI communities who wouldn’t otherwise receive the investment or opportunity. CDFIs need increased funding for impact lending in order to be independent from the CDFI Fund's assistance for continued viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 495 | 5/10/2023 | People Trust Community Loan Fund | Policy | Deep Impact Lending | Recommendation | It is appropriate to consider “deep impact” lending/investment as part of the evaluation process. A designated percentage of the FA award amount should be committed to deep impact lending/investment. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 496 | 5/10/2023 | People Trust Community Loan Fund | Application | FA Objectives | Recommendation | The CDFI Fund should use the proposed multiplier of 2 times the award amount plus the three years of historic lending for the FAO 1-1 PG&M formula. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 497 | 5/10/2023 | People Trust Community Loan Fund | Policy | Funding Levels for CDFIs | Recommendation | CDFIs with asset size over $1.5 billion can receive a maximum of $5 million in CDFI and NACA Program FA awards every 3 years. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 498 | 5/10/2023 | People Trust Community Loan Fund | Policy | Net Asset Ratio | Recommendation | A CDFI’s Net Asset Ratio is the appropriate measure to assess if a CDFI is effectively utilizing its balance to leverage resources. The target Net Asset Ratio should be 15%. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 499 | 5/10/2023 | People Trust Community Loan Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Clarification | The CDFI Fund should provide clarity around SECA applicant eligibility and CORE applicant eligibility. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 500 | 5/10/2023 | People Trust Community Loan Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | There should be a limit of FA awards a CDFI can receive as a SECA Applicant. CDFIs should be required to apply as Core Applicants after they receive a maximum number of three FA awards under the SECA designation. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 501 | 5/10/2023 | People Trust Community Loan Fund | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | SECA qualified organizations should be limited to the lower maximum award amount as they are small and emerging applicants without the capacity of an existing CDFI which has an established track record of sustainability, profitability, and scalability in serving Low- and Moderate-Income communities. Core applicants should not have to compete with SECA applicants. The CDFI Fund should also provide clarity around SECA applicant eligibility and CORE applicant eligibility. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 502 | 5/10/2023 | People Trust Community Loan Fund | Application | Sponsoring Entities | Recommendation | The TA application should include the following question: Has the Sponsoring Entity begun providing lending and developmental services in the Target Market or to OTP prior to CDFI certification application? | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 503 | 5/11/2023 | River City Federal Credit Union | Policy | Ability to Serve Native Communities | Recommendation | Recommendation for a flexible award that allows for uses to support innovative proposals for existing CDFIs serving Native communities. This would allow Native CDFIs to pursue diverse strategies to support a broad range of efforts to expand access in their communities. For example, allow the FA award to support existing CDFI credit unions serving Native communities to structure an incubator for start-up tribal credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 504 | 5/11/2023 | River City Federal Credit Union | Application | Business Plan | Comment - No Action | Supports clarification in the Application documents that subcontractors and staff from affiliated organizations may support the CDFI in executing its strategic plan. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 505 | 5/11/2023 | River City Federal Credit Union | Application | Compliance Data | Clarification | In Appendix A, section C2, the Fund should make clear that C2 is not applicable to CDFI credit unions as the Fund obtains this information directly from the National Credit Union Administration. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 506 | 5/11/2023 | River City Federal Credit Union | Policy | Deep Impact Lending | Recommendation | Support aligning the Fund’s definitions in measuring deep impact with ECIP definitions. This will be a significant help to institutions that have received CDFI awards and ECIP as it will avoid duplicative data tracking and reporting. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 507 | 5/11/2023 | River City Federal Credit Union | Application | FA Objectives | Recommendation | Removing the proposed FA Objectives would have the effect of directing most CDFI credit unions towards just one: FAO 1-1 - Increase Volume of Financial Products, but the leverage requirements for that FAO are higher than the other remaining FAOs. Therefore, the recommendation is to broaden the remaining 4 FAOs to be more inclusive to Credit Unions. The recommendations are as follows: Modify FAO 1-1 to allow flexibility for changes in economic conditions that affect lending volume, especially for small institutions. Broaden FAO 1-3 from “New Geographic Area(s)” to “Increased Volume of Financial Products in a Specific Geographic Area” to support activities that meet the needs of targeted communities through the delivery of significantly increased volumes of high impact financial products. Broaden FAO 1-4 from “New Financial Product(s)” to “New, Improved, or Increased Volume of Specific Financial Product(s)” to support the efforts of CDFIs to use the full range of innovative marketing, outreach, and delivery channels. Broaden FAO 1-7 from “Serve New Targeted Population(s)” to “Increase Service to Specific or New Targeted Population(s)” to support the efforts of CDFIs to increase the delivery of high- impact financial products on specific Targeted Populations. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 508 | 5/11/2023 | River City Federal Credit Union | Application | FA Objectives |  | There are two problems with the measure of FAO 1-1: Increase Volume of Financial Products. The first concern is a three-year lookback period runs a significant risk of creating a lending volume benchmark that may either be too low or too high depending on current economic conditions and conditions over the prior three years. The second concern is the structure of the goal penalizes smaller institutions (a flat multiplier of the award amount will be dramatically different for a large CDFI versus a small one). To address these two problems the recommendation is for The Fund to set deployment goals based primarily on the FA grant award amount. Multipliers should be based on historical volume and then adjusted upward or downward based on institutions’ analysis of current and projected economic conditions and how those are likely to affect their lending as well as a size adjustment. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 509 | 5/11/2023 | River City Federal Credit Union | Application | FA Objectives | Recommendation | Changes to Objectives Focused on New Geographies, Products or Targeted Populations: The Fund should expand the permissible range of activities for these three Objectives to include increasing the volume of financing activities in specific underserved communities, modifying products to better meet community credit needs, and expanding programs with proven impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 510 | 5/11/2023 | River City Federal Credit Union | Policy | Funding Levels for CDFIs | Recommendation | Large CDFI credit unions should have the opportunity to access financial assistance grants. Many times, these funds are allocated to specific programs or loan loss reserves within the credit unions that would not otherwise be opportunities for deeper lending and impact to members and historically underbanked communities. Recommend placing limits on application frequency for large CDFIs, not eliminating a subset of CDFIs due to their size altogether, to achieve more equitable levels for large CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 511 | 5/11/2023 | River City Federal Credit Union | Application | Guidance | Recommendation | Recommendation that the CDFI Fund provide detailed and substantive debriefings to all applicants – successful and unsuccessful alike. At a minimum, applicants should receive their exact scores for each application section with specific reasons given for all point deductions. This change would provide all applicants with important, objective feedback on performance areas that are less competitive with their peer CDFIs and in need of improvement. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 512 | 5/11/2023 | River City Federal Credit Union | Policy | Net Asset Ratio | Concern | It would be inappropriate to use the complex capital ratios of CDFI depositories as a competitive element in FA applications, beyond the threshold evaluation of financial health and viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 513 | 5/11/2023 | River City Federal Credit Union | Application | Opportunity Zones | Recommendation | Suggest the removal of Opportunity Zones from the FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that the elimination of all questions and other data collection pertaining to Opportunity Zones is appropriate. |
| 514 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Application | Ability to Serve Native Communities | Recommendation | To serve Native Communities, a CDFI must actively collaborate with Native-led organizations. To ensure this, the CDFI Fund could introduce an opt-in prompt for applicants to discuss their relationships, contacts, and track record. If applicants lack a track record, they should outline a plan to involve local Native-led organizations and describe the steps they will take to learn from them. The evaluation process should gauge the CDFI's ability to utilize funds in a flexible and culturally appropriate manner, without imposing additional restrictions that hinder the ability to adapt to external challenges and meet the needs of Native Communities. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 515 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Application | Beneficiary Data | Concern | Beneficiary data is difficult to quantify in many types of eligible lending products where actuals are not realized until years later such as in housing and community facilities financing and development projects. Estimates of beneficiary data using census data would not yield meaning targets or accurate results. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 516 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Policy | Continued Viability for CDFIs | Clarification | The focus on CDFI “independence” from the CDFI Fund is not a question of reliance on the CDFI Fund for continued operation. Instead, the CDFI Fund serves as a tool to support increased investment in the communities CDFIs serve. CDFI Fund awards support CDFIs in building equity over time. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 517 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Application | FA Objectives | Recommendation | The CDFI Fund should not implement a standard multiplier to generate PG&Ms for FA Objective 1-1. Implementing such a standard multiplier overlooks economic changes and fluctuations which can be notable, considering the time gap between application and disbursement of funds may exceed a full year. Proposed projects often undergo modifications during this time and the amendment process for Assistance Agreements is cumbersome. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 518 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not impose a limit on the total dollar amount or number of FA awards a CDFI can receive in a certain timeframe. The application scoring process establishes natural limits based on the merits of the application and the total number of applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 519 | 5/12/2023 | Rural Community Assistance Fund (RCAC) | Policy | Net Asset Ratio | Recommendation | The CDFI Fund should not rely on Net Asset Ratio to determine a CDFI's ability to leverage its balance sheet. Each CDFI has its own operating principles to determine the debt-to-equity ratio that aligns with its portfolio and operations. The Net Asset Ratio (NAR) fails to consider business fluctuations and disregards one-time funds like the Payroll Protection Program loans and COVID relief. Imposing a fixed NAR may force CDFIs to raise interest rates, impacting borrowers. Instead, the CDFI Fund could consider a maximum prudent lending net ratio, allowing organizations to establish a sustainable balance that suits their specific needs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 520 | 5/12/2023 | Small Business Assistance Corporation | Application | Ability to Serve Native Communities | Clarification | The CDFI Fund should clarify the intent in adjusting the FA Application for collecting information related to Native Communities. Since institutions serving Native Communities are able to apply using the NACA application, it does not seem relevant to collect the same information on the FA application. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 521 | 5/12/2023 | Small Business Assistance Corporation | Application | Beneficiary Data | Concern | The income information on the beneficiary table is not relevant or appropriate for a CDFI that does primarily small business lending. Such organizations do not measure income of borrowers or beneficiaries - they collect tax returns for the purpose of verifying ability to repay a loan. This portion of the table should only be required of CDFIs engaged in personal lending. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 522 | 5/12/2023 | Small Business Assistance Corporation | Application | Beneficiary Data | Concern | The proposal to request beneficiary data projections for the three-year Period of Performance will be difficult and overly burdensome to report. Economic and external factors will increase the difficulty in organizations developing the projections. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 523 | 5/12/2023 | Small Business Assistance Corporation | Application | Beneficiary Data | Concern | The proposal to separate the beneficiary data points will be overly burdensome to report as some beneficiaries receive both financial products and development services at the same time. In those instances, an applicant would have to ensure that they are not duplicating data or placing the data in the wrong tables. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 524 | 5/12/2023 | Small Business Assistance Corporation | Application | Character Limits | Recommendation | Character limits on questions 8 and 11 make those items difficult to answer. Additional characters above the current limit of 2,000 should be provided to adequately respond to these questions. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 525 | 5/12/2023 | Small Business Assistance Corporation | Policy | Continued Viability for CDFIs | Recommendation | CDFIs are reliant on FA funding from the CDFI Fund to carry out their objectives. FA funding is especially important for applicants that have recently become a CDFI institution. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 526 | 5/12/2023 | Small Business Assistance Corporation | Policy | Deep Impact Lending | Concern | The proposed definitions of deep impact lending are appropriate. There are no other definitions or metrics that should be used to qualify deep impact lending and investment. It should be noted that organizations will not and should not be expected to meet all eight definitions of deep impact in their work, which would be impractical. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 527 | 5/12/2023 | Small Business Assistance Corporation | Policy | Deep Impact Lending | Concern | Deep impact lending and investment is not an appropriate PG&M for an FA Recipient. Most applicants for the FA Application are mission-based lenders that are generally striving to make a deep impact in their underserved markets at all times. To meet such a PG&M, Applicants would have to shift their focus from the impact they have been making to underserved markets, to focus on meeting the deep impact definitions with the FA award. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 528 | 5/12/2023 | Small Business Assistance Corporation | Application | FA Objectives | Comment - No Action | The CDFI Fund's proposal to remove FA Objectives 1-2 & 1-6 is acceptable. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 529 | 5/12/2023 | Small Business Assistance Corporation | Application | FA Objectives | Recommendation | If the CDFI Fund changes the PG&M formula for FA Objective 1-1, the formula should be based on an applicant’s three-year historic lending in FA-eligible markets plus a multiplier from a tiered list based on the applicant’s asset size. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 530 | 5/12/2023 | Small Business Assistance Corporation | Policy | Funding Levels for CDFIs | Recommendation | The 3-year, $5 million funding cap should not be reduced. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 531 | 5/12/2023 | Small Business Assistance Corporation | Policy | Funding Levels for CDFIs | Recommendation | Unregulated institutions, bank/bank holding companies, and credit unions should continue to be awarded around $600,000 the average amount of awards in recent years ($1.8M over three years). The award amounts can be increased to all CDFIs (including unregulated institutions) if the funding is available. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 532 | 5/12/2023 | Small Business Assistance Corporation | Policy | Funding Levels for CDFIs | Recommendation | CDFIs should not be limited on the total dollar amount or number of FA awards within a certain timeframe since average Award sizes have been relatively small in recent years. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 533 | 5/12/2023 | Small Business Assistance Corporation | Application | Information or Data Request in Application | Comment - No Action | There are currently no requests for data in the application that are not readily available. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 534 | 5/12/2023 | Small Business Assistance Corporation | Application | Information or Data Request in Application | Recommendation | Question 3 in the FA Application narrative section is particularly difficult to answer. The question asks Applicants to provide quantitative data on the interventions needed to address and improve the levels of economic distress in an area, but an Applicant only has information from their own products and clientele to answer this question. The question seems to warrant data from other nearby financial institutions as well which may not be available. It is also unclear whether the response to the question needs to address both historical and projected outcomes. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 535 | 5/12/2023 | Small Business Assistance Corporation | Application | Lack of Clarity on Purpose/Intent | Recommendation | Question 3 in the FA Application should be clearer to demonstrate whether the intent is to summarize the historic impact or the historic and projected impact and whether the Applicant should identify areas of improvement for the organization. | The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 536 | 5/12/2023 | Small Business Assistance Corporation | Policy | Measuring Economic Distress | Comment - No Action | The proposed indicators of economic distress are appropriate to measure an Applicant's track record of serving economically distressed communities and populations. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 537 | 5/12/2023 | Small Business Assistance Corporation | Application | PPC-FA | Comment - No Action | The information collected in the PPC-FA Application is sufficient to determine whether an applicant is providing eligible financing in Persistent Poverty Counties and can deploy a PPC-FA award. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the PPC-FA application is appropriate. |
| 538 | 5/12/2023 | Small Business Assistance Corporation | Application | Redundant or unnecessary information collection | Recommendation | Table 3: Beneficiaries’ Income Characteristics may not be necessary for all institutions/applicants that apply for the FA award. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 539 | 5/12/2023 | Small Business Assistance Corporation | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should consider adding a question: "Does this applicant collect data on beneficiaries’ income level?" Based on the response to this question, the application can either hide or present Table 3: Beneficiaries’ Income Characteristics to complete. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 540 | 5/12/2023 | Sones & White Consulting | Application | Ability to Serve Native Communities | Comment - No Action | The current TA Application affords opportunities for the applicants who serve the unique needs of Native Communities to discuss their efforts and impacts. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 541 | 5/12/2023 | Sones & White Consulting | Application | Ability to Serve Native Communities | Comment - No Action | The current FA Application affords opportunities for the applicants who serve the unique needs of Native Communities to discuss their efforts and impacts. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 542 | 5/12/2023 | Sones & White Consulting | Application | Beneficiary Data | Comment - No Action | Much of the requested demographic data related to beneficiaries must be estimated by most regulated institutions, as they are not permitted to track this data directly. However, there are reasonable, non- burdensome estimation methodologies available. | The CDFI Fund already allows regulated institutions to use proxy beneficiary data when completing the Applications. The CDFI Fund will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 543 | 5/12/2023 | Sones & White Consulting | Application | Beneficiary Data | Concern | It would not be unduly burdensome for applicants to report the beneficiary data separately for Financial Products/Financial Services and Development Services. However, separating the data would not provide meaningful insight to the Fund. The demographic data is likely to be very similar for all three categories. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 544 | 5/12/2023 | Sones & White Consulting | Application | Beneficiary Data | Concern | Adding beneficiary data projections is not an appropriate mechanism for tracking the impact of an FA award, especially if the CDFI Fund removes the FA Objectives relating to Development Services and Financial Services. PG&Ms are tied to lending, not services. The impact of an FA award is thus measured by the impact of increased lending. Projections for services over the Performance Period would be based on a number of factors unrelated to the FA Objective and thus the number of Development Services or Financial Services would not necessarily be an indicator of the impact of the FA award. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 545 | 5/12/2023 | Sones & White Consulting | Application | Business Plan | Comment - No Action | Responded "Yes" to the question, "Is the data and information requested in the Application to assess the business plan adequate to assess the different CDFI activities?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 546 | 5/12/2023 | Sones & White Consulting | Application | Business Plan | Recommendation | The CDFI Fund should modify the point allocation in its current “Business Plan Review Scoring Criteria” to make it more proportional to the significance of the applicable narrative questions as indicated by the number of characters allotted to the Narrative questions.   Recommend to: increase the points allocated to the Business Strategy section from 12 points to 18 points; reduce the Market and Competitive Analysis Section points from 7 points to 3 points; and reduce Products & Services from 7 points to 5 points. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 547 | 5/12/2023 | Sones & White Consulting | Application | Capacity to Serve Target Markets | Comment - No Action | The current TA Application accomplishes the purpose of making a determination on whether or not a TA award will increase a Certified CDFI's capacity to serve its Target Market. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 548 | 5/12/2023 | Sones & White Consulting | Application | Character Limits | Comment - No Action | The character limitations for TA narrative responses are appropriate. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 549 | 5/12/2023 | Sones & White Consulting | Application | Character Limits | Recommendation | The 2,000-character limit in Narrative Question 10 regarding market and competitive analysis is not appropriate (too few) for the weight allocated to it in the Fund’s scoring criteria. The proposed solution is to either reduce the weight afforded to the Question or increase the character limit. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 550 | 5/12/2023 | Sones & White Consulting | Policy | Continued Viability for CDFIs | Clarification | CDFI banks are required by their state and federal regulatory agencies to maintain safe, sound, and sufficiently capitalized operations, and as a result they do not rely on FA funding for their viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 551 | 5/12/2023 | Sones & White Consulting | Policy | Deep Impact Lending | Concern | The addition of Deep Impact Lending commitment to the FA Application is not supported. An applicant’s track record of serving underserved and distressed communities is more than adequately covered in the existing application through, among other areas, Narrative Q2 (which asks Applicants to discuss the extent of economic distress in the communities they serve.) | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 552 | 5/12/2023 | Sones & White Consulting | Policy | Deep Impact Lending | Recommendation | A specific PG&M related to Deep Impact Lending is unwarranted because the current program rules already ensure that FA awardees will use the funds to serve Eligible Markets or the applicant’s approved Target Market. For many awardees that do not operate near PPCs, or which have a low percentage of minorities in their markets, it would be exceedingly difficult to satisfy a high PG&M for Deep Impact lending. However, if the CDFI Fund does create an additional PG&M for Deep Impact Lending, it should be as a percentage of the award or a set dollar amount and not as a percentage of the projected activity. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 553 | 5/12/2023 | Sones & White Consulting | Application | DF-FA | Guidance | DF-FA applicants would benefit from additional guidance regarding what constitutes a competitive DF track record and pipeline. The CDFI Fund could publish additional statistics regarding DF-FA Applications to help prospective applicants gauge whether their application would be competitive. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 554 | 5/12/2023 | Sones & White Consulting | Application | DF-FA | Comment - No Action | The current information collected is sufficient for the DF-FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the DF-FA application is appropriate. |
| 555 | 5/12/2023 | Sones & White Consulting | Application | Eligible Use of Funds | Comment - No Action | Responded "Yes" to the question, "Does the current TA Application, related guidance materials, and NOFAs provide sufficient clarity to help potential Applicants clearly understand what are, and are not, eligible uses of TA funds?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 556 | 5/12/2023 | Sones & White Consulting | Application | Evaluation Criteria by Application Type | Comment - No Action | Responded "Yes" to the question. "Do the questions in the TA Application allow the Applicant to clearly address the evaluation criteria for the following Applicant types?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 557 | 5/12/2023 | Sones & White Consulting | Application | FA Objectives | Recommendation | Recommend instead of eliminating FAOs, 1-2, 1-5, and 1-6, the CDFI Fund should modify them so that they are easier to measure, evaluate, and administer. Applicants do not typically select these FAOs because they are viewed as less competitive than other FAOs, and it is not clear how the Fund evaluates these FAOs. If eliminated these FAOs would not have a significant effect on application demand. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 558 | 5/12/2023 | Sones & White Consulting | Application | FA Objectives | Recommendation | Agree with the CDFI Fund's proposal of a standard multiplier for FAO 1-1. Suggest that there be a minimum multiplier of three (3) times the requested award amount. This strikes the right balance between ensuring some leveraging of the award and not deterring smaller CDFIs with lower lending volumes from selecting that FA Objective. Not opposed to additional multipliers of two (2) or four (4) times the requested award amount or a higher multiplier for Core applicants, as long as the multiplier is applied to the award amount requested. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 559 | 5/12/2023 | Sones & White Consulting | Policy | Funding Levels for CDFIs | Recommendation | Although caps on funding levels for large CDFIs are not supported, if the CDFI Fund is going to impose caps for banks and bank holding companies, the asset size threshold should be $3 billion, the total dollar amount should be $5 million, and the number of years should be 5. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 560 | 5/12/2023 | Sones & White Consulting | Policy | Funding Levels for CDFIs | Concern | The issues being created by the current funding 3-year $5 million funding cap are not clear and would oppose reducing the $5 million aggregate cap. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 561 | 5/12/2023 | Sones & White Consulting | Policy | Funding Levels for CDFIs | Concern | A cap on funding levels for large CDFIs is not supported. If FA recipients are leveraging the FA award to meet demand in economically distressed areas and meeting their PG&Ms, they are furthering the objective of the FA policy. The policy reasons for capping the number or dollar amount of awards larger CDFIs can receive in a certain time period is unclear. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 562 | 5/12/2023 | Sones & White Consulting | Application | Guidance | Comment - No Action | Responded "None" to the question, "What additional guidance can the  CDFI Fund provide in order to assist Applicants with completing a TA  Application?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 563 | 5/12/2023 | Sones & White Consulting | Application | Guidance | Recommendation | Applicants would benefit from additional guidance on how the Application is scored. A more detailed debrief document for unsuccessful applicants would also be helpful. Providing the numerical score in each section. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 564 | 5/12/2023 | Sones & White Consulting | Application | Guidance | Recommendation | Applicants would benefit from better guidance on how the FA Objectives related to Financial Services and Development Services are scored. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 565 | 5/12/2023 | Sones & White Consulting | Application | HFFI-FA | Comment - No Action | The current information collected is sufficient for the HFFI-FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the HFFI-FA application is appropriate. |
| 566 | 5/12/2023 | Sones & White Consulting | Application | HFFI-FA | Recommendation | HFFI-FA applicants would benefit from additional guidance regarding what constitutes a competitive HFFI track record and pipeline. The CDFI Fund could publish additional statistics regarding successful HFFI Applications to help prospective applicants gauge whether their application would be competitive. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 567 | 5/12/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Comment - No Action | Responded "No" to the question, "Are any of the questions particularly burdensome or difficult to answer? If yes, which ones and why?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 568 | 5/12/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Comment - No Action | Responded "No" to the question, "Are there requests for data in the Application that Applicants do not have readily available or that are burdensome to obtain and/or calculate?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 569 | 5/12/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Comment - No Action | Responded "No" to the question, "Are any of the questions particularly burdensome or difficult to answer? If yes, which ones and why?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 570 | 5/13/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Recommendation | The CDFI Fund has enabled certain loan data reported to federal regulators to be pulled in and pre-populated in AMIS for ACR. This saves institutions a significant amount of time in copying information. Recommend having Call Reports and FR-Y9s information pre-populated for the FA and TA financial Inputs section and the Retained Earnings (RE) Calculator for FA. | The CDFI Fund is exploring the technical feasibility of implementing the ACR functionality into the FA/TA Applications. A timeframe for implementing any changes is still being developed. |
| 571 | 5/12/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Comment - No Action | Responded "Yes" to the question, "Is the information that is proposed  to be collected by the Application necessary and appropriate for the CDFI  Fund to consider for the purpose of making award decisions?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the information proposed to be collected by the FA Application is appropriate. |
| 572 | 5/12/2023 | Sones & White Consulting | Application | Information or Data Request in Application | Comment - No Action | Responded "Yes" to the question, " Is the information that is proposed  to be collected by the Application necessary and appropriate for the CDFI  Fund to consider for the purpose of making award decisions?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the information proposed to be collected by the TA Application is appropriate. |
| 573 | 5/12/2023 | Sones & White Consulting | Application | Lack of Clarity on Purpose/Intent | Comment - No Action | Responded "No" to the question, "Are there questions that lack clarity as to intent or purpose? If yes, which questions, and what needs to be clarified in order for Applicants to provide a comprehensive response?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 574 | 5/12/2023 | Sones & White Consulting | Policy | Measuring Economic Distress | Comment - No Action | Responded "Yes" to the question, "Are the following indicators appropriate to measure track record of serving economically distressed communities/populations? What, if any, other metrics should be used to measure the level of economic distress of communities/populations served?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the information proposed to be collected by the FA Application is appropriate. |
| 575 | 5/12/2023 | Sones & White Consulting | Policy | Net Asset Ratio | Recommendation | Supportive of the CDFI Fund prioritizing FA awards to CDFIs that have a track record of leveraging their balance sheet and the resources available to them. However, the CDFI Fund should not rely primarily on Net Asset Ratio as the basis for measuring a CDFI’s effectiveness. Further, strongly oppose the CDFI Fund establishing a target Net Asset Ratio that would be used as a benchmark in establishing funding priority. The appropriate metrics or group of metrics to evaluate an institution’s ability to leverage its balance sheet and the resources available to it will be institution-specific and will likely require explanation. Recommend adding guidance to Question 12 of the FA Application (regarding Financial Position) to instruct Applicants to identify and explain the metrics that demonstrate their effectiveness in leveraging their balance sheet and available resources. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 576 | 5/12/2023 | Sones & White Consulting | Application | PPC-FA | Comment - No Action | No changes should be made to the PPC-FA Application | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the PPC-FA application is appropriate. |
| 577 | 5/12/2023 | Sones & White Consulting | Application | Redundant or unnecessary information collection | Recommendation | Suggest the CDFI Fund leave Question 11 regarding policies and procedures as it currently exists. An applicant should only be required to answer if it will need to change its policies or procedures. If the CDFI Fund is going to revise this Q11 it should be modified so that it’s directed at an applicant’s FAO, not its strategic goals, since the FAO forms the basis for the PG&Ms. Regulated institutions should be exempt from the Q11 unless their policies and procedures will change. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 578 | 5/12/2023 | Sones & White Consulting | Application | Redundant or unnecessary information collection | Recommendation | Narrative Question 1 (which asks for mission statement of the Applicant) seems unnecessary due to the Primary Mission requirement for CDFI Certification. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 579 | 5/12/2023 | Sones & White Consulting | Application | Redundant or unnecessary information collection | Comment - No Action | Support the CDFI Fund’s elimination of Question 8(a) regarding community coordination strategy. It is duplicative of and less clear than Question 8(b) regarding partnerships. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the elimination of Question 8(a) is appropriate. |
| 580 | 5/12/2023 | Sones & White Consulting | Application | Redundant or unnecessary information collection | Comment - No Action | Responded "No" to the question, "Are certain data fields, questions or  tables redundant or unnecessary? If yes, which ones and why?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 581 | 5/12/2023 | Sones & White Consulting | Application | Should data fields, tables or questions be added? | Comment - No Action | Responded "No" to the question, "Should any data fields, questions or  tables be added to ensure collection of relevant information?" | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 582 | 5/12/2023 | Sones & White Consulting | Application | Should data fields, tables or questions be added? | Comment - No Action | Responded "No" to the question, "Should any data fields, questions or  tables be added to ensure collection of relevant information? " | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 583 | 5/12/2023 | Sones & White Consulting | Policy | Small and Emerging CDFI Assistance (SECA) | Concern | There should not be a cap on number of awards an entity can receive as a SECA Applicant. SECA awardees that are complying with its PG&Ms would effectively be penalized due to policy guidelines for receiving multiple awards. Core applicants are larger and typically have more resources at their disposal to develop and execute their Business Plan. Competing in the Core applicant pool as a smaller applicant would be a significant disadvantage even for an applicant who had been successful in applying as a SECA. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 584 | 5/12/2023 | Sones & White Consulting | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should update the SECA asset size thresholds for banks as proposed from $250 million to $346 million to correspond to the FY 2022 Community Reinvestment Act asset size threshold. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 585 | 5/12/2023 | Sones & White Consulting | Policy | Small and Emerging CDFI Assistance (SECA) | Concern | SECA applicants rarely choose to apply as a Core. There could be a SECA applicant, however, for whom it makes sense to apply as a Core, and the policy reasons behind precluding that election are not clear. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 586 | 5/11/2023 | The Community Development Trust | Application | Beneficiary Data | Recommendation | Many CDFIs finance developers of affordable housing. They rely on the developers – or their property managers – to provide information on the beneficiaries. It is therefore unrealistic to require CDFIs to provide much more data along these lines or to make award decisions based on estimated beneficiary data. The recommendation is to eliminate the Beneficiary Data table from the application altogether. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. This information is necessary for the evaluation of the Applications. |
| 587 | 5/11/2023 | The Community Development Trust | Application | Character Limits | Recommendation | If the intent is to eliminate one of the questions related to the CDFI’s target market, then increase the characters allotted to the remaining question. It is not realistic to describe the nuances of a targeted market in 2,000 characters. Similarly, it is difficult to discuss competitors and trends in the target market in 2,000 characters (Question 10). Increasing the space available by 50-75% would be very helpful. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 588 | 5/11/2023 | The Community Development Trust | Policy | Continued Viability for CDFIs | Clarification | The issue is not whether the Fund’s dollars facilitate viability as much as they allow for growth and greater impact within the CDFI industry. CDFIs use FA award dollars principally (if not exclusively) to increase their amount of loan / investment capital, not as operating revenues. The organizations are not reliant on the Fund’s monies for their operational viability. Instead, they use the capital to grow their activities, launch new products, and/or expand into new markets. Additionally, what makes the awards so beneficial is that they often serve as unrestricted capital. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 589 | 5/11/2023 | The Community Development Trust | Policy | Deep Impact Lending | Recommendation | Do not recommend incorporating Deep Impact standards into the FA Application evaluation process. CDFIs are already doing deep impact lending by virtue of having been certified as CDFIs. The thresholds for eligible Target Markets incorporate most of the deep impact criteria. There is consequently no need or benefit to adding deep impact qualifications in the FA program. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 590 | 5/11/2023 | The Community Development Trust | Policy | Deep Impact Lending | Recommendation | Objection to the proposal to judge CDFIs in any way by their ability to finance affordable housing properties a) benefiting extremely low-income households or b) located in high opportunity areas. Such projects require significant subsidy - often more than a CDFI can reasonably provide alone. The Capital Magnet Fund program no longer makes a distinction in its performance measures between financing properties benefiting very low-income individuals and those benefiting extremely low-income individuals | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 591 | 5/11/2023 | The Community Development Trust | Application | FA Objectives | Recommendation | Support eliminating the objectives related to financial and development services. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 592 | 5/11/2023 | The Community Development Trust | Application | FA Objectives | Recommendation | Encourage the Fund to add a new objective: expansion of an existing product. For years the Fund has considered only an overall expansion of lending activity and/or the development of a “new” product to be acceptable FA objectives. Yet many CDFIs are not in a position where they can grow their overall activity, nor are they capable of or willing to carve out a new product. Allowing the organizations to focus on growing specific program / product areas instead of growing overall activity would be highly beneficial. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 593 | 5/11/2023 | The Community Development Trust | Application | FA Objectives | Recommendation | Align / adjust awardees’ performance benchmarks to the award amount received. This approach would align with the approach to Capital Magnet Fund awardees. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 594 | 5/11/2023 | The Community Development Trust | Policy | Funding Levels for CDFIs | Recommendation | Increase the number of individual awards to CDFIs – either by obtaining more money for the FA program or by reducing the number of FA awardees. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 595 | 5/11/2023 | The Community Development Trust | Policy | Funding Levels for CDFIs | Recommendation | Do not to impose any additional caps on the number or dollar amount of FA awards that a Core CDFI can receive. An organization’s total assets do not necessarily reflect its true size or capacity, given that many CDFIs have significant off-balance sheet assets, and others sell many of their loans in order to obtain new capital. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 596 | 5/11/2023 | The Community Development Trust | Policy | Measuring Economic Distress | Recommendation | Do not conflate the presence of large proportions of People of Color with economic distress. The existing measures of a community’s distress – poverty, unemployment, and median income – are sufficient to provide a sense of its relative need. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 597 | 5/11/2023 | The Community Development Trust | Policy | Net Asset Ratio | Recommendation | An organization’s net asset ratio is not always the best way of assessing its leveraging capacity. Using an organization’s net asset ratio as a chief way of assessing its ability to maximize its net assets for development purposes is likely to disadvantage a significant number of CDFIs. There is too much variation in product type, product structure, borrower type, and market to try to standardize a ratio across different organizations. Several different approaches could be taken that include: 1) Add a question in the FA application that specifically asks how the organization leverages its existing capital and how it would leverage the additional dollars associated with an award. 2) Focus on the CDFI’s average deployment rate over the past 3 years for unrestricted loan or equity funds — measured as (disbursed funds + committed but not yet disbursed funds) / total unrestricted financing capital. 3) Consider the CDFI’s average deployment rate over the past 3 years for all loan or equity funds, using the same definition as above but with total financing capital as the denominator. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 598 | 5/11/2023 | The Community Development Trust | Application | Redundant or Unnecessary Information Collection | Recommendation | It is not clear what value Question 11 adds to the assessment of an organization’s capacity, particularly since the Fund is not requesting detailed policies or procedures. Similarly, Question 14 appears to be somewhat redundant given that the application asks for information elsewhere about key management and staff members. The recommendation is to replace these questions with a single question – applicable only to entities proposing to add a new product or serve a new market – that asks about any policy, procedural, and/or staff changes that will be necessary to carry out the planned expansion. This question should be no more than 2,500 characters. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 599 | 5/11/2023 | The Community Development Trust | Application | Redundant or Unnecessary Information Collection | Recommendation | Eliminate Question 8a, but incorporate it into an enhanced Question 8b, one that allows for a 4,000-character response. The new question would ask how the CDFI’s proposed activities further existing public revitalization strategies and how the CDFI collaborates with key public, private, philanthropic, and/or nonprofit actors to carry out its proposed activities and achieve its desired outcomes. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the elimination of Question 8(a) is appropriate. The comment to expand the question and associated character count limit for Question 8 would increase burden and is not necessary for the evaluation of the Application. Therefore, the CDFI Fund will not, at this time, modify the question or the character count limit for this question in the Application. |
| 600 | 5/11/2023 | The Community Development Trust | Application | Should data fields, tables or questions be added? | Recommendation | Address the Fund’s concern with leverage by adding this question: How does the organization leverage its capital – and particularly its net assets or equity – to bring additional capital into underserved markets? Ask specifically about the value of the FA award to its proposed activity with these questions: Why is the requested FA award critical for your organization? What will it allow you to do that you could not do otherwise? These two questions – each with a maximum 2,000 characters – could effectively replace the existing Question 13. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 601 | 5/11/2023 | The Community Development Trust | Application | Should data fields, tables or questions be added? | Recommendation | Several questions should be added that specifically address the organization’s financial structure: 1) Add an optional narrative that allows the CDFI to explain any nuances / special features of its organizational structure, financial statements, etc. 2) ask specifically about the organization’s approach to sustainability and self-sufficiency. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 602 | 5/10/2023 | Triple Bottom Line Foundation | Application | FA Objectives | Recommendation | The CDFI Fund should continue offering FAO 1-6: New Development Service(s) because CDFIs will need to provide significantly more development services to successfully deploy the influx of federal funding from sources such as the EPA Green House Gas Reduction Fund ($27 billion). EPA-specific funding is complex and will have requirements beyond traditional underwriting that will require high levels of technical assistance per customer and a corresponding number of development services. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). Further, Development Services will remain an eligible use of the FA Award. |
| 603 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Policy | Ability to Serve Native Communities | Recommendation | Recommendation for a flexible award that allows for uses to support innovative proposals for existing CDFIs serving Native communities. This would allow Native CDFIs to pursue diverse strategies to support a broad range of efforts to expand access in their communities. For example, allow the FA award to support existing CDFI credit unions serving Native communities to structure an incubator for start-up tribal credit unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 604 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | Business Plan | Comment - No Action | Supports clarification in the Application documents that subcontractors and staff from affiliated organizations may support the CDFI in executing its strategic plan. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the FA application is appropriate. |
| 605 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | Compliance Data | Clarification | In Appendix A, section C2, the Fund should make clear that C2 is not applicable to CDFI credit unions as the Fund obtains this information directly from the National Credit Union Administration. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 606 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Policy | Deep Impact Lending | Recommendation | Support aligning the Fund’s definitions in measuring deep impact with ECIP definitions. This will be a significant help to institutions that have received CDFI awards and ECIP as it will avoid duplicative data tracking and reporting. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 607 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | FA Objectives | Recommendation | Removing the proposed FA Objectives would have the effect of directing most CDFI credit unions towards just one: FAO 1-1 - Increase Volume of Financial Products, but the leverage requirements for that FAO are higher than the other remaining FAOs. Therefore, the recommendation is to broaden the remaining 4 FAOs to be more inclusive to Credit Unions. The recommendations are as follows: Modify FAO 1-1 to allow flexibility for changes in economic conditions that affect lending volume, especially for small institutions. Broaden FAO 1-3 from “New Geographic Area(s)” to “Increased Volume of Financial Products in a Specific Geographic Area” to support activities that meet the needs of targeted communities through the delivery of significantly increased volumes of high impact financial products. Broaden FAO 1-4 from “New Financial Product(s)” to “New, Improved, or Increased Volume of Specific Financial Product(s)” to support the efforts of CDFIs to use the full range of innovative marketing, outreach, and delivery channels. Broaden FAO 1-7 from “Serve New Targeted Population(s)” to “Increase Service to Specific or New Targeted Population(s)” to support the efforts of CDFIs to increase the delivery of high- impact financial products on specific Targeted Populations. | Based on review of the public comments, the CDFI Fund will retain FA Objective 1-2: Increase in Volume of Financial Services. The CDFI Fund will retain the removal of FA Objective 1-5: New Financial Service(s) and FA Objective 1-6: New Development Service(s). |
| 608 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | FA Objectives |  | There are two problems with the measure of FAO 1-1: Increase Volume of Financial Products. The first concern is a three-year lookback period runs a significant risk of creating a lending volume benchmark that may either be too low or too high depending on current economic conditions and conditions over the prior three years. The second concern is the structure of the goal penalizes smaller institutions (a flat multiplier of the award amount will be dramatically different for a large CDFI versus a small one). To address these two problems the recommendation is for The Fund to set deployment goals based primarily on the FA grant award amount. Multipliers should be based on historical volume and then adjusted upward or downward based on institutions’ analysis of current and projected economic conditions and how those are likely to affect their lending as well as a size adjustment. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 609 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | FA Objectives | Recommendation | Changes to Objectives Focused on New Geographies, Products or Targeted Populations: The Fund should expand the permissible range of activities for these three Objectives to include increasing the volume of financing activities in specific underserved communities, modifying products to better meet community credit needs, and expanding programs with proven impact. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 610 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Policy | Funding Levels for CDFIs | Recommendation | Large CDFI credit unions should have the opportunity to access financial assistance grants. Many times, these funds are allocated to specific programs or loan loss reserves within the credit unions that would not otherwise be opportunities for deeper lending and impact to members and historically underbanked communities. Recommend placing limits on application frequency for large CDFIs, not eliminating a subset of CDFIs due to their size altogether, to achieve more equitable levels for large CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 611 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | Guidance | Recommendation | Recommendation that the CDFI Fund provide detailed and substantive debriefings to all applicants – successful and unsuccessful alike. At a minimum, applicants should receive their exact scores for each application section with specific reasons given for all point deductions. This change would provide all applicants with important, objective feedback on performance areas that are less competitive with their peer CDFIs and in need of improvement. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will consider providing additional guidance based on this comment in future application rounds. |
| 612 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Policy | Net Asset Ratio | Concern | It would be inappropriate to use the complex capital ratios of CDFI depositories as a competitive element in FA applications, beyond the threshold evaluation of financial health and viability. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 613 | 5/12/2023 | Urban Beginnings Choice Federal Credit Union | Application | Opportunity Zones | Recommendation | Suggest the removal of Opportunity Zones from the FA Application. | The CDFI Fund has taken this comment into consideration as confirmation that the elimination of all questions and other data collection pertaining to Opportunity Zones is appropriate. |
| 614 | 5/12/2023 | Veenstra Consulting et al | Application | Ability to Serve Native Communities | Recommendation | The CDFI Fund should follow guidance provided by the Native CDFI Network and other Native CDFI thought leaders on the topic of whether the CDFI Fund should adjust the TA Application in order to better collect information on an Applicant's ability to serve the needs of Native Communities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 615 | 5/12/2023 | Veenstra Consulting et al | Application | Award Sizing | Recommendation | The CDFI Fund should provide SECA Applicants with the option to provide their most recent fiscal year-end financial statements for application and award sizing purposes. Currently, the Fund uses "Most recent audited financial statements” which can be dated by as much as 16 months and may not accurately represent an organization's current status, size, and capacity. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 616 | 5/12/2023 | Veenstra Consulting et al | Application | Beneficiary Data | Concern | The CDFI Fund should not request additional beneficiary data separated by Financial Products and Development Services. Doing so would represent an increase in burden on an already burdensome request. Many CDFIs do not collect this information and already need to rely on estimates. Only CDFIs with a Target Market of Low-Income Targeted Population (LITP) routinely collect income data on their clients. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 617 | 5/12/2023 | Veenstra Consulting et al | Application | Beneficiary Data | Concern | The CDFI Fund should not request 3 years of projected beneficiary data. Doing so would represent an increase in burden on an already burdensome request. The data resulting from such a change would not be reliable. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 618 | 5/12/2023 | Veenstra Consulting et al | Application | Beneficiary Data | Recommendation | The information the Fund has historically collected on the FA Application is relevant and important. The additional proposed census tract level and beneficiary data do not appear necessary or practical as many CDFIs already need to estimate beneficiary data (and most will not be able to provide the level of detail requested on ultimate beneficiaries). | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 619 | 5/12/2023 | Veenstra Consulting et al | Application | Beneficiary Data | Recommendation | Collecting beneficiary data is difficult to obtain with CDFIs relying on estimates. Asking CDFIs that primarily serve LITP and OTP Target Markets to provide census tract data is not relevant. | The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 620 | 5/12/2023 | Veenstra Consulting et al | Application | Character limits | Recommendation | For Q2, the CDFI Fund should not decrease the count to 1,000 characters but instead increase it to 5,000. | This comment would increase burden and is not necessary for the evaluation of the Applications. Also note the character count for Question 2 was mistakenly published with a 2,000 character limit in the proposed FA Application Template. The correct character limit for Question 2 is 3,250 and will not be not changed from the existing FA Application. The CDFI Fund will not, at this time, modify the character count limit for questions in the Applications. |
| 621 | 5/12/2023 | Veenstra Consulting et al | Application | Character Limits | Recommendation | The CDFI Fund should increase the character limit to 5,000 for Question 2 for CDFIs to discuss their track record, mission, etc. Alternatively, the CDFI Fund should provide an opportunity to provide an Executive Summary within the Application. | This comment would increase burden and is not necessary for the evaluation of the Applications. Also note the character count for Question 2 was mistakenly published with a 2,000 character limit in the proposed FA Application Template. The correct character limit for Question 2 is 3,250 and will not be changed from the existing FA Application. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit or add or change data fields, questions, or tables related to this item to the Applications |
| 622 | 5/12/2023 | Veenstra Consulting et al | Application | Character limits | Recommendation | The CDFI Fund should remove Question 8a and expand the character limit for Question 8b to 4,000 characters. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the elimination of Question 8(a) is appropriate. The comment to expand the character count limit for Question 8 would increase burden and is not necessary for the evaluation of the Application. Therefore, the CDFI Fund will not, at this time, modify the character count limit for this question in the Application. |
| 623 | 5/12/2023 | Veenstra Consulting et al | Application | Character limits | Recommendation | For Question 10 - the CDFI Fund should increase the character limit to 3,250 from the current 2,000 characters. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 624 | 5/12/2023 | Veenstra Consulting et al | Application | Character limits | Recommendation | For Question 2, Section 2 for Certified CDFIs - please increase the character count to 3,000 from 1,500. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, modify the character count limit for questions in the Applications. |
| 625 | 5/12/2023 | Veenstra Consulting et al | Application | Character limits | Recommendation | Actual character counts for response fields in AMIS are not the same as character counts in word processing software. As a result, Applicants frequently spend too much time trimming down responses from Microsoft Word by 50-100 characters so that they will fit into the fields in AMIS. | This request cannot be accommodated due to technical limitations of AMIS. |
| 626 | 5/12/2023 | Veenstra Consulting et al | Policy | Continued Viability for CDFIs | Clarification | CDFI Lending requires subsidy and if it did not, the mainstream financial sector would be engaged in this type of lending. The question of whether CDFIs are too reliant on FA Funds assumes that award recipients are using significant portions of their awards to support operating costs, which is not the case. FA Awards are a critical source of unrestricted capital that CDFIs can use to build their Net Assets.  Only a small portion of CDFIs are self-sufficient. The CDFI Fund should further investigate the assumptions included in this question with interviews of industry insiders. If CDFIs are using FA Awards primarily or exclusively to enhance their loan and investment pools (as suspected) then the CDFI Fund's awards are not supporting viability as much as they support growth and impact in the industry. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 627 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Recommendation | CDFIs already do "deep impact" lending and ECIP's deep impact metrics should not be used to evaluate CDFI Applicants. ECIP was a program designed for all depository Institutions and Deep Impact was an incentive to get those Applicants to do deeper lending. Applying these metrics to the CDFI and NACA Program represents a mismatch of programmatic intent. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 628 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Recommendation | Low-Income Targeted Population is already a defined eligible market and as such, a large number of CDFIs already serve borrowers who are low income. A deep impact definition of lending to low-income borrowers is unnecessary. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 629 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Concern | The CDFI Fund should not add a PG&M to require Recipients to engage in deep impact lending because the included proposal favors one segment of the CDFI industry - Regulated Institutions. The asset size of most Regulated CDFIs dwarfs that of CDFI Loan Funds, making it more challenging for CDFI Loan Funds to engage in the types of lending being described in the proposed definition. While the included definitions for deep impact lending may make sense for Regulated CDFIs, what constitutes "Deep Impact" lending for a CDFI Loan Fund may look different than the proposed definition. For example, Unregulated CDFI Loan Funds tend to focus on niche lending that regulated entities often are unable to serve. Any approach that would advantage one segment of the industry over another is strongly opposed. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 630 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should not apply a deep impact definition for Mortgage Lending to Other Targeted Populations. The CDFI Fund should further not distinguish between different types of Financial Products. All mortgage, consumer, and small business loans to OTP Borrowers are deep impact by nature. The proposed definition for Mortgage Lending to OTP also strongly favors CDFI Banks. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 631 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should not apply a deep impact definition for lending/investment in Persistent Poverty Counties since the FA program already incentivizes PPC lending and contains a PPC-FA supplemental award program. Furthermore, continuing to rely on a place-based approach disadvantages CDFIs with other types of Target Markets as well as CDFIs in the 15 states (and DC) with zero Persistent Poverty Counties. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 632 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Clarification | It is unclear how a Deep Impact definition for Lending/investments in Indian Reservations and Native Hawaiian Homelands would work in relation to the NACA Program. The CDFI Fund should address whether this definition would be intended to encourage more lending in Native Communities by non-NACA Applicants. Further clarification is needed on whether the proposed definition would include Alaska Native Communities or only those from the other 49 states. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 633 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Recommendation | The CDFI Fund should do all it can to encourage and incentivize investment in US Territories. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 634 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Concern | The CDFI Fund's proposed deep impact definition for lending/investments to Underserved Small Businesses is problematic for several reasons.  Revenue of $100,000 or less is not a good metric, but ownership by Other Targeted Populations would be a good proxy for sales of $100,000 or below. Placing a bar on revenue will disqualify many businesses that are otherwise worthy of accessing affordable capital. There are other alternative sources of Federal Funding for businesses with under $100,000 in revenues. However, there is a significant capital gap for businesses with revenues between $100,000 and $400,000 annually.  Businesses with under $100,000 in revenue are statistically the most likely to fail within the first 3-5 years. If the CDFI Fund intends to incentivize lending to this group, they must also be willing to accept higher delinquency and default rates in CDFI Portfolios. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 635 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Concern | The proposed definition for Deeply Affordable housing Financing for Extremely Low Income or High Opportunity Areas is problematic for several reasons.  Rental Housing for Extremely Low Income households is not possible without deep operating and development subsidies. An FA Award cannot make a difference in the production of this type of housing as the award sizes are much too small. The only option for ELI home purchasing is the USDA Section 502 program. FA may be able to be used in conjunction with this program but only to assist with down payment or closing costs. While the need for this type of housing is very clear, the FA Program is not the right vehicle for this use and as such, deeply affordable housing production should be left under the purview of the Capital Magnet Fund and should not be an area of concentration for the FA Program. The current proposed definition also heavily favors Regulated CDFIs as the definition was formed with this type of organization in mind. Significant subsidy is also required to produce housing in High Opportunity Areas, and furthermore, only 16% of these areas in in rural areas. Giving preference to development in these areas will serve to disadvantage rural CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 636 | 5/12/2023 | Veenstra Consulting et al | Policy | Deep Impact Lending | Concern | The proposed definition for Public Welfare and Community Development Investments appears to favor Regulated CDFIs over Unregulated CDFIs. The legal references are gleaned from banking regulations, which further underscores this issue. As FA is a critical source of funding for loan funds, it is very important that the CDFI Fund not adopt any standards that would advantage Banks and Credit Unions. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 637 | 5/12/2023 | Veenstra Consulting et al | Application | Eligible Use of Funds | Comment - No Action | The current TA Application, guidance, and NOFAs provide sufficient clarity to help potential Applicants clearly understand what are and are not eligible uses of TA Funds. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 638 | 5/12/2023 | Veenstra Consulting et al | Application | Evaluation Criteria by Application Type | Comment - No Action | The questions in the TA Application allow the Applicant to clearly address all evaluation criteria. This applies to Emerging and Certifiable CDFIs' ability to achieve certification as the ability of a Certified CDFI to build its Capacity to expand operations, offer new products or services, or increase the volume of current business. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 639 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | The CDFI Fund should add an FA Objective option for the expansion of an existing product. The Fund currently only considers overall expansion of lending/development services of a "new" product. Many CDFIs are not in a position to grow their overall activity and do not have a need to develop a new product. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 640 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | The CDFI Fund should discontinue tying the Base-FA PG&M to a CDFI's 3-year historic track record. Instead, offer a Base-FA PG&M based on the award amount (with or without a multiplier) for all objectives. Continuing to do so is out of line with the current lending environment within which CDFIs are operating (particularly when considering the large amount of one-time COVID stimulus programs that CDFIs are engaged in). The Base FA PG&M should also be unique to each award. Current PG&Ms that tie FA projections to historical 3-year lending and asks CDFIs to count the same loans across multiple FA-Base awards with overlapping award years is confusing. PG&Ms should be tied to the award amount and each loan goes to one award. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 641 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | The CDFI Fund should accommodate CDFIs that significantly increased lending volumes in response to the pandemic by not forcing them to meet previously high lending volume. The CDFI Fund should provide such accommodation until relevant loan volume no longer appears in the historic lending data. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 642 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | If the CDFI Fund implements a multiplier approach to PG&Ms for FA Objective 1-1, such a multiplier should be a factor of the award alone, not the award plus historic lending. Under this proposal, the multiplier should be 1x the award for SECA Recipients and 2x the award for Core Recipients. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 643 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | Recommend the CDFI Fund provide flexibility on any proposed multiplier and not provide a prescriptive one-size-fits all approach. CDFIs need flexibility to create impact and serve their TMs. | This comment does not impact burden or data collection in the FA Application. The CDFI Fund is considering changes to the FA Objective PG&M formulas for the upcoming and future application rounds based on comments received. |
| 644 | 5/12/2023 | Veenstra Consulting et al | Application | FA Objectives | Recommendation | For FAO 1-3 for New Geographic Areas - The CDFI Fund should allow for a more localized definition of a "New Market" to include municipalities, neighborhoods or census tracts. Currently, the smallest geographic consideration for a new market is a county, which may be too broad for some CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 645 | 5/12/2023 | Veenstra Consulting et al | Policy | Flexibility of CDFI Programs | Recommendation | The CDFI Fund should allow for flexibility to allow CDFIs to define methods for measuring impact and use of awards. A highly prescriptive, one-size-fits all approach to underwriting CDFIs will stifle innovation and reduce impact in underserved communities | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 646 | 5/12/2023 | Veenstra Consulting et al | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund should not reduce the 3-year $5 million funding limitation for awards. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 647 | 5/12/2023 | Veenstra Consulting et al | Policy | Funding Levels for CDFIs | Recommendation | The CDFI Fund's proposal to limit the number of awards for CDFIs of different Asset types is imbalanced, particularly with respect to Unregulated CDFIs. A loan fund with $25 million is not equivalent to a Credit Union with $1 billion. A loan fund with $25 million is not operationally self-sufficient, so if this proposal is adopted, the threshold for unregulated Applicants should be $250 million. The CDFI Fund should concentrate on increasing appropriations rather than limiting the amount of awards to certain types of Applicants. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 648 | 5/12/2023 | Veenstra Consulting et al | Application | Information or Data Request in Application | Comment - No Action | There are no requests for data in the TA Application that Applicants do not have readily available or that are burdensome to obtain and/or calculate. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 649 | 5/12/2023 | Veenstra Consulting et al | Application | Information or Data Request in Application | Comment - No Action | There are no questions in the TA Application that are particularly burdensome or difficult to answer. | The CDFI Fund has taken this comment into consideration as confirmation that, generally, the referenced information in the TA application is appropriate. |
| 650 | 5/12/2023 | Veenstra Consulting et al | Application | Lack of Clarity on Purpose/Intent | Recommendation | The CDFI Fund should consider adding space in the products table for organizations to better describe the products they offer. Currently, Question 9 regarding impacts and outcomes is often mostly taken up by descriptions of an Applicant's products and services and there is no room left to discuss actual impacts. Creating this space in the Products table would eliminate confusion around what topics should be being discussed in Question 9. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 651 | 5/12/2023 | Veenstra Consulting et al | Application | Lack of Clarity on Purpose/Intent | Recommendation | The CDFI Fund should enhance its guidance on where to discuss the applicant’s products – in Question 1 – Primary Mission, or in Question 2 – Financing Entity. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 652 | 5/12/2023 | Veenstra Consulting et al | Application | Longer Application Period | Recommendation | The CDFI Fund should extend the next application period to 10 weeks from the standard 8-week period for the upcoming funding round to adjust to the updated application and the combination of funding rounds. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform policy and program design decisions for the funding round. |
| 653 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress | Concern | The CDFI Fund should be aware that if award decisions/scoring are linked to the proposed economic distress criteria/definitions (which are primarily place based), it would disadvantage CDFIs with people-based strategies (LITP and OTPs), including CDFIs helping LITP and OTP thrive in high income/high-cost areas that often offer better schools, health services, parks and other amenities. Not only is the additional data collection a burden, but CDFIs that do not have Investment Area TM are unlikely to gather the proposed place-based Economic Distress data as it is not relevant to collect. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 654 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress | Recommendation | While the CDFI Fund should incentivize investment into tracts with a high percentage of BIPOC residents, using the percentage of BIPOC residents as a proxy for distress is inherently problematic. Median Family Income, Unemployment Rate, Poverty Rate, and historic poverty are better indicators of distress. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 655 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should provide guidance on how and where the proposed measures of Economic Distress would be used in an application and/or evaluation criteria. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 656 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress | Comment - No Action | No additional measures or place-based metrics (for Low-Income and BIPOC borrowers) are needed to evaluate CDFIs with Low-Income Target Population or Other Targeted Population Target Markets | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 657 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress | Recommendation | The CDFI Fund should limit data collection burden. Proposed data the Fund is seeking to collect will put additional burden particularly on small and Native CDFIs. Also, requiring CDFIs to provide detailed demographic and socio-economic data on ultimate beneficiaries is not always practical. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 658 | 5/12/2023 | Veenstra Consulting et al | Policy | Measuring Economic Distress and Persistent Poverty Counties | Recommendation | The CDFI Fund should consider defining Persistent Poverty at the Census Tract Level rather that at the County level. By allowing urban CDFIs to report down to the census tract level, they can demonstrate their work in neighborhoods experiencing generational poverty. | Changes to the definition of Persistent Poverty Counties cannot be accommodated due to legislative requirements of the CDFI and NACA Program. |
| 659 | 5/12/2023 | Veenstra Consulting et al | Policy | Net Asset Ratio | Recommendation | Net Asset Ratio is not the best way of assessing a CDFI's ability to use and leverage its capital. If it must be applied, there should be no blanket/uniform standard across all Applicants. Any imposed Net Asset Ratio Targets would need to reflect what a CDFI's most conservative debt funder would require plus a cushion. The Net Asset Ratio would need to vary by what type of lending a CDFI is engaged in as well. Small business lenders are generally required to have a Net Asset Ratio of 25%-30% and they generally seek to have at least a 5% cushion on top of that.  Some CDFIs would keep the Net Asset Ratio purposely high for strategic reasons, such as in an effort to keep their interest rates low. This strategy is not inherently wrong and should not be penalized by the CDFI Fund. Consumer lenders often strive to achieve 50% or higher for this reason.  Regulated Institutions do not have Net Assets but are required to maintain certain Net Worth or Tier 1 Capital Ratios in order to satisfy their regulators.  CDFIs engaged in subordinate lending, unsecured lending, or lending with deferred repayments need to maintain higher levels of Net Assets to compensate for risk of principal loss. Similarly, lenders participating in the SBA Microloan program are required to keep a 15% loss reserve to qualify for the guarantee.  CDFIs that engage extensively in Development Services often rely on grants and contributions to cover these services and these net assets are restricted for non-financing uses making such organizations appear under-leveraged.  These examples illustrate that applying Net Asset Ratio across the entire pool of FA Applicants would disadvantage some types or Applicants needlessly. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 660 | 5/12/2023 | Veenstra Consulting et al | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should update Q13 and/or add a narrative question that asks applicants to discuss their business model with respect to Sustainability, Sufficiency and Leverage and discuss why a CDFI Fund award would help strengthen the CDFI's impact. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 661 | 5/12/2023 | Veenstra Consulting et al | Application | Redundant or unnecessary information collection | Recommendation | The Target Market question in Section 2 is repetitive with the previous question (about strategic goals) and the TM question in Part 1. The CDFI Fund should make this question apply only to certified CDFIs and focus it solely on the Target Market (remove the strategic goals portion of the question) and increase the character limit to 5,000 characters. | The CDFI Fund is retaining these questions as currently written and will not, at this time, modify the character count limit for these questions in the Application. This information is necessary for the evaluation of the Applications. |
| 662 | 5/12/2023 | Veenstra Consulting et al | Application | Redundant or unnecessary information collection | Recommendation | Question 10 is repetitive. The concept is sufficiently covered in the compliance review. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 663 | 5/12/2023 | Veenstra Consulting et al | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should not include the proposed question 11 as it provides no meaningful information to help reviewers distinguish the quality of operations of an established CDFI. This question makes sense in the TA application as it is relevant to start-ups and emerging CDFIs. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 664 | 5/12/2023 | Veenstra Consulting et al | Application | Redundant or unnecessary information collection | Recommendation | The CDFI Fund should eliminate Q14 for redundancy reasons. Applicants already provide biographical information and resumes for key personnel. | The CDFI Fund is retaining this question as currently written. This information is necessary for the evaluation of the Applications. |
| 665 | 5/12/2023 | Veenstra Consulting et al | Application | Reporting Requirements | Recommendation | If the timeline changes from annual to every two years, with a larger grant amount, the reporting structure should match the timeline. Reporting requirements should become more simplified and streamlined with a two-year application. | This comment on reporting requirements does not impact burden or data collection in the FA and/or TA Applications. At this time, no changes are anticipated to reporting requirements. |
| 666 | 5/12/2023 | Veenstra Consulting et al | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add a line to the Application Financial Data table showing historic commitment of loan volume to the Fund's other funding sources - RRP, ERP, CMF etc. Currently, the guidance asks Applicants to only subtract PPC-FA from the applicant’s track record. This made sense when PPC-FA was the only other funding source, but CDFIs are now committing loan volume to multiple other programs. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 667 | 5/12/2023 | Veenstra Consulting et al | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add space for an Executive Summary in the TA Application or alternatively, should offer space in Question 2 to provide such information on the background of the Applicant. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 668 | 5/12/2023 | Veenstra Consulting et al | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add an optional Narrative Question for CDFIs to explain any special features of their organization’s structure, financial statements, etc. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 669 | 5/12/2023 | Veenstra Consulting et al | Application | Should data fields, tables or questions be added? | Recommendation | The CDFI Fund should add space for Interest Rate, term (months), and fees info in the Financial Products table. | This comment would increase burden and is not necessary for the evaluation of the Applications. The CDFI Fund has taken this comment into consideration and will not, at this time, add or change data fields, questions, or tables related to this item to the Applications. |
| 670 | 5/12/2023 | Veenstra Consulting et al | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The Fund should maintain current flexibility of allowing SECA-eligible Applicants to apply as Core. No additional restrictions should be imposed. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 671 | 5/12/2023 | Veenstra Consulting et al | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should increase the SECA-eligibility threshold for Unregulated Applicants to $10 million and should review the threshold every 3 years. Annual increases in this threshold would not be practical. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 672 | 5/12/2023 | Veenstra Consulting et al | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The current rule allowing CDFIs with no more than 4 years of financing activity to qualify for SECA is generally appropriate. The Application asks for 3 years of history so when a CDFI graduates from SECA eligibility due to age, it will have at least 5 years or more of historic lending. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 673 | 5/12/2023 | Veenstra Consulting et al | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not impose a limit of number of SECA Awards a qualifying CDFI may receive. Smaller CDFIs have less capacity to raise Matching Funds, have smaller track records and less projected loan volume which would put them at a competitive disadvantage if they were forced to apply in the Core Applicant pool. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 674 | 5/12/2023 | Veenstra Consulting et al | Policy | Small and Emerging CDFI Assistance (SECA) | Recommendation | The CDFI Fund should not increase the SECA-qualifying asset size limits for banks or Credit Unions. In fact, the CDFI Fund should lower the limit for banks to $100 million in assets as such organizations can effectively compete with other groups who are eligible for Core FA. The CDFI Fund should also lower the threshold for Credit Unions to assets no more than $25 million. Federal Regulators' definition of what constitutes "small" for credit unions should be different from the SECA program. For SECA, the most important element is whether an organization can effectively complete with other groups classified as Core CDFIs. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 675 | 5/12/2023 | Veenstra Consulting et al | Policy | Sponsoring Entities | Comment - No Action | The CDFI Fund should follow guidance provided by the Native CDFI Network and other Native CDFI thought leaders on all matters relating to Sponsoring Entities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |
| 676 | 5/12/2023 | Veenstra Consulting et al | Policy | Sponsoring Entities | Recommendation | The CDFI Fund should follow guidance provided by the Native CDFI Network and other Native CDFI thought leaders on all matters relating to Sponsoring Entities. | This comment does not impact burden or data collection in the FA and/or TA Applications. The CDFI Fund will take this comment into consideration to inform future policy and program design decisions. |

1. [↑](#footnote-ref-3)
2. The hourly rate is based on the national estimate for the median hourly wage for Financial Managers according to the Bureau of Labor Statistics ([*https://www.bls.gov/oes/current/oes113031.htm*](https://www.bls.gov/oes/current/oes113031.htm)) [↑](#footnote-ref-4)