

In addition to the Native American Initiative, described above, the Fund administers the New Markets Tax Credit ("NMTC") Program, the Financial Assistance Component and the Technical Assistance Component of the CDFI Program, and the Bank Enterprise Award Program. Interested parties are encouraged to learn more about these programs, and how to apply, through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).

A Native American CDFI may apply for a FA award through either the FA Component or the NACA Program. While an applicant may receive only one FA award through either the FA Component or the NACA Program, an applicant, its subsidiaries or affiliates may apply for and receive: (i) A tax credit allocation through the NMTC Program; (ii) a TA award through the CDFI Program; (iii) an award through the NACD Program; or (iv) an award through the BEA Program, subject to certain restrictions described in the BEA Program regulations.

Catalog of Federal Domestic Assistance: 21.020

**Authority:** 12 U.S.C. 4703, 4703 note, 4704, 4706, 4707, 4717; 12 CFR part 1805, Pub. L. 107-73, Pub. L. 108-7.

Dated: November 21, 2003.

**Tony T. Brown,**

*Director, Community Development Financial Institutions Fund.*

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## DEPARTMENT OF THE TREASURY

### Community Development Financial Institutions Fund

#### Notice of Funds Availability (NOFA) Inviting Applications for the Native American CDFI Assistance Program

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Notice of funds availability ("NOFA") inviting applications for the Native American CDFI Assistance ("NACA") Program.

**SUMMARY:** This NOFA is issued in connection with two annual funding rounds of the NACA Program, one using FY 2003 and FY 2004 appropriated funds ("Round One") and one using FY 2004 and FY 2005 appropriated funds ("Round Two"), if appropriated funds are available. Through the NACA Program and subject to appropriation of funding for the purposes enumerated in this NOFA, the Community Development Financial Institutions Fund (the "Fund") will provide

Financial Assistance ("FA") awards and/or Technical Assistance ("TA") grants to community development financial institutions ("CDFIs") that primarily serve Native American, Alaska Native and/or Native Hawaiian communities (hereafter referred to as "Native American CDFIs," serving "Native American Communities"). The NACA Program will also provide TA grants to entities proposing to become Native American CDFIs within a specified time frame and "Sponsoring Entities" (e.g., Native American organizations, Tribes and Tribal organizations that propose to create entities that will become Native American CDFIs).

The Fund expects to award approximately \$5 million for Round One awards, and approximately \$3 million for Round Two awards. Interested parties should be aware that electing to defer the submission of a NACA Program application in Round Two, rather than in Round One, entails some risk since Round Two funds have not yet been appropriated. If neither FY 2004 funds nor FY 2005 funds are appropriated for the purposes set forth in this NOFA, there will not be a Round Two. The Fund reserves the right to award in excess of said amounts under this NOFA provided that appropriated funds are available and the Fund deems it appropriate. The Fund reserves the right to re-allocate funds from the amounts that are anticipated to be available under this NOFA to other Native American programs administered by the Fund, particularly if the Fund determines that the number of awards made under this NOFA is fewer than projected.

Under this NOFA, an applicant may apply for a FA award, a TA grant, or a combination of the two (within certain limits, described below). The Fund expects that it will award up to \$150,000 per awardee receiving only TA and up to \$500,000 per awardee receiving only FA or a combination of FA and TA. The Fund, in its sole discretion, reserves the right to award amounts in excess of the anticipated maximum award amount if the Fund deems it appropriate; or to provide a TA grant for uses other than, or in an amount greater or less than that which is requested by an applicant, including to applicants requesting only FA. The Fund reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA.

A certified Native American CDFI may apply for FA through either the FA Component or the NACA Program. While an applicant may receive only

one FA award through either the FA Component or the NACA Program, an applicant, its subsidiaries or affiliates may apply for and receive: (a) A tax credit allocation through the NMTC Program; (b) a TA award through the CDFI Program; (c) an award through the Bank Enterprise Award Program (subject to certain limitations); and/or (d) an award through the NACD Program. Terms not defined in this NOFA are as defined in the interim regulations for the CDFI Program, found at 12 CFR part 1805.

**DATES:** The Fund will make available the Round One NACA Program funding application on its website at <http://www.cdfifund.gov> in early January, 2004. At that time, interested parties may download the application form from the Fund's website or request application packages by contacting the Fund, as described below.

Round One applicants may submit applications after February 1, 2004. Round One applications must be received in the specific Bureau of the Public Debt (BPD) office designated below not later than 5:00 p.m. ET on March 15, 2004.

Subject to the availability of appropriated funds, Round Two applicants may submit applications after December 1, 2004. Round Two applications must be received in the BPD office designated below not later than 5:00 p.m. ET on February 1, 2005.

Late applications received in the specific BPD office designated below will be rejected and returned to the sender.

Applications sent by facsimile or e-mail will not be accepted; however, an electronic application may be made available for this NOFA at a later date. If so, its availability and related guidance will be announced on the Fund's website ([www.cdfifund.gov](http://www.cdfifund.gov)).

Applicants must submit one original and two (2) copies of their complete application. Applicants seeking CDFI certification with the funding application must submit one additional original and one additional copy of Section III (the CDFI certification section) of the application. Each copy should be placed in a three-ring binder, without staples or other forms of binding and each section should be separated by tabs. Each original should not be placed in a binder nor include tabs. To facilitate processing, please clearly identify originals and copies of applications as "Funding" and "Certification" applications.

**ADDRESSES:** Applications must be sent to: CDFI Fund Grants Management and Compliance Manager, Bureau of Public

Debt, 200 Third Street, Room 210, Parkersburg, WV 26101. The telephone number to be used in conjunction with overnight mailings to this address is (304) 480-5450. Applications will not be accepted at the Fund's offices in Washington, DC. Applications received in the Fund's offices will be rejected and returned to the sender.

**FOR FURTHER INFORMATION CONTACT:** If you wish to request an application package or if you have any questions about the programmatic requirements for this program, please contact the Fund by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov); by telephone at (202) 622-6355; by facsimile at (202) 622-7754; or by mail to CDFI Fund, 601 13th Street, NW., Suite 200 South, Washington, DC 20005.

If you have questions regarding application submission procedures, contact the Fund's Grants Management and Compliance Manager by e-mail at [gmc@cdfi.treas.gov](mailto:gmc@cdfi.treas.gov); by telephone at (202) 622-8662; by facsimile at (202) 622-6453; or by mail to CDFI Fund, 601 13th Street, NW., Suite 200 South, Washington, DC 20005.

These are not toll free numbers. Allow at least one to two weeks from the date the Fund receives a request for receipt of the application package. Applications and other information regarding the Fund and its programs may be downloaded from the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Eligibility**

At the time an entity submits its application under this NOFA, it must be a duly organized and validly existing legal entity under the laws of the jurisdiction, including tribal jurisdiction, as applicable, in which it is incorporated or otherwise established. The following sets forth additional details and certain additional dates that relate to the submission of applications under this NOFA:

###### *Eligible Applicants; CDFI*

*Certification:* Eligible applicants for the NACA Program consist of three types of entities:

###### *Type 1: Certified and Certifiable Native American CDFIs*

*Certified Native American CDFIs:* Native American CDFIs: Any certified CDFI that primarily serves a Native American Community and whose CDFI certification expires after July 31, 2004 (for Round One applicants) or after July 31, 2005 (for Round Two applicants); or

*Certifiable Native American CDFIs:* Any entity that primarily serves a Native American Community and that

submits a complete CDFI certification application, received by the Fund prior to or simultaneous with its NACA funding application, demonstrating, in the judgment of the Fund, that it is certifiable as a CDFI by the date of award.

Any Type 1 applicant whose CDFI certification will expire before July 31, 2004 (for Round One applicants) or before July 31, 2005 (for Round Two applicants) or that is not yet certified as of the date of submission of a NACA Program application must deliver a CDFI certification application (obtained through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov)) in advance of the funding application due date for the NACA Program round to which the applicant is applying, or the applicant must deliver a CDFI certification application as part of the NACA Program application.

###### *Type 2: Emerging Native American CDFIs*

Any entity that primarily serves a Native American Community and demonstrates in its NACA Program application, in the judgment of the Fund, that it is certifiable as a CDFI by the following dates: a Round One applicant must deliver a complete CDFI certification application by October 1, 2006, evidencing that the applicant can be certified as a CDFI, and must be certified as a CDFI by December 31, 2006; a Round Two applicant must deliver a complete certification application by October 1, 2007, evidencing that the applicant can be certified as a CDFI, and must be certified as a CDFI by December 31, 2007.

###### *Type 3: Sponsoring Entities*

Any entity that proposes to create a separate legal entity that will become a Native American CDFI and demonstrates in its NACA Program application, in the judgment of the Fund, that it is certifiable as a CDFI by the following dates: a Round One applicant must deliver a complete CDFI certification application by October 1, 2007, evidencing that the applicant can be certified as a CDFI, and must be certified as a CDFI by December 31, 2007; a Round Two applicant must deliver a complete certification application by October 1, 2008, evidencing that the applicant can be certified as a CDFI, and must be certified as a CDFI by December 31, 2008. For purposes of this NOFA, Sponsoring Entities include: (a) Tribes, tribal entities, Alaska Native Villages, Village Corporations, Regional Corporations, Non-Profit Regional

Corporations/Associations, or Inter-Tribal or Inter-Village organizations; (b) organizations whose primary mission is to serve a Native American Community including but not limited to: Urban Indian Centers, Tribally-Controlled Community Colleges, community development corporations (CDCs), training or educational organizations, or Chambers of Commerce, that serve primarily a Native American Community.

*Prior Awardees:* Applicants must be aware that success in a prior round of the CDFI Program, including the NACTA and NATA Components, or the NACD Program is not indicative of success under this NOFA. Prior awardees are eligible to apply under this NOFA, except as follows:

The Fund is generally prohibited from obligating more than \$5 million in assistance, in the aggregate, to any one organization and its Subsidiaries and Affiliates during any three-year period (further guidance on the calculation of the \$5 million cap is available on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov));

The Fund will not consider an application submitted by an applicant that is a prior Fund awardee under any Fund program or component of the CDFI Program if the applicant has been barred from applying to the Fund through the applicable funding round, has outstanding reports due to the Fund as of the due date of the application, or is considered to be in default of its assistance agreement. Awardees whose assistance agreements terminate in default status will only be considered to be in default of their assistance agreements for one year from the date the final compliance status is determined; and

The Fund reserves the right to reject an application without consideration that has been submitted by an applicant that is a prior Fund awardee under any Fund program or component of the CDFI Program that has a balance of \$5,000 or more in undisbursed funds, under said previous award, as of the applicable application deadline of this NOFA.

Accordingly, applicants that are prior Fund awardees are advised to: (a) submit all required reports by the deadlines specified in the assistance or award agreements governing said prior awards and to comply with all requirements found therein, and (b) contact the Grants Management and Compliance Manager to ensure that actions are underway for the disbursement of any outstanding balance of \$5,000 or more for said prior award. All outstanding reports or compliance questions should be

directed to the Grants Management and Compliance Manager by e-mail at [gmc@cdfi.treas.gov](mailto:gmc@cdfi.treas.gov); by telephone at (202) 622-8662; by facsimile at (202) 622-6453; or by mail to CDFI Fund, 601 13th Street, NW., Suite 200 South, Washington, DC 20005.

**Designation of Targeted Population:** For purposes of this NOFA, the Fund will use the following definitions for Native American, set forth in the Office of Management and Budget (OMB) Notice, Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity (October 30, 1997): (a) American Indian, Native American or Alaska Native: a person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment; and (b) Native Hawaiian: a person having origins in any of the original peoples of Hawaii.

## II. Types of Assistance

Through this NACA Program NOFA, the Fund offers two types of awards: FA and TA. A Type 1 (Certified and Certifiable Native American CDFIs) applicant may submit an application under this NOFA for an FA and/or a TA award. A Type 2 (Emerging Native American CDFIs) or a Type 3 (Sponsoring Entities) applicant may submit an application for a TA grant only. In no event will the Fund disburse FA to an awardee until the awardee is certified as a CDFI.

**Financial Assistance:** FA may be provided by the Fund in the form of an equity investment (including, in the case of certain insured credit unions, secondary capital accounts), a grant, loan, deposit, credit union shares, or any combination thereof. The Fund reserves the right, in its sole discretion, to provide FA in an amount, form and/or for uses other than that which is requested by an applicant.

**Technical Assistance:** A TA award is provided in the form of a grant for the purpose of enhancing the capacity of the entity to serve its target market. The Fund reserves the right, in its sole discretion, to provide TA in an amount and/or for uses other than that which is requested by an applicant. Eligible TA grant uses are limited to the following:

**Grants to Purchase Technology and/or Services,** which will enhance the capacity of the Native American CDFI or proposed Native American CDFI to serve its target market, including the following: (a) Acquiring consulting services; (b) paying staff salary for the limited purposes of completing tasks and/or fulfilling functions that are otherwise eligible TA uses under this

NOFA; (c) acquiring/enhancing technology items; and (d) acquiring training for staff, management, or board members. Grants to purchase technology and/or services are capped at \$50,000 per application. The Fund will not consider requests for grants to purchase technology and/or services under this NOFA for expenses that, in the determination of the Fund, are deemed to be ongoing operating expenses rather than non-recurring expenses (other than as provided below). The Fund will consider requests for TA to pay staff salary, other than as provided below for Operating Grants, only when the applicant demonstrates and represents to the satisfaction of the Fund that: (i) The staff salary relates directly to building the applicant's capacity to serve its target market; or (ii) the proposed staff time to be paid for by the TA grant will be used for a non-recurring activity that will build the applicant's capacity to achieve its objectives as set forth in its Application; (iii) the proposed capacity-building activity would otherwise be contracted to a consultant or not be undertaken; and (iv) the staff person assigned to the proposed task has the competence to successfully complete the activity.

**Grants to Cover Operating Expenses,** to cover recurring expenses including staff salary, rent, utilities and other key operating expenses, that will enhance the capacity of the entity to serve its target market. Grants to cover operating expenses are capped at \$100,000 per application. An applicant applying for a grant to cover operating expenses, including staff salary, may not also request TA for staff salary (described above). Type 1 (Certified and Certifiable Native American CDFIs) and Type 2 (Emerging Native American CDFIs) applicants are eligible for grants to cover operating expenses only if they began incurring operating expenses less than five years prior to the date of application.

Further guidance on the limited uses of TA grants for staff salary expenditures is available on the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).

## III. Application

An applicant under this NOFA must submit all materials described in the application. An application must include a valid and current Employer Identification Number, issued by the Internal Revenue Service, or the application will be rejected as incomplete and returned to the sender.

## IV. Matching Funds

Applicants requesting FA under this NOFA must obtain matching funds from

sources other than the Federal government on the basis of not less than one dollar for each dollar of FA provided by the Fund. Matching funds are not required for TA grants. Matching funds must be at least comparable in form and value to the FA provided by the Fund (for example, if an applicant seeks an FA grant from the Fund, the applicant must obtain matching funds through grant(s) from non-Federal sources that are at least equal to the amount provided by the Fund).

For Round One applicants, 25 percent of the matching funds must be in-hand or firmly committed on or after January 1, 2002, and before the date of application, in order to be considered by the Fund. Any applicant seeking an FA award that does not meet these matching funds requirements will not be considered for an FA award. The Fund reserves the right to recapture and reprogram any Round One award if the awardee fails to have the remaining matching funds firmly committed by May 15, 2005 (with documentation of such received by the Fund not later than May 31, 2005), or to grant an extension of said matching funds deadline, if the Fund deems it appropriate.

For Round Two applicants, 25 percent of the matching funds must be in-hand or firmly committed on or after January 1, 2003 and before the date of application, in order to be considered by the Fund. Any applicant seeking an FA award that does not meet these matching funds requirements will not be considered for an FA award. The Fund reserves the right to recapture and reprogram any Round Two award if the awardee fails to have the remaining matching funds firmly committed by May 15, 2006 (with documentation of such received by the Fund not later than May 31, 2006), or to grant an extension of said matching funds deadline, if the Fund deems it appropriate.

For purposes of this NOFA, "in-hand" means that the applicant has actually received the matching funds and has documentation (such as a copy of a check) to evidence such receipt; "firmly committed" means that the applicant has entered into or received a legally binding commitment from the matching funds source that the matching funds have been committed to be disbursed to the applicant and the applicant has documentation (such as a copy of a loan agreement, promissory note or grant agreement) to evidence such firm commitment.

Funds used by an applicant as matching funds for a prior Fund award or under another Federal grant or award program cannot be used to satisfy the matching funds requirement. If an

applicant seeks to use as matching fund monies received from an organization that was a prior Fund awardee, the Fund will deem such funds to be Federal funds, unless the funding entity establishes to the reasonable satisfaction of the Fund, that such funds do not originate from other Fund or Federal sources, in part or in whole.

#### V. Evaluation

The Fund will determine whether an application is complete and the applicant meets the eligibility requirements set forth above. Any application that is incomplete or any applicant that does not meet the eligibility requirements will be rejected.

Following these determinations, the Fund will conduct the substantive review of each application in accordance with the criteria and procedures described in this NOFA and the application. The Fund will evaluate each application on a 100-point scale, comprising the four criteria categories set forth below, and assign numeric scores. Applicants whose applications are assigned 50 points or more in the aggregate, will receive additional consideration for an award under the NACA Program. The Fund does not anticipate making an award to an applicant whose score in any of the four criteria categories falls significantly short of the total points allowable in that category, defined here as less than 40 percent of the total points allowable.

**Market Analysis/Program Design and Implementation.** For FA-Only or FA/TA: A review of the applicant's (a) understanding of its market context, its current and prospective customers, the extent of economic distress within the designated Investment Area(s) and/or the extent of need within the designated Targeted Population(s), the extent of need for Equity Investments, loans, Development Services, and Financial Services within the designated Target Market, and the extent of demand within the Target Market for the applicant's current or proposed products and services, and (b) product design and implementation plan, including an assessment of its products and services, marketing and outreach efforts, and delivery strategy. For TA-Only: A review of the applicant's understanding of its market context (including a description of the nature of economic distress in the Target Market), its current and prospective customers, the extent of need for the Native American CDFI, the level of support for a CDFI in the Target Market, and the appropriateness of the proposed products, services, and delivery strategy to meet the needs in the market. To the

extent the applicant lacks one of the elements, the Fund will assess its plan to address the deficiencies including requesting TA. (Maximum 25 points);

**Management.** For FA-Only or FA/TA Applicants: A review of the applicant's current and proposed management team, governing board, and key staff, its policies and procedures for financial management, and its track record in underwriting and portfolio management, if applicable, and ability to achieve the objectives set forth in its application (including use of TA, as appropriate). For TA-Only Applicants: to the extent the applicant lacks one of the elements, the Fund will assess its plan to address the deficiencies including requesting TA. (Maximum 25 points);

**Financial Health and Resources.** For FA-Only or FA/TA Applicants: A review of the applicant's financial track record and financial projections and the strength and likelihood of obtaining resources to sustain projected levels of financing and operations, and a clear indication that the CDFI will not be fiscally dependent on the Fund. For TA-Only Applicants: to the extent the applicant lacks one of the elements, the Fund will assess its plan to address the deficiencies including requesting TA. (FA-Only and FA/TA applicants: maximum 20 points; TA-Only applicants: maximum 10 points); and

**Community Development Performance/Effective Use of Award.** For FA-Only or FA/TA Applicants: A review of the applicant's projected level of activity within the Target Market (in terms of Development Services, Financial Services, and financial products); the extent to which the proposed activities are expected to promote homeownership, affordable housing development, economic development, provision of affordable financial services, and other community development objectives; the extent to which the applicant needs the Fund's financial and/or technical assistance to achieve the objectives set forth in its application; and the likelihood that the Fund's assistance will enhance the applicant's capacity to effectively serve its Target Market and achieve community development impact. If requesting TA, the applicant should describe how improving the organization would translate to community development impact within its Target Market. For TA-Only Applicants: A review of the description of how improving the organization would translate to community development impact within its Target Market; the extent to which the applicant needs the Fund's technical

assistance to achieve the objectives set forth in its application and the likelihood that the Fund's assistance will enhance the applicant's capacity to effectively serve its Target Market and achieve community development impact. To the extent the applicant lacks one of the elements, the Fund will assess its plan to address the deficiencies including requesting TA. Prior Awardees (under CDFI or NACD Programs), must show how activities, new market served, and/or additional activities are over and above those previously funded by the Fund. (FA-Only and FA/TA applicants: maximum 30 points; TA-Only applicants: maximum 40 points).

**Technical Assistance Proposal:** Any applicant seeking a TA grant, either alone or in conjunction with a request for a FA award, must complete a Technical Assistance Proposal (TAP) as part of its application. The TAP consists of a summary of the organizational improvements needed to achieve the objectives of its application, a budget, and a description of the requested goods and/or services comprising the TA award request. The budget and accompanying narrative will be evaluated for the eligibility and appropriateness of proposed uses of the TA award (described above). The TAP is not scored.

Fund reviewers will evaluate and score each application and make recommendations for funding. As part of the substantive review process, applicants may receive a telephone interview or an on-site visit by Fund reviewers for the purpose of obtaining, clarifying, or confirming information. During the review process, the applicant may be required to submit additional information about its application in order to assist the Fund in its final evaluation process. Such requests must be responded to within the time parameters set by the Fund.

In the case of an applicant that has previously received funding from the Fund under the CDFI Program, including the Native American CDFI Technical Assistance (NACTA) Component, or the NACD Program, the Fund will consider, as appropriate: (a) the applicant's level of success and extent of compliance in meeting its performance goals, financial soundness covenants (if applicable) and other requirements contained in the assistance or award agreement(s) with the Fund (including timeliness of reporting); (b) the benefits that will be created with new Fund assistance over and above benefits created by previous Fund assistance; and (c) the extent and

effectiveness to which the applicant has used previous assistance from the Fund.

The Fund will make a final funding determination based on the applicant's file, reviewer score and recommendation, and the amount of funds available. In the case of regulated CDFIs and applicants proposing to create a regulated institution, the Fund will also take into consideration the views of the appropriate Federal Regulatory agencies. If the applicant's CAMEL rating is a "4" or "5" or the regulator otherwise indicates safety and soundness concerns, the Fund, in its sole discretion, will not make an award. The Fund's award decisions are final.

Each applicant will be informed of the Fund's award decision either through a Notice of Award if selected for an award (see Notice of Award section, below) or a declination letter, if not selected for an award, which may be for reasons of application incompleteness, ineligibility or substantive issues. Any applicant that is not selected for an award due to application incompleteness or ineligibility, and that believes that such decision was made in error, may appeal said decision by notifying the Fund's Grants Management and Compliance (GMC) Manager in writing or by e-mail (if by e-mail, send to [appeals@cdfi.treas.gov](mailto:appeals@cdfi.treas.gov), with the subject line stating "Eligibility Appeal" and the award control number assigned by the Fund to the particular award). Such appeals must be received by the Fund within five business days of the date of the declination letter.

All applicants that are not selected for awards based on substantive issues, will be given the opportunity to request feedback on the strengths and weaknesses of their applications. This feedback will be provided in a format and within a timeframe to be determined by the Fund, based on available resources.

The Fund reserves the right to change these evaluation procedures if the Fund deems it appropriate; if said procedural changes materially affect the Fund's award decisions, the Fund will provide information regarding the procedural changes through the Fund's website.

#### VI. Notice of Award

The Fund will signify its selection of an applicant as an awardee by delivering a signed Notice of Award to the applicant. The Notice of Award will contain the general terms and conditions underlying the Fund's provision of assistance including, but not limited to, the requirement that an awardee and the Fund enter into an Assistance Agreement. The applicant shall execute the Notice of Award and

return it to the Fund. By executing a Notice of Award, the awardee agrees that, if prior to entering into an Assistance Agreement with the Fund, information comes to the attention of the Fund that either adversely affects the awardee's eligibility for an award, or adversely affects the Fund's evaluation of the awardee's application, or indicates fraud or mismanagement on the part of the awardee, the Fund may, in its discretion and without advance notice to the awardee, terminate the Notice of Award or take such other actions as it deems appropriate. Moreover, by executing a Notice of Award, an awardee agrees that, if prior to entering into an Assistance Agreement with the Fund, the Fund determines that the awardee or its Affiliates are not in compliance with the terms of any previous Assistance Agreement or award agreement entered into with the Fund, the Fund may, in its discretion and without advance notice to the awardee, either terminate the Notice of Award or take such other actions as it deems appropriate. The Fund reserves the right, in its sole discretion, to rescind its award if the awardee fails to return the Notice of Award, signed by the authorized representative of the awardee, along with any other requested documentation, within the deadline set by the Fund.

#### VII. Assistance Agreement

Each applicant that is selected to receive an award under this NOFA must enter into an Assistance Agreement with the Fund. The Assistance Agreement will set forth certain required terms and conditions of the award, which may include, but not be limited to, (a) the amount of the award; (b) the approved uses of the award; (c) the approved Target Market to which the award must be targeted; (d) performance goals and measures; and (e) reporting requirements for all awardees. Assistance Agreements under this NOFA will have two-year terms. The Fund reserves the right, in its sole discretion, to rescind its award if the awardee fails to return the Assistance Agreement, signed by the authorized representative of the awardee, along with any other requested documentation, within the deadline set by the Fund.

In addition to entering into an Assistance Agreement, each awardee that receives an award either (a) in the form of a loan, equity investment, credit union shares/deposits, or secondary capital, in any amount, or (b) a FA grant in an amount greater than \$500,000, must furnish to the Fund an opinion

from its legal counsel, the content of which will be specified in the Assistance Agreement, to include, among other matters, an opinion that the awardee: (i) Is duly formed and in good standing in the jurisdiction in which it was formed and/or operates; (ii) has the authority to enter into the Assistance Agreement and undertake the activities that are specified therein; and (iii) has no pending or threatened litigation that would materially affect its ability to enter into and carry out the activities specified in the Assistance Agreement.

#### VIII. Reporting and Monitoring

The Fund will collect information, on at least an annual basis, from all NACA awardees, including: (a) Annual reports related to, among other matters, awardee compliance with the performance goals and measures and financial soundness covenants and CAMEL ratings (as applicable) as set forth in the Assistance Agreement; (b) audited financial statements; (c) annual surveys; and (d) such other information as the Fund may require, including loan level data. The Fund reserves the right, in its sole discretion, to modify these reporting requirements if it determines it to be appropriate and necessary; however, such reporting requirements will be modified only after due notice to the awardee.

The Fund reserves the right, in accordance with applicable Federal law and if authorized, to charge award reservation and/or compliance monitoring fees to all entities receiving CDFI Program awards. Prior to imposing any such fee, the Fund will publish additional information concerning the nature and amount of the fee.

#### IX. Information Sessions

In connection with this NOFA, the Fund may conduct Information Sessions to disseminate information to organizations contemplating applying to, and other organizations interested in learning about, the NACA Program as well as the NATA Component and the NACD Program. For further information on the Fund's Information Sessions, dates and locations, or to register online to attend an Information Session, please visit the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). If you do not have Internet access, you may register by calling the Fund at (202) 622-8401.

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Dated: November 25, 2003.

**Tony T. Brown,**

*Director, Community Development Financial  
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