

NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

General Guidelines for Technical Assistance Grants for Credit Unions

Enhancing Member Services Initiative - 2008

Opens: May 2, 2008

Closes: July 7, 2008

Awards Announced: September 5, 2008

1. Application
2. Instructions
3. Guidelines
4. Sample Evaluation Sheet

Eligible credit unions may apply for up to \$15,000.

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<h2 style="margin: 0;">Application</h2> <h3 style="margin: 0;">Enhancing Member Services Initiative-2008</h3>

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE NUMBER	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE*	

*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and the application.

Performance Measurement

6. Provide at least one criterion by which the project should be evaluated in the event a grant is awarded. (What changes does the credit union expect to see as a result of the successful implementation of the project?)
7. What steps will the credit union take to ensure that the project's objectives are met?

Partner Organization

8. Provide the name and address of the partner organization. Include a letter or statement indicating the partner has agreed to take part in this project. Explain the role of the partner organization in the project. If the credit union has not established a partnership relationship, state, "none."

Note: OSCUI considers whether the credit union has developed other partner relationships and has considered other resources. Under this grant initiative, a credit union with a viable partner relationship will receive more favorable consideration. "Partnerships" is described under the heading "How Are Grant Applications Evaluated?"

General Guidelines for Technical Assistance Grants for Credit Unions

Enhancing Member Services Grant Initiative-2008

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12 above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

(703) 518-6610—phone
(703) 519-4088—facsimile
E-mail: oscuiapps@ncua.gov

Guidelines

1. What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

2. What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to help low-income credit unions provide financial services to their members and to make the operations of those credit unions more efficient.

3. Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

4. What is the Enhancing Member Services Grant Initiative?

The Enhancing Member Services Grant Initiative provides funds to eligible credit unions to deliver more or better financial services to the credit union membership and to the community.

Eligible credit unions that desire grants for projects that enhance member services may apply for this grant: a partnering agreement is not necessary. However, NCUA believes that credit unions working in partnership with corporations, foundations, government agencies, and non-governmental organizations can form synergies for community development. The credit union and the partner organization bring different strengths to a project that serves the community. Working with a partner organization, credit unions can more efficiently deliver financial services to their communities, by increasing loan and share activity and reaching out to a greater number of members.

Grant applications which are project oriented and those grant applications which involve partners will receive priority consideration.

What are examples of projects?

The following is a list of project ideas that may involve a credit union and one or more partner organizations. The examples below are intended to demonstrate the range of projects and partnerships that would be acceptable under this grant initiative.

- Providing alternatives to predatory lending
- Providing bill pay services
- Counseling Small Businesses
- Financial Counseling for Individuals
- Financial Education Courses
- Homeownership Counseling/ Home Buying Courses
- Individual Development Accounts
- In-School Branches
- In-School Training
- International Remittances Services
- Mentoring
- Mortgage Counseling/Foreclosure Prevention
- Developing or Providing Online training
- Developing Participation Lending Program
- Establishing Shared Facilities/Branching
- Establishing Shared Human Resource Systems
- Shared space/shared use of space
- Shared technology
- Providing Translation/Interpretation Services
- Developing Volunteer Services
- Developing web access services
- Conducting Workshops/Seminars/Classes

What are examples of partner organizations?

Partner organizations may include, but are not limited to, the following:

Local, State, or Federal Government Agencies,
Community Development Organizations,
Faith Based Organizations,
Corporations,
Non-Profit Organizations,
Credit Unions,
Other Financial Institutions,
Foundations, and
Schools and Colleges.

5. How much money is available?

The amount allocated to the initiative is \$400,000. The maximum grant amount is \$15,000. Credit unions may apply for up to \$15,000.

6. What are the allowable uses of funds?

Grant funds may be used to pay the following costs associated with new or enhanced products or services for members. This list is not exhaustive, but is intended to be representative of costs which may be approved.

Consultant fees related to a “Due Diligence” review. For example, conducting a feasibility study for a proposed project.

Consultant fees related to developing course curriculum for member education/financial education.

Equipment rental, purchase and/or installation, directly related to implementing the project.

Mileage, parking, public transportation, and/or taxi costs, directly related to implementing the project.

Project related printing and reproduction.

Programming costs directly related to implementing the project.

Project related supplies.

Training directly related to new products or services.

All approved costs will be detailed in the grant award letter to the credit union.

7. How does the grant payment process work?

- First, credit unions must apply for a grant before making any expenditure.
- After receiving a grant approval letter, the credit union may purchase the goods or spend the funds, up to the amount approved.
- After making the expenditure, the credit union must then submit copies of receipts and proof of payment to NCUA for reimbursement. OSCUI encourages credit unions to submit all receipts at one time.
- NCUA will review the receipts and issue a check to reimburse approved expenditures. Checks generally take 3 weeks to be issued from the U.S. Treasury.
- All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.
- OSCUI will not process incomplete applications. Credit unions may resubmit a grant application, provided the submission deadline has not passed and grant monies have not expired.
- Credit unions must also send a summary of the grant outcome to OSCUI. Credit unions failing to submit the summary may be ineligible for future grants.

8. How are grant applications evaluated?

Subject to funds availability, grants are awarded after careful consideration of the merits of an application. Grant applications will be considered based on the financial and non-financial factors listed below.

Financial factors include, but are not necessarily limited to, the following:

NCUA CAMEL* Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the overall financial condition of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

* CAMEL ratings are explained in NCUA Letter to Credit Unions No. 07-CU-12. Financial ratios are explained in the Users' Guide for NCUA's Financial Performance Report. Both documents are available on the NCUA website at <http://www.ncua.gov>.

Assessment of Management is a determination of whether credit union management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, is consistent with the purpose of the CDRLF as described in Section 705.10 of the NCUA's Rules and Regulations. The purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) improving the operations of the credit union. OSCUI will deny grant applications in which the purpose of the grant is inconsistent with the purpose of the CDRLF.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications with projects having an impact on the community as whole will receive more favorable consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Section 705.2(b) of NCUA's Rules and Regulations states that the purpose of the CDRLF is to gain maximum economic impact on as many participating credit unions as possible. Therefore, credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. More favorable consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Under this grant initiative, a credit union with a viable partner relationship will receive more favorable consideration.

Leverage is a determination of the degree to which the credit union has acquired resources other than NCUA grants. Leverage measures the total cost of the project compared with the total grant dollars requested from NCUA. If, for example, a project costs \$5,000 and the credit union requests \$5,000 from NCUA, that project's leverage ratio is 1-to-1. If, for example, a project costs \$20,000 and the credit union requests a \$5,000 grant from NCUA, that project has a 4-to-1 leverage ratio. Projects with a higher leverage ratio will receive more favorable consideration.

9. Is there anything that would cause an application to be immediately denied?

Yes.

(a) Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

(b) TAG funds are not provided for recurring operational expenses such as salaries, rent, maintenance agreements, annual audits, funding for the allowance for loan losses, or office supplies.

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

Expenses for contractors may be reimbursable under certain grant initiatives. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

(c) Credit unions may not use TAG funds to provide funds to members, such as funding the matching portion of an IDA program or providing gift cards to members.

(d) Credit unions failing to submit summaries for grants previously awarded may be ineligible to receive additional grant funds.

(e) TAG funds may not be used to reimburse NCUA, or any government agency, for any activity.

10. Are there restrictions or limits on which items will be reimbursed?

Yes. The following restrictions apply to reimbursements under CDRLF grant initiatives. The list highlights the more common reasons that OSCUI would not reimburse expenses.

Equipment Purchase and Installation:

Annual maintenance fees and insurance costs are not reimbursable.

Marketing:

Marketing and advertising for the general promotion of the credit union will not be reimbursed.

Mileage:

Reimbursement requests for mileage must include receipts and the starting point, the destination, and the number of trips. Mileage is reimbursable at the 2007 IRS standard mileage rate of \$0.485 per mile.

Postage:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of mailings, with its requests for reimbursement of postage.

Printing/Copying:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of copies made, with its requests for reimbursement of printing and copying

Promotional Items:

Promotional items such as gifts, give-aways, souvenirs, or gift cards are not reimbursable.

Regular Expenses/Pro-Rated Expenses:

Regular expenses of the credit union, such as rent, utilities, and depreciation are not reimbursable under this grant initiative. "Pro-rated" expenses of the credit union, such as a portion of telephone or utility costs, are not reimbursable. These expenses are considered regular operating expenses.

Salaries/Contractors:

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

Undocumented Expenses:

To be reimbursed, credit unions must submit invoices or receipts that correspond to the items listed in the grant award letter, and proof of payment. Requests for reimbursement that do not contain adequate documentation will not be reimbursed.

11. What are the application deadlines?

Application Open Date: May 2, 2008

Application Close Date: July 11, 2008

All grant applications must be received in the Office of Small Credit Union Initiatives by 5pm EDT on July 11, 2008.

OSCUI will not process applications that are submitted after the closing date.

12. What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application. The application must include the signed application form, answers to all questions in the application, and copies of bids, estimates, prices, and other supporting information.

Incomplete grant applications will not be considered. Credit unions may resubmit a completed application provided the application acceptance period is still open, and funds are not exhausted.

13. Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: oscuiapps@ncua.gov

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

14. When will credit unions know about grant awards?

OSCUI will notify credit union applicants of the grant awards by September 5, 2008.

15. What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide a summary of the impact of the grant funding to OSCUI as stated on the grant application form. The time frame for submitting the summary will be stated in the award letter. The submission deadline allows reasonable time for the credit union to ascertain the benefits of the grant.

The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions' success stories provide invaluable supporting information when OSCUI requests annual appropriations from Congress to replenish the grant and loan fund. Credit unions must specify the impact the grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

Evaluations may be faxed to: 703-519-4088
Evaluations may be emailed to: oscuiapps@ncua.gov

Failure to submit this evaluation will have an impact on the credit union's ability to receive grants in the future.

16. How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610
Fax: (703) 519-4088
Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<h2 style="margin: 0;">Grant Outcome Evaluation</h2> <h3 style="margin: 0;">Enhancing Member Services Initiative - 2008</h3>
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Name or short description of the credit union's project:

2. Did the credit union add a new service? If so, describe.

3. Did the credit union make services available or accessible to new members? If so, describe.

3. Primary purpose of the project: (select only one)
 - Providing financial services to members
 - Improving the credit union's operations and/or financial condition

4. Total cost of the project—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to complete the project:

NCUA grant:	\$ _____
Other funds:	\$ _____
Total Cost of Project	\$ _____

5. How many members does the credit union currently serve?

6. You may attach separate sheets to describe the project in more detail.

Please note that your credit union's success stories provide invaluable supporting information when we request annual appropriations from Congress to replenish the grant and loan fund.