

**DEPARTMENT OF THE TREASURY****Community Development Financial Institutions Fund****Notice of Funds Availability (NOFA) Inviting Applications for the Bank Enterprise Award Program**

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

**ACTION:** Notice of Funds Availability (NOFA) inviting applications for the FY 2003 and 2004 funding rounds of the Bank Enterprise Award (BEA) Program.

**SUMMARY:** This NOFA is issued in connection with the Fiscal Year 2003 and 2004 funding rounds of the BEA Program. Through the BEA Program, the Community Development Financial Institutions Fund (the Fund) encourages insured depository institutions to increase their levels of loans, investments, services, and technical assistance within distressed communities and financial assistance to Community Development Financial Institutions (CDFIs) through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance.

Subject to funding availability, the Fund expects that it may award approximately \$17 million for FY 2003 awards, and approximately \$8 million for FY 2004 awards, in appropriated funds under this BEA Program combined FY 2003–2004 NOFA. The Fund reserves the right to award in excess of said funds under this NOFA, provided that the appropriated funds are available and the Fund deems it appropriate. Under this NOFA, the Fund anticipates a maximum award amount of \$1.5 million per applicant. However, 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. Further, 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. The Fund reserves the right to re-allocate funds from the amount that is anticipated to be available under this NOFA to other Fund programs, particularly if the Fund determines that the number of awards made under this NOFA is fewer than projected.

The interim rule governing the BEA Program (12 CFR part 1806), revised and published in this issue of the **Federal Register**, provides guidance on evaluation criteria and other requirements of the BEA Program. Detailed application content

requirements are found in the application related to this NOFA. The Preamble to the Fund's NOFAs, published in this issue of the **Federal Register** also specifies other program information, including eligibility requirements, for each of the Fund's programs. The Fund encourages applicants to review the revised interim rule and the Preamble to the NOFAs; in addition, all of the application content requirements and the evaluation criteria set forth in the revised interim rule are set forth in the application.

**DATES:** Following the publication of this NOFA, the Fund will make the FY 2003–2004 BEA Program application materials available on its Web site at <http://www.cdfifund.gov>. The Fund will send application materials to applicants that are unable to download them from the Web site. To have application materials sent to you, contact the Fund by telephone at (202) 622–6350; by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov); or by facsimile at (202) 622–7754. These are not toll free numbers.

BEA Program awards are based on increases in Qualified Activities from a Baseline Period to an Assessment Period. For the FY 2003–2004 funding round, applicants may elect to apply for an award based on a 6-month Baseline and Assessment Period or a 12-month Baseline and Assessment Period. The deadline for receipt of all application materials for the 6-month option is 5 p.m. ET on July 17, 2003. The deadline for receipt of all application materials for the 12-month option is 5 p.m. ET on February 25, 2004. Applicants may only submit an application for either the 6-month option or the 12-month option, but not both. Applications received after 5 p.m. ET on the applicable date will be rejected and returned to the sender.

In order to expedite application review, applicants must submit a specific section of the application, the Report of Transactions form, electronically (via e-mail) per the instructions provided on the Fund's website, by 5 p.m. ET on July 17, 2003 (for the 6-month option) or by 5 p.m. ET on February 25, 2004 (for the 12-month option). Reports of Transactions that are submitted after said date and time will not be accepted for consideration and will be returned to the sender. If an applicant is unable to submit the Report of Transactions via e-mail, it must notify the Fund by 5 p.m. ET April 30, 2003 (for the 6-month option) or 5 p.m. ET on October 31, 2003 (for the 12-month option) to make alternative arrangements. Applications sent by facsimile or e-mail will not be accepted (except as provided above).

Any entity that is planning to participate in the BEA Program either as an applicant or as a CDFI Partner, and that is seeking certification as a CDFI (as described in 12 CFR 1805.200), is strongly encouraged to submit the Application for Certification (the contents of which are described in 12 CFR 1805.201(b)(1) through (6)), no later than the following dates prior to the end of the applicable Assessment Period: April 15, 2003 for the 6-month option and October 15, 2003 for the 12-month option. If an entity fails to submit such application by the applicable deadline, the Fund may not have sufficient time to timely complete a certification review for the purpose of the current funding round of the BEA Program. With respect to all requests for certification, the Fund reserves the right to request clarifying or technical information after reviewing certification materials submitted as described in 12 CFR 1805.201(b)(1) through (6). If the entity seeking certification does not respond to such requests in a timely manner, the Fund may not have sufficient time to complete a certification review for the purposes of the current funding round of the BEA Program.

For the 6-month option, any CDFI whose certification is due to expire between January 1, 2003 and June 30, 2003 must submit a re-certification application by May 30, 2003 in order to continue to qualify as a CDFI Partner. For the 12-month option, any CDFI whose certification is due to expire between July 1, 2003 and December 31, 2003 must submit a re-certification application by November 28, 2003 in order to continue to qualify as a CDFI Partner.

**ADDRESSES:** Applications in paper form must be sent to: CDFI Fund Awards Manager, Bureau of Public Debt—Franchising, 200 Third Street, Room 211, 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 in the Fund's offices in Washington, DC. Applications received in the Fund's offices will be rejected and returned to the sender. Applicants must submit completed Reports of Transactions either:

- (i) online to [bea@cdfi.treas.gov](mailto:bea@cdfi.treas.gov); or
- (ii) in paper form to the address stated above, by the applicable deadline.

**FOR FURTHER INFORMATION CONTACT:** If you have any questions about the programmatic requirements for the BEA Program, or if you have questions or problems with the e-mail submission of the Report of Transactions form, contact

the Fund's Depository Institutions Manager. If you have questions regarding administrative requirements, contact the Fund's Awards Manager. The Depository Institutions Manager and the Awards Manager may be reached 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 at 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. Applications and other information regarding the Fund and its programs may be downloaded and printed from the Fund's Web site at <http://www.cdfifund.gov>.

#### SUPPLEMENTARY INFORMATION:

##### I. Eligibility

The legislation that authorizes the BEA Program specifies that eligible applicants for the BEA Program must be Insured Depository Institutions, as defined in 12 U.S.C. 1813(c)(2). An applicant must be FDIC-insured by June 30, 2003 for the 6-month option and by December 31, 2003 for the 12-month option to be eligible for consideration for a BEA Program award under this NOFA.

For the purposes of this NOFA, an eligible CDFI Partner is:

(a) a CDFI that is not an insured credit union, insured depository institution, or depository institution holding company, and that has up to \$25 million in total assets as of its most recently completed fiscal year;

(b) a CDFI that is an insured credit union that has up to \$25 million in total assets for its most recently completed fiscal year;

(c) a CDFI that is an insured depository institution or depository institution holding company and that has up to \$500 million in total assets for its most recently completed fiscal year, or

(d) a CDFI proposing a new level or type of activity in a CDFI Program-qualified Hot Zone (for further information on the CDFI Program's Hot Zones, please refer to the NOFA for the Financial Assistance Component of the CDFI Program published in this issue of the **Federal Register**, and the Fund's Web site at <http://www.cdfifund.gov/programs/hotzones>).

For purposes of CDFI Support Activities, the CDFI Partner must demonstrate that it is Integrally Involved in an eligible Distressed Community. The revised interim rule (at 12 CFR § 1806.103(gg)) provides the following definition of Integrally

Involved: (a) For a CDFI Partner, having provided at least five percent of financial transactions or dollars transacted (e.g., loans or equity investments as defined in 12 CFR 1805.104(s)), or five percent of Development Service activities, in the Distressed Community identified by the applicant or the CDFI Partner, as applicable, in each of the three calendar years preceding the date of the applicable NOFA, or having transacted at least ten percent of financial transactions (e.g., loans or equity investments) in said Distressed Community in at least one of the three calendar years preceding the date of the applicable NOFA, or demonstrating that it has attained at least five percent of market share for a particular product in said Distressed Community (such as at least five percent of home mortgages originated in said Distressed Community) in at least one of the three calendar years preceding the date of the applicable NOFA; or (b) for a non-CDFI, having directed at least five percent of its business activities (e.g., investments, revenues, expenses, or other appropriate measures) to serving the Distressed Community identified by the applicant in each of the three calendar years preceding the date of the applicable NOFA, or having provided at least ten percent of its business activities in said Distressed Community in at least one of the three calendar years preceding the date of the applicable NOFA.

##### II. Designation of Distressed Community

A Distressed Community, defined in the revised interim rule at 12 CFR § 1806.103(t), and as more fully described in 12 CFR § 1806.200, must meet the following minimum geographic, population, poverty, and unemployment requirements:

(1) *Geographic requirements.* A Distressed Community must be a geographic area:

(a) That is located within the boundaries of a Unit of General Local Government;

(b) the boundaries of which are contiguous; and

(c) the population of which is at least 4,000 if any portion of the area is located within a Metropolitan Area with a population of 50,000 or greater; or

(d) the population must be at least 1,000 if no portion of the area is located within such a Metropolitan Area. If an area is located entirely within an Indian Reservation, there is no minimum population requirement.

(2) *Economic Distress requirements.* A Distressed Community must be a geographic area where:

(a) at least 30 percent of the Residents have incomes that are less than the national poverty level, as published by the U.S. Bureau of the Census in the most recent decennial census; and

(b) the unemployment rate is at least 1.5 times greater than the national average, as determined by the U.S. Bureau of Labor Statistics' most recent data (including estimates of unemployment developed using the U.S. Bureau of Labor Statistics' Census Share calculation method).

An applicant applying for a BEA Program Award for carrying out Distressed Community Financing Activities, Services Activities, and CDFI Support Activities shall designate one or more Distressed Communities. Each CDFI Partner that is the recipient of CDFI Support Activities from an applicant shall also designate a Distressed Community. The CDFI Partner can identify a different Distressed Community than the applicant. Applicants providing Equity Investments to a CDFI, and CDFI Partners that receive Equity Investments, are not required to designate Distressed Communities. Please note that the CDFI Partner's designated Distressed Community must meet the requirements of the BEA Program; a Distressed Community as defined by the BEA Program is not the same as an Investment Area as defined by the CDFI Program or a Low-Income Community, as defined by the NMTC Program.

An applicant or CDFI Partner (as appropriate) shall designate an area as a Distressed Community by:

(a) Selecting geographic units which individually meet the minimum area eligibility requirements; or

(b) selecting two or more geographic units which, in the aggregate, meet the minimum area eligibility requirements set forth in paragraph (1) of this section provided that no geographic unit selected by the applicant within the area has a poverty rate of less than 20 percent. An applicant engaging in Distressed Community Financing Activities or Service Activities designates a Distressed Community by submitting:

(i) a List of Eligible Census Tracts; and

(ii) a Map of the Distressed Community.

An applicant that engaged in CDFI Support Activities only (or CDFI Support Activities and CDFI Equity Investments) may designate the same Distressed Community as any one of its CDFI Partners by signing and submitting with its application, a certification (included in the application materials) that it is designating the same Distressed

Community as its CDFI Partner. A CDFI Partner designates a Distressed Community by submitting:

- (a) a List of Eligible Census Tracts;
- (b) a Map of the Distressed Community; and
- (c) a narrative describing how the CDFI Partner is Integrally Involved (see definition above, section I "Eligibility") in the Distressed Community.

Applicants and CDFI Partners must use the Fund's online Help Desk at <http://www.cdfifundhelp.gov> to designate Distressed Communities. The online Help Desk contains step-by-step instructions on how to create and print the aforementioned List of Eligible Census Tracts and Map of the Distressed Community.

### III. Baseline Period and Assessment Period Dates

In NOFAs for prior funding rounds, the Fund established the Baseline Period and Assessment Period as the first 6-months of corresponding years. For this NOFA only, applicants may elect to apply for an award based on a 6-month Baseline and Assessment Period or a 12-month Baseline and Assessment Period. The Fund believes that a 12-month Baseline and Assessment Period will be more in keeping with the natural business cycle of applicants. For purposes of this NOFA, applicants electing the 6-month option will report on all Qualified Activities carried out during the Baseline Period of January 1, 2002 to June 30, 2002 as well as those carried out during the Assessment Period of January 1, 2003 to June 30, 2003. Applicants electing the 12-month option will report on Qualified Activities carried out during the Baseline Period of January 1, 2002 to December 31, 2002 as well as those carried out during the Assessment Period of January 1, 2003 to December 31, 2003. Applicants may apply to either the 6-month option or the 12-month option, but not both.

### IV. CDFI Related Activities

For purposes of determining the award amount attributed to deposits in a CDFI that is an insured depository institution, the Fund will count only the first \$1,000,000 deposited by any applicant in said CDFI. Furthermore, an applicant that is also a CDFI cannot receive credit for any financial assistance or Qualified Activities provided to a CDFI Partner that is also an FDIC-insured depository institution or depository institution holding company.

Section 1806.103(q) of the revised interim rule states that any certificate of deposit placed by an applicant in a

CDFI that is bank, thrift, or credit union must be:

- (a) Uninsured and committed for at least three years; or
- (b) Insured, committed for at least three years, and earn a rate of interest that is determined by the Fund to be materially below market rates. The Fund has interpreted a "materially below market" interest rate to be an annual percentage rate that does not exceed 80 percent of the rate on a U.S. Treasury bill of comparable maturity as of the date the deposit is placed. For a three-year deposit, use the three-year rate posted for U.S. Government securities, Treasury Constant Maturity on the Federal Reserve Web site at <http://www.federalreserve.gov/releases/H15/update>.

The rate on the website is updated daily at approximately 4 p.m. ET. Certificates of deposit closed prior to that time may use the rate posted for the previous day. The annual percentage rate on a certificate of deposit should be compounded quarterly, semi-annually, or annually. In addition, applicants should determine whether a certificate of deposit is insured based on the total amount the applicant has on deposit on the day the certificate of deposit is placed. For example, if an applicant purchased a \$100,000 certificate of deposit from a CDFI in April, 2001 and purchases another \$100,000 certificate of deposit from the same CDFI in May, 2003, then the second certificate of deposit should be treated as uninsured for purposes of calculating the annual percentage rate. The applicant must make note, in its BEA Program Application, of whether the certificate of deposit is insured or uninsured.

### V. Commercial Real Estate Loans and Related Project Investments

For purposes of this NOFA, eligible Commercial Real Estate Loans and related Project Investments (see revised interim rule at 12 CFR § 1806.103(l) and (ll)) are generally limited to transactions with a total principal value of up to and including \$1 million used to finance "community assets" such as the purchase, construction, or renovation of real estate where over 50 percent of the leasable (or occupable) square footage is for the provision of one or more of the following: health care facilities, charter schools, job training, day care, elder care centers, homeless services, or retail facilities. The Fund will calculate award amounts in accordance with Section VIII, below. Notwithstanding the foregoing, the Fund may in its discretion, consider transactions with a principal value of over \$1 million subject to review and approval of a

"community benefit statement." The application must demonstrate that the proposed project offers, or significantly enhances the quality of, a facility or service not currently provided to the Distressed Community. The application contains additional information on fulfilling this requirement.

### VI. Equity-Like Loans

In January 2001, the Fund issued policy guidance specifying its BEA Program definition of Equity-Like Loans (*i.e.*, loans with characteristics of equity). On further review, the CDFI Fund realized that the previously defined characteristics presented certain barriers for CDFI Partners to the point where there was a disincentive to engage in the activity. The Fund hopes that reducing the requirements for Equity-Like Loans will make this product more accessible to CDFIs that can only access the BEA Program through the Equity Investment category—especially CDFIs located in rural areas. For purposes of this NOFA, Equity-Like Loans (see revised interim rule at 12 CFR 1806.103(y)) must meet the following characteristics:

- (1) At the end of the initial term, the loan must have a definite rolling maturity date that is automatically extended on an annual basis if the borrower continues to be financially sound and carrying out a community development mission;
- (2) Periodic payments of interest and/or principal may only be made out of the CDFI borrower's available cash flow after satisfying all other obligations;
- (3) Failure to pay principal or interest (except at maturity) will not automatically result in a default under the loan agreement; and
- (4) The loan must be subordinated to all other debt except for other Equity-Like Loans. Notwithstanding the foregoing, the Fund reserves the right to determine, on a case-by-case basis, if an instrument evidences an Equity-Like Loan.

As specified in the January 2001 guidance, the Fund requests that applicants submit to the Fund for review, not later than 45 days prior to the end of the applicable Assessment Period, all documents evidencing loans that they wish to be considered as Equity-Like Loans. The purpose for this request is to enhance the Fund's ability to provide feedback to applicants as to whether a transaction meets the Equity-Like Loan requirements prior to the end of the applicable Assessment Period. The Fund will not redraft instruments or provide language for applicants. However, the Fund may comment as to the consistency of a proposed

instrument with the above-stated policy requirements. Such information will allow applicants, if they so choose, to modify the instruments to conform to the program requirements prior to the end of the Assessment Period. This process is intended to prevent circumstances in which an applicant executes loan documents without review by the Fund only to learn after the close of the Assessment Period that the transaction is ineligible for purposes of a Bank Enterprise Award. The Fund cannot guarantee timely feedback to applicants that submit the aforementioned documentation less than 45 days prior to the end of the applicable Assessment Period.

**VII. Reporting Financial Services Activities**

In an effort to simplify the reporting requirements and reduce paperwork burden, the Fund is providing a new method for reporting Financial Services activities. The Fund will value the administrative cost of providing certain Financial Services at specified per unit values. The per unit values of specific types of Financial Services are as follows:

- (a) \$25.00 per account for non-ETA, non-IDA and non-First Account savings accounts;
- (b) \$40.00 per account for checking accounts;
- (c) \$5.00 per check cashing transaction times the total number of check cashing transactions;
- (d) \$25,000 per new ATM installed at a location in a Distressed Community;
- (e) \$2,500 per ATM operated at a location in a Distressed Community;
- (f) \$250,000 per new retail bank branch office opened in a Distressed Community; and
- (g) in the case of applicants engaging in Financial Services activities not described above, the Fund will determine the account or unit value of such services. In the case of opening a new retail bank branch office, the applicant must certify that it has not operated a retail branch in the same census tract in which the new retail branch office is being opened in the past three years, and that such new branch will remain in operation for at least the next five years.

An applicant may derive the total percentage of Low- and Moderate-Income individuals who are recipients of Financial Services by either:

- (a) Collecting income data on its Financial Services customers;
- (b) certifying that the applicant reasonably believes that such customers are Low- and Moderate-Income individuals and providing a brief

analytical narrative with information describing how the applicant made this determination; or

(c) using the Fund's methodology described below.

The Fund has developed a methodology for estimating the number of Low- and Moderate-Income Financial Services customers rather than requiring applicants to collect data on the actual income levels of its Financial Services customers. For both the Baseline Period and the Assessment Period, the value of Financial Services shall be derived based on the total number of new accounts, transactions or other eligible services multiplied by a per unit value of such services. This number shall be multiplied by the total percentage of Low- and Moderate-Income individuals who are residents of the census tracts where the Financial Services were provided (e.g., bank branch, ATM location). Such census tracts must be part of a Distressed Community. The Help Desk includes a component that will provide the needed census tract data.

**VIII. Cap on Qualified Activity Amount**

In calculating award amounts, the Fund will count only the amount an applicant reasonably expects to disburse on a transaction within 12 months from the end of the Assessment Period. Subject to the exception outlined in Section V, above, in no event shall the value of a Qualified Activity for purposes of determining a Bank Enterprise Award exceed \$1 million in the case of Commercial Real Estate Loans or any CDFI Related Activities (i.e., the total principal amount of the transaction must be \$1 million, or less to be considered a Qualified Activity).

**IX. Priority Factors**

For the purposes of this NOFA, Qualified Activities shall have the following Priority Factors:

| Qualified activities  | Priority factor |
|---|-----------------|
| Personal Wealth Building, which includes: .....<br>Affordable Housing Loans; Home Improvement Loans; Small Business Loans and related Project Investments; Education Loans; and Targeted Financial Services, IDAs | 3.0             |
| Community Wealth Building, which includes: .....  | 2.0             |

| Qualified activities  | Priority factor |
|---|-----------------|
| Affordable Housing Development Loans and related Project Investments; and Select Commercial Real Estate Loans and related Project Investments |                 |

**X. Award Percentages, Award Amounts, Selection Process**

The revised interim rule published in this issue of the **Federal Register** describes the process for selecting applicants to receive assistance and for determining award amounts. A multiple step procedure is outlined in the regulations that will be used to calculate the estimated award amounts. The Fund will calculate Actual Award Amounts based on increases in Qualified Activities (called the "Score") that occur during a 6-month or a 12-month Assessment Period in excess of activities that occurred during a 6-month or a 12-month Baseline Period. In calculating said award amounts, the Fund will count only the amount an applicant reasonably expects to disburse on a transaction within 12 months from the end of the Assessment Period, subject to applicable caps on Qualified Activity amounts set forth in this NOFA.

In the CDFI Related Activities category (except for Equity Investments in CDFIs), if an applicant is a CDFI, such estimated award amount will be equal to 18 percent of the total score calculated in the multiple step procedure. If an applicant is not a CDFI, such estimated award amount will be equal to 6 percent of the total score calculated in the multiple step procedure. Notwithstanding the foregoing, the award percentage applicable to an Equity Investment in a CDFI shall be 15 percent if the applicant is a CDFI, and 5 percent if the applicant is not a CDFI. For the Distressed Community Financing Activities and Service Activities categories, if an applicant is a CDFI, such estimated award amount will be equal to 9 percent of the total score calculated in the multiple step procedure. If an applicant is not a CDFI, such estimated award amount will be equal to 3 percent of the total score calculated in the multiple step procedure.

If the amount of funds available during the funding round is insufficient for all estimated award amounts, awardees will be selected based on the process described in the revised interim rule at 12 CFR 1806.203. This process gives priority to applicants in the following order:

- (a) CDFI Related Activities;
- (b) Distressed Community Financing Activities, and
- (c) Service Activities.

Within each category, applicants will be ranked according to the ratio of the Actual Award Amount calculated by the Fund for the category to the total assets of the applicant. Within the Distressed Community Financing category as well as the Service Activities category, Applicants that are certified CDFIs will be ranked first, and then applicants that have carried out such Distressed Community Financing and Service Activities in a Distressed Community that encompasses an Indian Reservation.

The Fund, in its sole discretion:

- (a) May adjust the Estimated Award Amount that an applicant may receive;
- (b) may establish a maximum amount that may be awarded to an applicant; and
- (c) reserves the right to limit the amount of an award to any applicant if the Fund deems it appropriate.

For purposes of calculating award disbursement amounts, the Fund will treat Qualified Activities with a total principal amount of less than \$250,000 as fully disbursed. Awardees will have 12 months from the end of the Assessment Period to disburse on Qualified Activities and 18 months to request the corresponding portion of their awards.

#### XI. Award Decision Appeal Process

Each applicant will be informed of the Fund's award decision either through a Notice of Award if selected for an award, 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 Awards Manager in writing or by e-mail (at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), Attention: Awards Manager); such appeals must be received by the Fund within five business days of the date of the declination letter. Such appeal requests will be reviewed by the Fund's Deputy Director for Management and the Deputy Director for Policy and Programs, as appropriate, whose decision will be final. 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 Web site.

#### XII. Information Sessions

In connection with the Fiscal Year 2003 funding rounds of its programs, the Fund may conduct Information Sessions to disseminate information to organizations contemplating applying to, and other organizations interested in learning about, the Technical Assistance and Financial Assistance Components of the CDFI Program, the Native American CDFI Development Program, and the BEA 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 Web site at <http://www.cdfifund.gov> or call the Fund at (202) 622-8401.

*Catalog of Federal Domestic Assistance:* 21.021.

**Authority:** 12 U.S.C. 1834a, 4703, 4703 note, 4713; 12 CFR part 1806.

Dated: January 27, 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 Community Development Financial Institutions Program—Native American CDFI Development Program

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

**ACTION:** Notice of funds availability ("NOFA") inviting applications for the FY 2003 and FY 2004 funding rounds of the Native American CDFI Development ("NACD") Program.

**SUMMARY:** This NOFA is issued in connection with the FY 2003 and FY 2004 funding rounds of the NACD Program. Through the NACD Program and subject to appropriation of funding for the purposes enumerated in this NOFA, the Community Development Financial Institutions Fund (the "Fund") will provide technical

assistance ("TA") grants to organizations that plan to create community development financial institutions (CDFIs) to serve Native American, Alaska Native and/or Native Hawaiian communities.

Interested parties should be aware that implementation of the FY 2003/04 NOFA for the NACD Program is contingent on the appropriation of funds for the purposes enumerated in this NOFA; as of the date of this NOFA, said appropriation is pending with Congress. The Fund will issue a notice on its Web site, at <http://www.cdfifund.gov>, at such time that the Fund has the authority to implement the FY 2003/04 NOFA for the NACD Program. Applicants may submit applications pursuant to this NOFA as set forth herein; however, the Fund will not review applications or make awards unless and until funds are appropriated for the purposes and uses set forth in this NOFA.

The Preamble to the Fund's NOFAs, published in this issue of the **Federal Register** also specifies other program information, including eligibility requirements, for each of the Fund's programs. The Fund encourages applicants to review the revised interim rule and the Preamble to the NOFAs.

The FY 2003 and FY 2004 Technical Assistance Component and the NACD Program together replace the Native American CDFI Technical Assistance ("NACTA") Component that was made available in FY 2002.

Subject to funding availability, the Fund expects that it may award approximately \$3 million for FY 2003 awards, and approximately \$1.5 million for FY 2004 awards, in appropriated funds under this NACD Program NOFA. The Fund reserves the right to award in excess of said funds under this NOFA provided that the appropriated funds are available and the Fund deems it appropriate. The Fund intends to make information available on its website about the level of dollars remaining available on a regular basis.

Applicants should note that the Fund expects that the funding round for this NOFA (and the NOFA for the Technical Assistance Component of the CDFI Program, also published in the **Federal Register** on this date) will extend over a two year funding round, subject to funding availability and Fiscal Year 2004 appropriations.

Under this NOFA, the Fund anticipates making TA grants up to \$100,000 per awardee. The Fund, in its sole discretion, reserves the right to award amounts in excess of the anticipated maximum award if the Fund deems it appropriate. The Fund reserves