

UNITED STATES
DEPARTMENT OF
THE TREASURY



Community Development Financial Institutions (CDFI) Fund

Association for
Enterprise Opportunity
May 15 - 18, 2007

Kansas City, Missouri

- ***Introduction to the CDFI Fund***
- Introduction to CDFI and CDE Certification
- How to Write a Better CDFI Funding Application

CDFI Fund Mission



The mission of the CDFI Fund (the Fund) is to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

Programs and Initiatives



- The Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following programs and initiatives:
 - CDFI Program (Financial Assistance (FA) and Technical Assistance (TA)).
 - Native Initiatives.
 - Bank Enterprise Award (BEA) Program.
 - New Markets Tax Credit (NMTC) Program.

Additional Fund Initiatives



- Provides training through third party vendors or otherwise to increase the capacity of CDFIs to serve their markets.
- Undertakes studies to build the capacity of CDFIs and facilitate investment in distressed communities.

Can be a for-profit or not-for-profit entity that meets the following requirements:

- A legally-existing entity
- Primary Mission of Community Development
- Predominantly a Financing Entity
- Provides Development Services in conjunction with financing
- Principally serves a Target Market
- Accountable to the Target Market
- A Non-governmental Entity

Forms of Assistance



- Financial Assistance Award Uses

- Financing Capital
- Loan Loss Reserves
- Capital Reserves
- Operations

- Technical Assistance Award Uses

- A. Personnel (Salary)
- B. Personnel (Fringe Benefits)
- C. Training
- D. Travel
- E. Professional Services
- F. Materials / Supplies
- G. Equipment and Other Capital Expenditures
- H. Other Costs

Applicant Categories: FA and TA



- Category I: Small & Emerging CDFI Assistance (SECA)

2007 Round Example

- Must have received <\$500,000 in FA prior to the application due date (11/14/06); **AND**
- Must meet an asset test or an age test as follows:
 - Began operations on or after January 1, 2003; **OR**
 - Has Total Assets as of 09/30/06 as follows:
 - Insured Depository Institution/Holding Company: up to \$250 million
 - Credit Union or Venture Capital Fund: up to \$10 million
 - Other CDFIs (Loan Funds): up to \$5 million
- Award Request Maximum: \$500,000 (FA) and \$100,000 (TA).

Applicant Categories: FA and TA



- Category II: Core

2007 Round Example

- Meets all the eligibility criteria described in NOFA.
- An applicant that requests more than \$500,000 in FA regardless of size, years in operation, or prior Fund awards.
- Award Request Maximum: up to \$2 million for FA plus up to \$100,000 for TA. Total maximum is \$2.1 million.

Applicant Categories: TA



- TA Only - A TA grant allows a CDFI or an entity proposing to become a CDFI to build its capacity to serve its Target Market.
 - TA does not require Matching Funds.
 - TA can be requested to help become certified as a CDFI.
 - Award Request Maximum: \$100,000.

Native American CDFI Assistance (NACA) Program Overview



- The following components of the Native Initiatives are underway:
 - Native American CDFI Assistance (NACA) Program
 - Native Communities Financing Initiative (Training)
 - Native IDA Initiative (Training)
 - Training and Technical Assistance Contract

Native IDA Initiative



- Combines a 3-day training institute with customized TA to help Native organizations design, implement, and sustain IDAs.
- Presented by CFED and First Nations Oweesta Corporation on behalf of the CDFI Fund.

BEA Program Overview



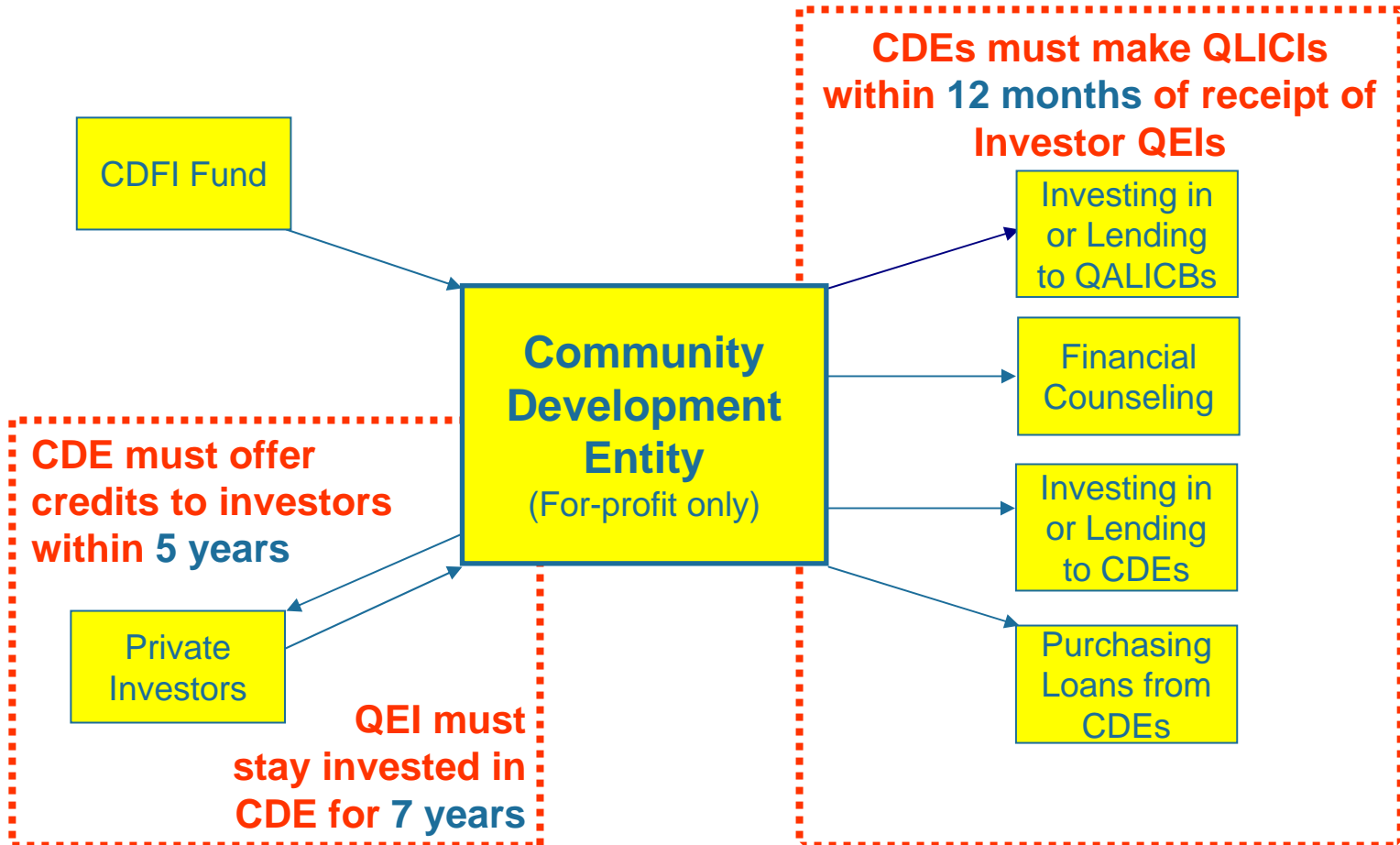
- Provides awards to insured depository institutions for engaging in lending, investment and service activities to CDFIs or to economically distressed communities.
- Rewards actual increases in the dollar volume of Qualified Activities from a Baseline Period to a later Assessment Period.

NMTC Program Overview



- Creates a tax credit for equity investments in Community Development Entities (CDEs).
- A CDE is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments or financial counseling in “Low-Income Communities” (LICs).
- CDEs are required to demonstrate that they:
 - Have a **primary mission** of serving or providing investment capital for LICs or Low-Income Persons.
 - Are **accountable** to residents of the LICs that they serve.

NMTC: Summary Graphic



Questions?

- Introduction to the CDFI Fund
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Why become certified as a CDFI?

- Access to Financial and Technical Assistance dollars from the CDFI Fund
- Benefits of a rigorous self-examination process (necessitated by the CDFI Fund certification and funding applications)
- Leverage other Funding Sources

Who is CDFI certified?

- Micro-business Loan Funds
- Small business Loan Funds
- Non-profit/For-profit Loan Funds
- Credit Unions
- Community Development Banks
- Venture Capital Funds

CDFI Certification Requirements

CDFI Certification Requirements



1. Must be a Legal Entity.

CDFI Certification Requirements



2. Primary Mission must be Community Development.

CDFI Certification Requirements



3. Must be a Financing Entity, predominantly.

CDFI Certification Requirements



4. Must provide Development Services in conjunction with financing activities.

CDFI Certification Requirements



5. Must principally serve the designated Target Market.

CDFI Certification Requirements



6. Must be accountable to the designated Target Market.

CDFI Certification Requirements



7. Must not be a Governmental Entity.

CDE Certification

Why become certified as a CDE?

- Access to the New Markets Tax Credit (NMTC) Program:
 - Apply directly for an Allocation of NMTCs
 - Receive investment from a CDE that has a NMTC Allocation
 - Sell loans to a CDE that has a NMTC Allocation

Who is CDE Certified?

- CDFIs
- Non-profits/For-profits
- Loan Funds
- Credit Unions
- Banks
- Publicly Traded Companies

CDE Certification Requirements



1. Must be a Legal Entity.
2. Primary Mission must be Community Development.
3. Must be accountable to the designated Service Area.

Community Impact Mapping System



- CDFIs – Use system to create maps for applications.
- CDEs – Use system to geocode transactions.

More about maps...

- System creates an electronic version of an organization's Target Market map regardless of type (i.e. Investment Areas, Low-Income Targeted Populations, and Other Targeted Populations).
- Map can be linked electronically to a specific application to the CDFI Fund.

Community Impact Mapping System



- Access CIMS via the organization's myCDFI account. (Go to www.cdfifund.gov to log into myCDFI account.)

The screenshot displays the myCDFI-Fund website's home page. The header includes the site name 'myCDFI-Fund' and navigation links for 'Home' and 'Help'. A sidebar on the left is labeled 'CDFI Home Page'. The main content area is titled 'Announcements & Helpful Tips' and features several news items with accompanying photos. The first item shows CDFI Fund Director Kimberly Reed speaking at a podium. The second item shows U.S. Treasurer Anna Escobedo Cabral speaking to a group of people. Below these are several bullet points providing information about school visits, user registration, and profile updates. On the right side of the page, there is a 'myCDFI Login' section with input fields for 'E-mail' and 'Password', and a 'Login' button. Below the login section is a 'User Registration' section with three links: 'I do not already have a user account with myCDFI.', 'I already have a user account but do not know my password.', and 'I need help with setting up my user account.'

Community Impact Mapping System



- Create a map.

The screenshot displays the myCDFI-Fund web application. At the top, the user is logged in as "Star Wilbraham" with a "Log Out" link. A navigation bar contains "Home", "Organization", "Readers", "Workshops", and "Help". Below this, there are links for "CDFI Home", "User Home", and "Organization Home". The main content area is titled "CDFI Staff Test Organization" and "Mapping". It features a "Welcome to CIMS, the CDFI Fund Information and Mapping System" section with a detailed introductory paragraph. Below the welcome message, there is a "Create Target Markets" section with a table listing four programs: BEA Distressed Communities, CDFI Investment Areas, Native American Areas, and NMTC Low Income Communities. Each program has "New", "Open", and "Edit" actions available.

myCDFI-Fund Star Wilbraham [Log Out](#)

[Home](#) [Organization](#) [Readers](#) [Workshops](#) [Help](#)


[CDFI Home](#) [User Home](#) [Organization Home](#)

CDFI Staff Test Organization


Mapping

Welcome to CIMS, the CDFI Fund Information and Mapping System

















Welcome to CIMS. This system is designed to help CDFI customers with mapping target markets for use in submitting with CDFI applications. This system is currently integrating new features that will enhance the myCDFI Online System experience, incorporating the ability to save target market queries and tracts to be mapped again without having to re-enter information everytime you need worksheets or investment area information. For more information, please feel free to contact the CDFI Fund's IT HelpDesk by email at ITHelpDesk@cdfi.treas.gov, or by phone at (202)622-2455.

To start a new map, please click on the  "New Map" icon for the program that you are interested in, or simply choose and click the program name from the program bar at the upper-right hand corner of this box. To learn more about a program, click on the program name below.

CIMS has an integrated Geocoder Feature that allows you to geocode the addresses or enter census and county codes of your customer transactions. To access these features, create a new map and select "File", "Import" and then select "Geocode Addresses" or "Enter Census Tracts". Another feature is the ability to zoom to a county or state by choosing "Tools", "Zoom To" and selecting the area that you would like to zoom to.

 [View the Tutorial to help you get started and better understand the myCDFI Mapping System.](#)

Create Target Markets

Program	New	Open	Edit
 BEA Distressed Communities	 New	 Open	 Edit
 CDFI Investment Areas	 New	 Open	 Edit
 Native American Areas	 New	 Open	 Edit
 NMTC Low Income Communities	 New	 Open	 Edit

Community Impact Mapping System



- Create a map.

The screenshot displays the "myCDFI-Fund" web application interface. At the top, the user is logged in as "Pamela Williams" with a "Log Out" link. Below this is a navigation bar with buttons for "Home", "Organization", "Readers", "Workshops", and "Help". A secondary navigation bar includes "CDFI Home", "User Home", and "Organization Home". The main content area is titled "CDFI Staff Test Organization" and features a menu with "File", "Edit", "View", "Tools", and "Help". A sub-menu is open, showing "Bank Enterprise Awards", "CDFI", "Native American", and "New Markers". Below the menu is a toolbar with various icons for map navigation and editing. The main map area shows a "New Map 12/13/2005 9:56:27 AM" with a geographic area selection panel on the left. This panel has two sections: "Geographic Area" with radio buttons for "Census Tracts" (selected), "Counties", and "States"; and "Labels" with checkboxes for "Census Tracts", "Counties", and "MSAs". A note at the bottom of the panel says "Click 'Refresh' on toolbar to update the map." The map itself shows the outline of the United States, including Alaska and Hawaii, with a grid overlay.

Community Impact Mapping System



- Review report generated by map.

25	MO	City, MO-- KS MSA	095	29095004300	1310	0.101	0.373	0.13	2.24	Yes	No	Yes
26	MO	Kansas City, MO-- KS MSA	095	29095005200	1497	0.268	0.574	0.13	2.24	Yes	No	No
27	MO	Kansas City, MO-- KS MSA	095	29095005400	1122	0.337	0.428	0.135	2.33	Yes	No	No
28	MO	Kansas City, MO-- KS MSA	095	29095005601	2010	0.215	0.623	0.182	3.14	Yes	Yes	Yes
29	MO	Kansas City, MO-- KS MSA	095	29095005602	1859	0.274	0.565	0.202	3.48	Yes	Yes	Yes
Total 29					42353	0.308	0.446	0.193	3.336	29	9	11
Details:												
Total population of tracts/counties that do not meet Investment Area criteria(if any)						0						
Percent of total population in tracts/counties not meeting Investment Area criteria						0%						
Total number of Hot Zone tracts/counties(any type)						11						
Hot Zones as a percentage of Investment Area tracts/counties						37.93%						
Hot Zones population as a percentage of Investment Area population						60.53%						
Are all geographic units in Investment Area contiguous?						True						
Source: U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, 2003. The above data is not rounded in order to prevent errors in the computation of Distress Criteria.												

Community Impact Mapping System



- Create a Signature Page.

CDFI Certification Signature Page

Organization Information

Organization Address
On this screen you will verify the mailing and shipping address information and fill in the other fields as requested. Address corrections must be made by clicking on the "Organization Profile" tab at the top of this page. By clicking on this tab you are leaving the Signature Page interface. Note that only the organization's Account Administrators can make changes to the organization address data.

Mailing Address	Shipping Address
801 13th Street NW Suite 200 South Washington, DC 20005	801 13th Street NW Suite 200 South Washington, DC 20005

Recent Fiscal Year End
Date of Applicant's most recent fiscal year end?
Format mm/dd/yyyy

Congressional District
Congressional District of Applicant's Main Office
Include state and district number, i.e. TN12

Nonprofit Type

Not Applicable (Organization is For-Profit)

501(c)(3)

501(c)(4)

Federal Credit Union

Other (specify below)

Other Nonprofit Type
Specify if "Other" checked for Non-Profit Type, or enter "NA" if not applicable.
Enter "NA" if not applicable.

First Year of Activities
Month and Year of activities begin date
Format mm/yyyy

Faith-based Organization
Is this a faith-based organization?

Yes No

Update Signature Page Information Cancel

Community Impact Mapping System



- Submit Signature Page with map.

A screenshot of a web application interface. At the top right, there are three navigation buttons: 'Home', 'Organization Profile', and 'Organization Applications'. On the left side, there is a vertical menu with the following items: 'Instructions', 'Organization Information', 'Authorized Representative', 'Contact', 'Target Market Designation', 'Upload Documents', and 'Submit and Print'. The main content area is titled 'CDFI Certification Signature Page'. It displays the following text: 'Submission Status: Not Complete', 'Signature Page information is incomplete.', 'Required input is missing from the following sections:', and 'Organization Information'.

Questions?

- Introduction to the CDFI Fund
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- ***How to Write a Better CDFI Funding Application***

Preparing to Complete the Application



1. Review Notice of Funds Availability (NOFA) carefully.
2. Create the organization that will possibly receive funding if it is not created already. (Note: Parent organizations cannot receive funding).

Preparing to Complete the Application



3. Sign-up with Grants.gov early.

4. Call Compliance Monitoring and Evaluation (CME) Team early to ensure reporting is up to date.

Preparing to Complete the Application



5. Attend and/or view a CDFI Fund outreach session.
6. Understand and be able to complete questions regarding financial projections including applicable charts.

7. Plan out Technical Assistance request (i.e. determine what the organization needs to purchase, what kind of strategic planning is needed).
8. Prepare documentation of eligible matching funds for Financial Assistance applications.

Completing the Application



9. Start completing the application early. Then, submit it early as well.
10. Provide details regarding the organization's pipeline... particularly newer organizations.

Completing the Application



11. Demonstrate an analysis of competitors/collaborators (i.e. how is the applicant different from other organizations including partners).

12. Provide examples of how organization's development services relate to financial products.

Completing the Application



13. Demonstrate financial sophistication (i.e. how organization is moving away from government subsidies).
14. Be clear about the *need* AND the *demand* for the proposed product(s).

Completing the Application



17. For prior awardees: Outline past awards and corresponding activities explicitly (include any non-compliance issues).

18. Demonstrate that current or proposed management skills support proposed products.

Completing the Application



19. Make sure that all applicable charts are complete and support narrative.
20. Check for consistency between each section.

Questions?

Contacting the Fund



- Programmatic Support:

cdfihelp@cdfi.treas.gov or 202.622.6355

- Grants Management Support:

grantsmanagement@cdfi.treas.gov or 202.622.8226

- Compliance Support:

cme@cdfi.treas.gov or 202.622.8226

- Technical Support:

ithelpdesk@cdfi.treas.gov or 202.622.2455

- Legal Counsel Support:

**See “How to Request a Legal Review” at
www.cdfifund.gov**

Star Wilbraham

CDFI Fund - CDFI Program

Financial and Program Analyst

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www.cdfifund.gov