

COMMUNITY
DEVELOPMENT
FINANCIAL
INSTITUTIONS
FUND

Bank Enterprise Award Program

2003 - 2004 Application

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

Bank Enterprise Award Program 2003 - 2004 Application

OMB Approval No. 1505-0153

CDFI-0002

Paperwork Reduction Act Notice

This submission requirements package is provided to Applicants for awards under the Bank Enterprise Award Program. The Estimated average burden associated with this collection of information is 15 hours per respondent, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Community Development Financial Institutions Fund, 601 Thirteenth Street, N.W., Suite 200-South, Washington, DC 20005.

Capitalized terms not otherwise defined herein are defined in the Glossary of Terms, the BEA Program Regulations (12 CFR §§1806, *et seq.*) or the CDFI Program Regulations (12 CFR §§1805, *et seq.*). All materials are available on the CDFI Fund Website: www.cdfifund.gov.

Catalog of Federal Domestic Assistance Number:

21.021

Applications are due to BPD by:
5:00 pm ET, July 23, 2003 for the 6-month option
5:00 pm ET, February 25, 2004 for the 12-month option

Background on the Community Development Financial Institutions Fund and the Purpose of the Bank Enterprise Award Program

Credit and investment capital are essential ingredients for developing affordable housing, promoting homeownership, starting or expanding businesses, meeting unmet market needs, and stimulating economic growth. Access to financial services is critical to helping bring more Americans into the economic mainstream. Counseling and technical assistance help Americans use the nation's financial system more effectively and avoid "predatory" financial products.

Through the Bank Enterprise Award ("BEA") Program as well as the Community Development Financial Institutions ("CDFI") Program and the New Markets Tax Credit ("NMTC") Program, the CDFI Fund supports financial institutions around the country that are dedicated to financing and supporting community and economic development activities. In Fiscal Year 2003, the BEA Program, the CDFI Program, and the NMTC Program together constitute a continuum of programmatic and investment alternatives that support financial institutions in their efforts to provide capital and financial services to underserved communities. These program alternatives range from capacity-building and technical assistance grants to emerging entities, to financial investments to capitalize CDFIs, to community development investment incentives for insured depository institutions, to Federal tax credit incentives for community development investors.

The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically Distressed Communities. Providing monetary awards for increasing community development activities leverages the Fund's dollars and puts more capital to work in Distressed Communities throughout the nation.

The BEA Program revised interim rule (68 Fed. Reg. 5717, 2/4/03) and the FY 2003/2004 Notice of Funding Availability (NOFA) (68 Fed. Reg. 5727, 2/4/03) have revised several program requirements and components to ensure that the program is: consistent with the Fund's new "continuum of growth" philosophy; better targets awards to community development activities in Distressed Communities; and achieves greater operational efficiencies for Applicants and the Fund. The modifications are also designed to increase the extent to which awards are targeted to "personal wealth" and "community asset" building activities.

Application Submission Requirements

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 as of June 30, 2003 to be eligible to participate in the BEA Program's 6-month option and by December 31, 2003 to be eligible to participate in the BEA Program's the 12-month option as set forth in the FY 2003-2004 NOFA. (Note: 6-month option and 12-month option are defined below.)

Deadlines

For the FY 2003-2004 funding round, Applicants may elect to apply for an award based on a 6-month Baseline and Assessment Period (the "6-month option") or a 12-month combined Baseline and Assessment Period (the "12-month option").

The deadline for receipt of all application materials from all Applicants that elect to apply under the 6-month option is 5:00 pm ET July 23, 2003. (Please note that the Fund has extended the deadline for the 6-month option from the July 17, 2003 date set forth in the NOFA.)

The deadline for receipt of all application materials from all Applicants that elect to apply under the 12-month option is 5:00 pm ET February 25, 2004. Applicants may submit Applications at any time after July 1, 2003 for the 6-month option, or any time after February 1, 2004 for the 12-month option.

Applications received at the Bureau of Public Debt (BPD) address listed below after 5 p.m. ET on the applicable date will not be accepted for consideration. The Fund will not accept applications sent via fax, electronic transmission, or e-mail – except as provided below. An Applicant shall only submit one (1) application whether such Applicant selects the 6-month option or the 12-month option.

Application Submission Requirements Continued

Registering on the myCDFI Online System

Applicants to the FY 2003 BEA Program will be submitting the electronic portion of the application (i.e., the Report of Transactions) and providing banking information (for purposes of disbursing awards) through the “myCDFI” Online System. The myCDFI Online System also includes the ability to make address and organizational information updates; create and maintain additional user accounts with various access levels; and access saved Distressed Community information created using the Fund’s Help Desk.

Applicants must register on myCDFI to submit the Report of Transactions. To access myCDFI, please visit www.cdfifund.gov/mycdfi/ and click on “Register New User.” Once registered, please take a moment to become familiar with the features of this new service. If you have any questions or problems with your account, please contact the CDFI Fund IT HelpDesk by phone at 202-622-2455, or by email at ITHelpDesk@cdfi.treas.gov.

Application Materials

Applicants must complete and submit applications in such a manner as to comply with all requirements of the BEA Program Regulations (12 CFR Part 1806). If after reviewing an application, the Fund determines that materials are missing or incomplete, the Fund will notify the Applicant. The Applicant will generally have two (2) business days to provide the requested information. If the Applicant fails to provide the requested information within the two-day deadline, the Fund, in its sole discretion, may consider the transaction ineligible or reject the application from consideration for a BEA Program award (as applicable). Each application must contain the following materials:

- Part I. Applicant Information and Certification (must be signed)**
- Part II. Documentation and Other Requirements (as necessary)**
- Part III. Worksheet 1: Final BEA Rating and Calculations**
- Part IV. Report of Transactions (paper copy and electronically via myCDFI Online)**
- Part V. Distressed Community Designation (for Applicants, as required)**
 - Worksheet of Eligible Census Tracts
 - Map of Distressed Community(ies)
- Part VI. CDFI Partner Documentation (as required)**
 - Worksheet of Eligible Census Tracts
 - Map of Distressed Community(ies)
 - CDFI Partner Statement of Integral Involvement
 - CDFI Partner Eligibility Materials
- Part VII. Certifications (as applicable)**
 - Certification 1: For ETA and First Account Providers
 - Certification 2: Certification for Opening Retail Branches
 - Certification 3: Certification for Same Distressed Community Designation
 - Certification 4: Certification of Disbursement
- Part VIII. Other Required Materials**
 - Environmental Review

The BEA page of the Fund’s website (www.cdfifund.gov) contains the application in PDF as well as templates (Excel or Word) for the Applicant Information form, Worksheet 1, CDFI Partner Statement of Integral Involvement, and Certifications 1-4. The website also contains links to the Help Desk for designating Distressed Communities.

Application Submission Requirements Continued

Submitting the Application

Applicants shall send the following materials to the BPD address designated below:

1. One (1) unbound original of all application materials listed above (except as otherwise provided for the Report of Transactions). Copies of required transaction documentation are acceptable.
2. One (1) copy of all such materials in a 3-ring binder (tabs, staples, and other forms of binding are acceptable).

Send the above materials (except as provided below for the Report of Transactions) to:

CDFI Fund Awards Manager
C/O BEA Award Program
Bureau of Public Debt -- Franchise Services
200 3rd Street, Room 211
Parkersburg, WV 26101
Phone: (304) 480-5450

Applications sent to the CDFI Fund's Washington DC office will be rejected and returned to the sender regardless of when they are received.

Submitting the Report of Transactions

In addition to submitting a paper copy of the Report of Transactions with the rest of the application materials, Applicants must provide the Fund with an electronic version through the myCDFI Online System by the application deadline of 5:00 pm ET, July 23, 2003 for Applicants that elect to apply under the 6-month option and 5:00 pm ET, February 25, 2004 for Applicants that elect to apply under the 12-month option. Applicants must: (1) register as a BEA Program applicant using the myCDFI Online System accessed through the Fund's website; and (2) follow the directions contained in myCDFI for completing the Report of Transactions. When completing the Report of Transactions, read and follow the directions carefully. Do not modify the formatting in any way as this will prevent the Fund from reading the file. Failure to provide the appropriately formatted electronic version of the Report of Transactions via myCDFI may, in the Fund's sole discretion, result in rejection of the application from consideration for a BEA Program award.

If you do not have access to e-mail or are otherwise having difficulty downloading the file or submitting the file via myCDFI – you must contact the Depository Institutions Manager at 202-622-6355 by 5 p.m. ET June 15, 2003 for the 6-month option and 5 p.m. ET January 15, 2004 for the 12-month option to make alternative arrangements. The Fund will not accept a paper-only Report of Transactions from any Applicant that fails to submit a request by the applicable date and time. Such applications will be considered substantially incomplete and will not be considered for a Bank Enterprise Award.

Award Agreement

The CDFI Fund will provide the Award Agreement only to Applicants selected as Awardees. The CDFI Fund will send two copies of the Award Agreement and two copies of the Notice of Award along with the letter informing the Applicant that it has been selected as an Awardee. The Awardee's Authorized Representative must sign all copies of both documents and return one copy of each (the Award Agreement and the Notice of Award) to the CDFI Fund within five business days from the date of the award letter. Awardees should retain one copy of both the Notice of the Award and the Award Agreement for its files.

Incomplete Applications

Applications missing any of the items listed below will be considered substantially incomplete, rejected from consideration for a BEA Program award, and returned:

- A signed Applicant Information and Certification form
- Substantially Completed Worksheet 1
- Report of Transactions via myCDFI (unless alternative arrangements have been made by applicable deadline)

Application Submission Requirements Continued

Award Decision Appeal Process:

Each Applicant will be informed of the Fund's award decision either through a Notice of Award if such Applicant is selected for an award, or a declination letter if such Applicant is 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 (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. 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 its evaluation procedures, if the Fund deems it appropriate. If, in the Fund's determination, said procedural changes materially affect the Fund's award decisions, the Fund will provide information regarding the procedural changes through the Fund's website.

Contacting the Fund

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| Main Phone Number: | (202) 622-6355 |
| Fax Number: | (202) 622-7754 |
| E-mail (general inquiries): | cdfihelp@cdfi.treas.gov |
| Website: | www.cdfifund.gov |
| Address of the Fund: (Inquiries or requests only) | CDFI Fund 601 Thirteenth Street, NW, Suite 200-South Washington, DC 20005 |
| Address to Mail Applications: | CDFI Fund Awards Manager The Bureau of Public Debt -- Franchise Services C/O BEA Award Program 200 3rd Street, Room 211 Parkersburg, WV 26101 Phone: (304) 480-5450 |

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| <p>Please note that applications must be sent to the Bureau of Public Debt office listed above. Applications sent to the Fund's Washington DC offices will not be accepted.</p> |
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Terminology:

Capitalized terms are defined in the Glossary of Terms, the BEA Program Regulations, the CDFI Program Regulations, or the applicable NOFA. All documents are available on the BEA Program page of the Fund's website.

Part I. Applicant Information and Certification

| Applicant Information | | | |
|--|---|---|--------------------------|
| Applicant Organization Name: | | Application Control Number: (for Fund use only) 031BE00 | |
| Applicant Mailing Address: Provide physical address for overnight deliveries. Provide nine-digit zip code. | | | |
| Congressional District: (Applicant's Headquarters) | Taxpayer/Employer Identification Number (EIN): | Dun and Bradstreet Number: | FDIC Certificate Number: |
| Authorized Representative Information | | | |
| Authorized Representative (Name and Title): | | Telephone Number: Fax Number: E-mail Address: | |
| Authorized Representative Mailing Address: Provide physical address for overnight deliveries (if different from mailing address). Provide nine-digit zip code. | | | |
| Contact Person Information <input type="checkbox"/> Check if same as Authorized Representative | | | |
| Contact Person (Name and Title): | | Telephone Number: Fax Number: E-mail Address: | |
| Contact Person Mailing Address: Provide physical address for overnight deliveries (if different from mailing address). Provide nine-digit zip code. | | | |
| Applicant Characteristics | | | |
| Applicant's Total Assets as reported on the 3/31/2003 Call Report or TFR (6-month option) or the 12/31/2003 Call Report or TFR (12-month option). Report Total Assets in thousands (000's): | | | \$ |
| Indicate whether any of the following apply to your institution (check all that apply): | | | |
| <input type="checkbox"/> Minority Bank. An institution in which minorities have at least 51% ownership (stock institution), the majority of Board Directors or account holders are minority (non-stock institution), or the community that the institution services is predominantly minority (any type of institution). Minorities include: African-Americans, Native Americans, Native Alaskans, Native Hawaiians, Hispanic Americans, Asian Americans, or women. | | | |
| <input type="checkbox"/> Community Bank. Any institution that identifies itself as a "community bank" should check this item. | | | |
| <input type="checkbox"/> Certified CDFI. An institution certified as a CDFI by the Fund as of 6/30/2003 (6-month option) or 12/31/2003 (12-month option). | | | |
| Type of Charter: | | | |
| <input type="checkbox"/> National Bank <input type="checkbox"/> State Chartered Bank <input type="checkbox"/> Federal Savings Association or Savings Bank | | | |
| State in which the Applicant's headquarters is physically located: | | | |
| List all states within your institution's service area: | | | |
| Applicant Certification | | | |
| The Applicant, by its undersigned Authorized Representative, hereby certifies that: (i) all information in this application is true, accurate, and complete; (ii) the governing body of the Applicant has duly authorized this document, and (iii) the Applicant will comply with the Assurances and Certifications contained in the application if a BEA Program award is made. | | | |
| Signature of Applicant's Authorized Representative (required): | | Date Signed: | |
| How many hours did it take you to complete this application? | | | |

Part II. Documentation and Other Requirements

The following details the requirements for reporting and documenting Qualified Activities. Applicants should use this guidance in conjunction with the instructions for each worksheet as well as the BEA Program Regulations, FY 2003-FY2004 NOFA, Supplemental Guidance for Applicants, and the Glossary of Terms (all available on the Fund's website).

Applicants are urged to collect documentation of all completed transactions throughout the Assessment Period. Applicants are advised not to wait until the end of the Assessment Period or until the application is due to collect such documentation. Advance preparation will save time and effort when completing the application.

GENERAL INFORMATION

Activities of the Applicant: To be eligible for BEA Program consideration, an Insured Depository Institution that is the Applicant or a Subsidiary of the Applicant must originate all Qualified Activities. Transactions carried out by Affiliates are not eligible. Activities of a community development corporation that is a Subsidiary or Affiliate of a bank holding or thrift holding company, but not a Subsidiary of the Applicant, are not eligible. Loans brokered through another institution or loans purchased by the Applicant from another institution are not eligible for BEA Program consideration. Activities of a foundation that is a Subsidiary of the Applicant are eligible. If you are unsure of the eligibility of any Subsidiary or Affiliate, contact the Fund for clarification.

Arms-length transactions: To be considered an eligible Qualified Activity, each loan and investment must be an arms-length transaction with a third party that is not an Affiliate of the Applicant.

What to Report: All reported amounts should be rounded to the nearest dollar. For both the Baseline Period and the Assessment Period, report all Qualified Activities that were closed during the applicable period. The following must be true for Qualified Activities to be considered Closed:

1. The transaction must have been executed on a date within the applicable Baseline Period or Assessment Period, respectively; and
2. The Applicant and the borrower or investee must have entered into a legally binding agreement that specifies the final terms and conditions of the transaction, except that any contingencies included in the final agreement must be typical of similar transaction and reasonable (both in the judgment of the Fund); and
3. An initial cash disbursement of loan or investment proceeds must have occurred in a manner that is consistent with customary business practices and is reasonable given the nature of the transaction (as determined by the Fund). If it is normal business practice to make no initial disbursement at closing (e.g., as is typical for lines of credit or construction loans), the Applicant must provide a brief narrative stating such and demonstrating that the borrower had access to the proceeds, subject to reasonable conditions (such as meeting certain project milestones), beginning at closing.

Face value: For term loans, each transaction must be reported at the total principal dollar amount of the closed loan or investment instrument, subject to dollar amount and time limitations imposed by the Fund, and as set forth in the applicable NOFA. For lines of credit (including construction lines of credit), each transaction should be reported at the maximum amount of credit available through the instrument, subject to dollar amount and time limitations imposed by the Fund. For transactions that are not fully disbursed as of the end of the Assessment Period, the amount reported should only reflect the amount expected to be disbursed within 12 months of the end of the applicable Assessment Period (June 30, 2004 for the 6-month option and December 31, 2004 for the 12-month option), subject to dollar amount limitations imposed by the Fund, and as set forth in the applicable NOFA.

Low-Income Housing Tax Credits; New Markets Tax Credits: Investments for which the Applicant receives federal Low-Income Housing Tax Credits or New Markets Tax Credits as an investor are not considered Qualified Activities. If an Applicant is providing a loan or an investment for a project in which Low-Income Housing Tax Credits or New Markets Tax Credits are a part of the financing package, the activity will be considered a Qualified Activity -- provided that the Applicant and/or any of its Affiliates do not have a ownership stake in the subject project and have not received Low-Income Housing Tax Credits or New Markets Tax Credits in exchange for the investment.

Part II. Documentation and Other Requirements Continued

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, but in no event shall the value of a Qualified Activity for purposes of determining a BEA Program Award exceed \$1 million in the case of any CDFI Related Activities. For CDFI Related Activities with a total principal value of greater than \$1 million, the Fund will count only the first \$1 million in determining the award amount (i.e., not withstanding a total value greater than \$1 million, the Fund will determine an award based upon a \$1 million transaction). In the case of eligible Commercial Real Estate transactions (loans or Equity Investments financing “community assets” such as health care facilities, charter schools, job training, day care, elder care centers, homeless services, or retail facilities), the total principal value cannot exceed \$1 million (i.e., Commercial Real Estate transactions with a principal value greater than \$1 million shall not be considered Qualified Activities). Not withstanding the foregoing sentence, the Fund may, in its discretion, consider Commercial Real Estate transactions with a principal value of over \$1 million, subject to review and approval of a “community benefit statement.”

Compliance on Other CDFI Program Awards: In the event that an FY 2003 or FY 2004 BEA Program Awardee or its subsidiary or affiliate is not in compliance with the terms and conditions of any other award under any component of the CDFI Program, the Fund may, in its sole discretion, withhold disbursement (either initial or subsequent) on the FY 2003 or FY 2004 BEA Program award. Moreover, noncompliance with any other award shall be considered an event of default under the FY 2003 or FY 2004 BEA Program award agreement.

Disbursing Awards: The Fund will disburse to an applicant, on a prorated basis, the proceeds of a BEA Program award earned by the applicant as a result of its engagement in Qualified Activities, as the applicant disburses the proceeds of its loan to the borrower. The applicant must provide evidence that it has made, or has caused to be made, an initial disbursement directly to the borrower during the applicable Assessment Period.

Mergers: If the Applicant completed a merger with another institution during the Assessment Period, it must report the combined activities of the both institutions for the Baseline Period and the Assessment Period.

CDFI RELATED ACTIVITIES

Eligible CDFI Related Activities: CDFI Related Activities consists of two sub-categories: Equity Investments and CDFI Support Activities. Equity Investments include Grants (capital or operating), Equity-Like Loans, and Equity Investments (stock purchase, purchase of partnership interests, or other instruments deemed to an Equity Investment by the Fund). CDFI Support Activities include loans, deposits, and technical assistance. The Glossary of Terms contains definitions of these Qualified Activities. Additional detail on what constitutes an Equity Like Loan can be found in the Supplemental Guidance for Applicants.

Eligible CDFI Partners: For the FY 2003-2004 NOFA, an eligible CDFI Partner is a CDFI whose certification is current and valid as of the end of the applicable Assessment Period, and is:

- ✓ An Insured Depository Institution or Depository Holding Company that has up to \$500 million in total assets for its most recently completed fiscal year; or
- ✓ An Insured Credit Union that has up to \$25 million in total assets for its most recently completed fiscal year; or
- ✓ Not an Insured Credit Union, Insured Depository Institution, Or Depository Holding Company, and that has up to \$25 million in total assets as of its most recently completed fiscal year; or
- ✓ Is proposing a new level or type of activity in a CDFI Program Hot Zone (see definition in the CDFI Program regulations and FY 2003 - 2004 NOFA (68 Fed. Reg. 5738, 2/4/2003)).

Part VI contains additional information on demonstrating that the CDFI Partner meets these requirements.

Activities of CDFI Partner Affiliates: Financial or technical assistance provided to an Affiliate of a certified CDFI is not a Qualified Activity if the Affiliate is not also a certified CDFI.

Limitation for FDIC-Insured CDFI Partners: An applicant that is also a CDFI may not receive BEA credit for any financial assistance provided to a CDFI Partner that is also an FDIC-insured depository institution or depository institution holding company.

Part II. Documentation and Other Requirements Continued

Reporting CDFI Related Activities:

- ✓ **On Worksheet 1**, Applicant must report the total dollar value of all qualified CDFI Related Activities (i.e., Equity Investments and CDFI Support Activities) closed during the Baseline Period and the Assessment Period. Calculate the total dollar value of each category by summing the total principal amount of each grant, investment, deposit, or loan closed during the applicable period. Calculate the dollar amount of Technical Assistance provided to a CDFI Partner during the applicable period by summing the administrative costs of providing such services.
 - ✓ For the purpose of reporting an Applicant's Baseline Period activities on Worksheet 1, the Applicant must report all CDFI Related Activities that it engaged in with any certified CDFI that would have qualified as an eligible CDFI Partner according to the revised Interim Final Rule and the FY 2003-2004 NOFA during the Baseline Period -- not just new activities engaged in with specific CDFI(s) during the Assessment Period.
- ✓ **On the Report of Transactions**, Applicants report the dollar value of each *individual* transaction. For Technical Assistance to a CDFI Partner, list the dollar value of each unit of Technical Assistance according to each CDFI Partner recipient. See instructions for Report of Transactions for additional required information.

Documenting CDFI Related Activities:

- ✓ **Closing Documents:** For all CDFI Related Activities (except Technical Assistance provided to CDFIs), provide documentation demonstrating that the transaction closed during the Assessment Period. Such documentation must include a legally binding agreement between the Applicant and the CDFI Partner (e.g., loan agreement, promissory note, investment agreement, or stock purchase agreement). Document Technical Assistance provided to CDFIs by providing an itemized list of the administrative costs of providing such services.
- ✓ **Disbursement Documents:** For all CDFI Related Activities (except Technical Assistance provided to CDFIs), provide documentation demonstrating that an initial disbursement occurred during the Assessment Period in a manner consistent with customary business practices and that was reasonable given the nature of the transaction. Acceptable documentation includes copies of checks, wire transfer receipts, and credit/debit slips from the general ledger. Internal requests for wire transfers or account print screens are acceptable documentation if accompanied by a signed Certification of Disbursement. If the Applicant has not made a disbursement on a transaction closed within the Assessment Period, provide a narrative describing: (1) why making no initial disbursement was customary business practice and reasonable given the nature of the transaction, and (2) that funds were available at the CDFI Partner's discretion, subject to reasonable conditions (such as meeting certain project milestones), beginning at closing.

DISTRESSED COMMUNITY FINANCING ACTIVITIES

Distressed Community Financing Activities: Affordable Housing Loans; Affordable Housing Development Loans and related Project Investments; Education Loans; Home Improvement Loans; Commercial Real Estate Loans and related Project Investments; and Small Business Loans and related Project Investments. The Glossary of Terms and BEA Program Regulations contain definitions of each Qualified Activity.

Fully Disbursed Transactions: The Fund will deem all Distressed Community Financing Activities with a principal amount of less than \$250,000 as fully disbursed. Follow the directions to the Report of Transactions for indicating the amount disbursed.

Impact Data: In order for the Fund to report on the impact of the BEA Program, applicants are required to provide an estimate as to the number of affordable housing units created (Affordable Housing Loans and Affordable Housing Development Loans and Related Project Investments); jobs created (Small Business Loans and Related Project Investments).

Affordable Housing Development Loans and related Project Investments: Loans or investments to finance the acquisition, construction, and/or development of single- or multi-family residential real property, where at least sixty percent of the units in such property are affordable to Low- and Moderate-Income individuals. The Applicant may determine the number of units and the affordability of the housing based on projections made by the borrower or investee. The Applicant should confirm such projections when the financing is closed. In the case where the transaction is over \$250,000, the documentation submitted by the Applicant must include evidence that the property meets the above definition.

Part II. Documentation and Other Requirements Continued

Methods for Determining the Dollar Value of Affordable Housing Loans: In order to be considered a Qualified Activity, an Affordable Housing Loan must be made to a Low- and Moderate- Income Resident. An Applicant may determine the total dollar value of such loans closed during the Baseline Period and the Assessment Period using one of the following methods (an Applicant may use different methods for the Baseline and Assessment Periods):

- **Exact Count Method:** Collect income data on each mortgage borrower. Use this data to determine which mortgage borrowers are Low- and Moderate-Income Residents. Count only those mortgage loans where the borrower is a Low- and Moderate-Income Resident.
- **Certification Method:** Count the number of mortgage borrowers that the applicant reasonably believes are Low- and Moderate-Income Residents. Provide a brief analytical narrative with information describing how this determination was made (e.g., all borrowers for a certain mortgage loan must pre-qualify as Low-Income).
- **Proxy Method:** Multiply the number mortgage loans closed during the applicable period by the total percentage of Low- and Moderate-Income individuals who live in the census tract of the branch or office where the loans were closed (i.e., the "LMI Percentage"). This LMI percentage is available on the Fund's Online Help Desk. For the Report of Transactions, the Applicant must drop a certain number of mortgage loans. For example, if the applicant closed 100 mortgage loans during the Assessment Period and the LMI percentage is 80%, the applicant would report only 80 of the 100 mortgage loans closed. The Applicant may determine which loans it reports on the Report of Transactions for purposes of this method.

Reporting Distressed Community Financing Activities:

- ✓ **On Worksheet 1,** An Applicant must report the total dollar value of all qualified Distressed Community Financing Activities closed during the Baseline Period and the Assessment Period. Calculate the total dollar value of each category by summing the total principal amount of each transaction closed during the applicable period. Report the total dollar value of each category on the applicable line of Worksheet 1.
 - If the Applicant does not engage in a particular type of activity check the appropriate box in Column A.
 - If the Applicant engages in a particular type of activity but is unable to report on the category, it must (1) check the appropriate box in Column B, (2) provide an explanation (e.g., the applicant does not geocode the particular category), and (3) sign the Certification Regarding the Value of Unreported Distressed Community Financing Activities (attached to the Award Agreement and submitted with the application). This certification, which must be signed by the Authorized Representative, states that the Applicant did not decrease the dollar level of activity in the particular category during the Assessment Period.
- ✓ **On the Report of Transactions,** an Applicant must report the total dollar value of *each* individual loan or investment. See instructions for Report of Transactions for additional required information.

Documenting Distressed Community Financing Activities:

- ✓ **Closing Documents:** For transactions with a principal value of greater than or equal to \$250,000, the Applicant shall provide documentation showing that the transaction closed during the Assessment Period. Such documentation must consist of a legally binding agreement between the Applicant and the borrower/investee/recipient (e.g., loan agreement, promissory note, investment agreement, or stock purchase agreement).
- ✓ **Disbursement Documents:** For transactions with a principal value of greater than or equal to \$250,000, the Applicant shall provide documentation showing that an initial disbursement occurred during the Assessment Period in a manner consistent with customary business practices and reasonable given the nature of the transaction. Acceptable documentation includes copies of checks, wire transfer receipts, and credit/debit slips from the general ledger. Internal requests for wire transfers or account print screens are acceptable if accompanied by a signed Certification of Disbursement.

Part II. Documentation and Other Requirements Continued

SERVICE ACTIVITIES

Service Activities include the following: Deposits; Financial Services; Community Services; Targeted Financial Services; and Targeted Retail Savings/Investment Products. The Glossary of Terms and the BEA Program regulations contain definitions of each category of Qualified Activity.

Methods For Determining the Dollar Value of Service Activities Provided To Low- And Moderate-Income Residents: Determine the total dollar value of Financial Services, Targeted Financial Services, and Targeted Retail Savings/Investment Products provided to Low- and Moderate-Income Residents during the Baseline Period and Assessment Period using one of the following methods:

- **Exact Count Method:** Collect income data on each recipient of the specified activity. Use this data to determine which recipients are Low- and Moderate-Income Residents. Multiply this number by (i) the per unit value specified in the NOFA, or (ii) if the activity is not specified in the NOFA, by the Applicant's estimate of the per unit value.
- **Certification Method:** Take the number of recipients that the applicant reasonably believes are Low- and Moderate-Income Residents and multiply it by (i) the per unit value specified in the NOFA, or (ii) if the activity is not specified in the NOFA, by the Applicant's estimate of the per unit value. The Applicant must provide a brief analytical narrative with information describing how this determination was made.
- **Proxy Method:** Multiply the total number of new accounts, transactions, or other appropriate unit measurement by (i) the per unit value specified in the NOFA, or (ii) if the activity is not specified in the NOFA, by the Applicant's estimate of the per unit value. Multiply this number by the total percentage of Low- and Moderate-Income Residents of the census tract of the branch or office where the account was opened. This percentage is available on the Fund's Online Help Desk.

Reporting Service Activities: An Applicant is required only to report activity for the particular category of Service Activities for which it is seeking an award. For example, if an Applicant is seeking an award for providing IDAs, it need only report the number of IDAs it opened during the applicable period. An Applicant should report only those Service Activities provided to Residents at a location in the Distressed Community.

Reporting Deposit Liabilities:

- ✓ Use the Deposit Calculation Worksheet from the BEA Page of the Fund's website to calculate the net change in the amount of eligible Deposits within the Baseline Period and within the Assessment Period.
- ✓ Report the dollar value of the net change in Deposits for each period in the appropriate column on Worksheet 1, Line 12 and on the Report of Transactions. *Do not* report the total dollar value of Deposits as of the last day of each applicable period – instead calculate the net change over the course of the applicable period. *Do not* report each individual depositor on the Report of Transactions – only report the net change for each period from the Deposit Calculation Worksheet.

Documenting Deposit Liabilities:

- ✓ Submit the Deposit Calculation Worksheet with the application.
- ✓ Attach a narrative explaining the methodology used to determine that: (1) account holders are Residents; and (2) Deposits were accepted at a location in the Distressed Community.

Reporting Community Services:

- ✓ Calculate the total dollar value of providing the Community Service by determining the administrative cost of providing the activity. For staff time, use the number of hours contributed times the staff person's hourly salary. For other administrative costs, the Applicant should report the actual cost.
- ✓ Report the total dollar value of all Community Service Activities for each period on Worksheet 1, Line 13. Report the dollar value of each individual Community Service Activity on the Report of Transactions.

Documenting Community Services:

- ✓ Submit a narrative describing the methodology used to: (1) derive the value (including an itemized list of costs), and (2) determine that the Applicant provided the Community Service to Low- and Moderate-Income Residents, newly-formed small businesses, Low- and Moderate-Income homeowners, or homeowners in the Distressed Community.

Part II. Documentation and Other Requirements Continued

Reporting Financial Services, Targeted Financial Services, and Targeted Retail Savings/Investment Products:

- ✓ Determine the total dollar value of Financial Services, Targeted Financial Services, and Targeted Retail Savings/Investment Products provided to Low- and Moderate-Income Residents during the Baseline Periods using one of the acceptable methods described above.
- ✓ Report the combined total dollar value of Financial Services, Targeted Financial Services, and Targeted Retail Savings/Investment Products on the applicable line of Worksheet 1 and on the Report of Transactions. Do not report the value of each service activity on the Report of Transactions.
- ✓ The chart below lists the pre-set values for each activity from the FY 2003-2004 NOFA.

| Type of Activity | Unit of Measurement | Per Unit Value |
|---|--|----------------|
| Financial Services | | |
| Savings Accounts (other than ETAs, IDAs, or First Accounts) | Per account opened | \$25.00 |
| Checking Accounts (other than ETAs, IDAs, or First Accounts) | Per account opened | \$40.00 |
| Check Cashing | Per number of check cashing transactions | \$5.00 |
| ATM Installation | Per unit | \$25,000 |
| ATM Operation | Per unit | \$2,500 |
| Branch Opening | Per new branch | \$500,000 |
| Other Financial Services | Determined by the Fund on a case-by-case basis | |
| Targeted Financial Services | | |
| ETAs | Per account established | \$50.00 |
| IDAs | Per account established | \$100.00 |
| First Accounts | Per account established | \$280.00 |
| Targeted Savings/Investment Products | | |
| Targeted Savings/Investment Products | Per account established | \$100.00 |

Documenting Financial Services, Targeted Financial Services, and Targeted Retail Savings/Investment Products:

- ✓ Indicate which methodology was used to determine that: (1) the recipients of the activity were Low- and Moderate-Income Residents; and (2) the activity occurred in the Distressed Community.
- ✓ For Financial Services, if using a per unit value not prescribed in the NOFA, describe the methodology used to derive the value. The Fund will determine if this value is acceptable.

Part III. Worksheet 1: Final BEA Rating and Calculations

Worksheet 1 is available in Excel on the BEA page of the Fund's website.

If the Applicant has carried out no activity in a category during the Baseline Period and/or Assessment Period, write "0" in the applicable columns and check the box in Column A. For Distressed Community Financing Activities, if the Applicant has carried out a category of activity, but is unable to report, check the box in Column B and provide a brief explanation of the barriers preventing the Applicant from doing so (e.g., the Applicant does not geocode the particular category of loan). The Applicant must also sign the Certification Regarding Value of Unreported Distressed Community Financing Activities found in the Award Agreement. This certification, which must be signed by the Authorized Representative, states that the Applicant did not decrease the dollar level of activity in the particular category during the Assessment Period. Applicants are not required to report every category for Service Activities.

| CDFI Related Activities: | |
|---|---|
| Line 1: | List the dollar value of CDFI Equity Investments for the Baseline Period (Column C) and Assessment Period (Column D). Subtract the value in Column D from the value in Column C to yield a remainder. List the remainder in Column E. Multiply the amount in Column E by 15%, and list the product in Column G to yield the Estimated Award Amount for Equity Investments. |
| Line 2: | List the dollar value of CDFI Support Activities for the Baseline Period (Column C) and Assessment Period (Column D). Subtract the value in Column D from the value in Column C to yield a remainder. List the remainder in Column E. Multiply the amount in Column E by the applicable award percentage in Column F (18% if the Applicant is a CDFI or 6% if the Applicant is not a CDFI), and list the product in Column G to yield the Estimated Award Amount for CDFI Support Activities. |
| Line 3: | Add the values listed on lines 1 and 2 of Column G to yield the Estimated Award Amount for CDFI Related Activities. |
| Distressed Community Financing Activities: | |
| Lines 4-9: | List the dollar value of each Distressed Community Financing Activity for the Baseline Period (Column C) and the Assessment Period (Column D). Subtract the value in Column C from the value in Column D for each activity to yield a remainder. List the remainder in Column E. Multiply the remainder by the assigned Priority Factor in Column F to yield a weighted value. List the weighted value of each activity in Column G. |
| Line 10: | Add the values listed on lines 4 to 9 of Column F to yield a Total Score. List the Total Score in Column F, Line 10. |
| Line 11: | Multiply the Total Score (Column G, line 10) by the applicable award percentage in Column E to yield an Estimated Award Amount for Distressed Community Financing Activities. List the Estimated Award Amount in Column F, Line 11 |
| Service Activities: | |
| Lines 12-16: | List the dollar value of each Service Activity for the Baseline Period (Column B) and the Assessment Period (Column C). Subtract the value in Column B from the value in Column C for each activity to yield a remainder. List the remainder in Column D. Multiply the remainder by the assigned Priority Factor in Column E to yield a weighted value. List the weighted value of each activity in Column F. |
| Line 17: | Add the values listed on lines 12 to 16 of Column F to yield a Total Score. List the Total Score in Column F, Line 15. |
| Line 18: | Multiply the Total Score (Column F, Line 15) by the applicable award percentage in Column E to yield an Estimated Award Amount for Service Activities. List the Estimated Award Amount in Column F, Line 18. |

Part III. Worksheet 1: Final BEA Rating and Calculations

Applicant: _____

Control Number: 031BE00 _____

| CDFI RELATED ACTIVITIES | | | | | | | |
|--|--------------------------------|---|-----------------|-------------------|--------------------|------------------|------------------------|
| | A | B | C | D | E | F | G |
| | Did not Engage in the Category | | Baseline Period | Assessment Period | Change in Activity | Award Percent | Estimated Award Amount |
| 1. CDFI Equity Investments | <input type="checkbox"/> | | | | | 15% | |
| 2. CDFI Support Activities | <input type="checkbox"/> | | | | | 6% 18%(CDFIs) | |
| 3. Estimated Award Amount for CDFI Related Activities: | | | | | | | |

| DISTRESSED COMMUNITY FINANCING ACTIVITIES | | | | | | | |
|---|--------------------------------|--------------------------|-----------------|-------------------|--------------------|-----------------|----------------|
| | A | B | C | D | E | F | G |
| | Did not Engage in the Category | Unable to Report | Baseline Period | Assessment Period | Change in Activity | Priority Factor | Weighted Value |
| 4. Affordable Home Mortgage Loans | <input type="checkbox"/> | <input type="checkbox"/> | | | | 3.0 | |
| 5. Affordable Housing Development Loans and Project Investments | <input type="checkbox"/> | <input type="checkbox"/> | | | | 2.0 | |
| 6. Small Business Loans and Project Investments | <input type="checkbox"/> | <input type="checkbox"/> | | | | 3.0 | |
| 7. Home Improvement Loans | <input type="checkbox"/> | <input type="checkbox"/> | | | | 3.0 | |
| 8. Education Loans | <input type="checkbox"/> | <input type="checkbox"/> | | | | 3.0 | |
| 9. Commercial Real Estate Loans and Project Investments | <input type="checkbox"/> | <input type="checkbox"/> | | | | 2.0 | |
| 10. Total Score: | | | | | | | |
| 11. Estimated Award Amount for Distressed Community Financing Activities: Total Score x 0.03 (non-CDFI Applicants) or 0.09 (CDFI Applicants) | | | | | | | |

| SERVICE ACTIVITIES | | | | | | | |
|--|--------------------------------|---|-----------------|-------------------|--------------------|-----------------|----------------|
| | A | B | C | D | E | F | G |
| | Did not Engage in the Category | | Baseline Period | Assessment Period | Change in Activity | Priority Factor | Weighted Value |
| 12. Deposits | <input type="checkbox"/> | | | | | 1.0 | |
| 13. Community Services | <input type="checkbox"/> | | | | | 1.0 | |
| 14. Financial Services | <input type="checkbox"/> | | | | | 1.0 | |
| 15. Targeted Financial Services | <input type="checkbox"/> | | | | | 3.0 | |
| 16. Targeted Retail Savings/Investment Products | <input type="checkbox"/> | | | | | 1.0 | |
| 17. Total Score: | | | | | | | |
| 18. Estimated Award Amount for Service Activities: Total Score x 0.03 (non-CDFI Applicants) or 0.09 (CDFI Applicants) | | | | | | | |

Part IV. Report of Transactions

- ✓ Register as a BEA Program applicant via myCDFI Online System accessed via the Fund's website: www.cdfifund.gov/mycdfi/ and click on "Register New User."
- ✓ Complete and submit the Report of Transactions as instructed on myCDFI by the applicable deadline:
 - 5:00 p.m. ET on July 23, 2003 for the 6-month option
 - 5:00 pm ET February 25, 2004 for the 12-month option
- ✓ You must also submit a paper copy of the Report of Transactions with the application materials sent to the BPD office specified in the Requirements section.
- ✓ If you do not have access to the Internet or are having difficulty accessing myCDFI – you must contact the Depository Institutions Manager at 202-622-8662 to make alternative arrangements by 5 p.m. ET June 15, 2003 for the 6-month option and 5 p.m. ET January 15, 2004 for the 12-month option.
- ✓ Complete the columns as follows:

| | |
|---|--|
| Column A: | Transaction Number (For Fund Use Only) |
| Column B: Service Provided/ Borrower/Investee | For Service Activities report each activity or transaction carried out during the Assessment Period by the individual service provided. For all other types of activities, report each activity by the borrower, investee, grantee, CDFI, or other recipient. |
| Column C: Total Dollar Value | For Service Activities, report the grand total of each category of activity. For all other types of activities, report the total original dollar amount of each transaction. |
| Column D: Amount Disbursed to Date | List the total dollar amount disbursed on each transaction by the end of the Assessment Period. For Service Activities, Technical Assistance provided to CDFIs, and Distressed Community Financing Activities of less than \$250,000: record the same dollar figure as reported in Column B. |
| Column E: Census Tract | For Service and Distressed Community Financing Activities, list in the 6-digit census tract code (including the state and county code) where the activity occurred or the borrower, investee, grantee, or other recipient is located. For CDFI Related Activities, leave this column blank. |
| Column F: Date of Execution | For all activities, list the date the activity occurred or the transaction was closed. |
| Column G: Date of Initial Disbursement | For all activities, list the date the Applicant made the initial disbursement. Leave blank if no initial disbursement has been made. |
| Column H: Date of Final Disbursement | For all activities, list the date the Applicant made the final disbursement. Leave blank if the transaction is not fully disbursed. |
| Column I: Type of Activity | For all activities, list the type of activity using the abbreviations provided below: |
| | <u>CDFI Related Activities:</u> |
| | CDFI Equity Investments CEI |
| | CDFI Equity Like Loans ELL |
| | CDFI Grants CG |
| | CDFI Loans LNS |
| | CDFI Deposits / Shares DS |
| | TA provided to CDFIs TAC |
| | <u>Distressed Community Financing Activities:</u> |
| | Affordable Housing Mortgage Loans AHM |
| | Affordable Housing Development Loans and Project Investments AHD |
| | Commercial Real Estate Loans and Project Investments CRE |
| | Education Loans EDU |
| | Home Improvement Loans HIL |
| | Small Business Loans and Project Investments SBL |
| | <u>Service Activities:</u> |
| | Deposit Liabilities D |
| | Financial Services FS |
| | Targeted Financial Services TFS |
| | Targeted Savings Products TSP |
| | Community Services CS |

| | |
|---|--|
| <p>Column J: Impact (For Informational Purposes Only)</p> | <p>For Distressed Community Financing Activities, provide the number of the appropriate measure for each transaction:</p> <ul style="list-style-type: none"> <input type="checkbox"/> For Affordable Housing Mortgage Loans: Number of homebuyers. <input type="checkbox"/> Affordable Housing Development Loans and Project Investments: Number of affordable housing units (including rental units) developed or rehabilitated as a result of the Qualified Activity. <input type="checkbox"/> For Small Business Loans and Project Investments: Number of full-time equivalent jobs in underserved communities created or maintained by business borrower/investee; OR Number of businesses financed that provide services or employment to underserved markets. <input type="checkbox"/> Commercial Real Estate Loans and Project Investments: Number of commercial real estate properties financed by CDFI awardees and BEA Applicants that provide access to essential community products and services in underserved communities. <input type="checkbox"/> For Financial Services and Targeted Financial Services: Number of accounts opened. <input type="checkbox"/> For Targeted Savings/Investment Products: Number of Products sold. <input type="checkbox"/> For Community Services: Number of individuals provided financial literacy, home ownership, business and other training or technical assistance that counters predatory lending, by CDFI Program awardees and BEA Program Applicants in underserved communities. |
|---|--|

Failure to provide the electronic version of the Report of Transactions via myCDFI will result in rejection of the application for consideration for a BEA Program award unless alternative arrangements have been made by the applicable deadline.

Part V. Distressed Community Designation

Who Needs to Designate a Distressed Community?

- An **Applicant** must designate one or more Distressed Communities if it is proposing to: (i) carry out Distressed Community Financing Activities and/or Services Activities, and/or (ii) engage in CDFI Support Activities.
- Each **CDFI Partner** that will be the recipient of CDFI Support Activities from an Applicant must also designate a Distressed Community in which it is Integrally Involved.

What is a Distressed Community?

- A Distressed Community, defined in 12 CFR Part 1806.103(r), and as more fully described in 12 CFR 1806.200, consists of a Geographic Area with continuous boundaries that is located within the boundaries of one Unit Of General Local Government that meets certain minimum population, poverty, and unemployment requirements. The Glossary (available on the BEA Page of the Fund's website) describes the specific characteristics of a Distressed Community.
- An Applicant may designate an area as a Distressed Community by selecting a geographic unit(s) that individually meets the minimum population, poverty, and unemployment requirements. An Applicant may also designate a Distressed Community by selecting two or more *contiguous* geographic units that, in the aggregate, meet the geographic, population, poverty, and unemployment requirements -- provided that no designated geographic unit within the Distressed Community has a poverty rate of less than 20 percent.
- 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 (i.e., Core and SECA).

How Do I Designate a Distressed Community?

- An Applicant and/or CDFI Partner designates a Distressed Community by submitting: (1) a List of Eligible Census Tracts, and (2) a map. Both of these items are available on the CDFI Fund's Online Help Desk at www.cdfifundhelp.gov or through the Fund's main website at www.cdfifund.gov. The Help Desk contains step-by-step instructions on how to create and print a Distressed Community List of Eligible Census Tracts and a corresponding map at your desk.
- An Applicant may designate the same Distressed Community, as the recipient of CDFI Support Activities. This option applies ONLY to Applicants whose proposed activities are limited to CDFI Support Activities and is NOT available to Applicants proposing Distressed Community Financing Activities and/or Service activities. If this option is chosen, the Applicant must submit a signed Certification 3: Certification for Same Distressed Community Designation.

Part VI. CDFI Partner Documentation

Required Documentation:

To demonstrate eligibility, CDFI Partners must submit the following materials (as necessary):

1. CDFI Partners in the CDFI Support category must submit: (1) a list of Eligible Census Tracts, (2) a map of the designated Distressed Community; and (3) a Statement of Integral Involvement (see below for additional information on fulfilling this requirement).
2. All CDFI Partners must submit a copy of the Balance Sheet or other appropriate financial statement from the CDFI Partner's most recently completed fiscal year demonstrating that it meets asset limitations, or information demonstrating that the CDFI Partner is proposing a new level or type of activity in a Hot Zone (see below for additional information on fulfilling this requirement).

CDFI Partners in Hot Zones: To demonstrate that a CDFI Partner is proposing a new level or type of activity in a CDFI Program-qualified Hot Zone, the CDFI Partner must submit: (1) a Map and Worksheet from the CDFI Program Online Help Desk designating an area that qualifies as a Hot Zone under the CDFI Program NOFA; and (2) a narrative describing the activity, whether it is a new activity for the designated area or an increase in activity, and how the increase in activity or the new activity will benefit the designated 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 (68 Fed. Reg. 5738, 2/4/2003). The CDFI Program Online Help Desk can be accessed through the CDFI Fund website.

Statement of Integral Involvement: CDFI Partners that receive CDFI Support Activities must also demonstrate that they are Integrally Involved in a BEA-eligible Distressed Community by (1) designating a Distressed Community; and (2) providing a Statement of Integral Involvement. The Applicant must submit these materials for each CDFI Partner to which it has provided CDFI Support Activities with its application. CDFI Partners that are the recipient of Equity Investments need not provide this information.

A CDFI Partner will be found to be "integrally involved in a Distressed Community" if it demonstrates, to the satisfaction of the Fund, that

- At least 5% of its financial transactions or 5% of its Development Services were carried out in the identified Distressed Community in each of the prior 3 years; *or*
- At least 10% of its financial transactions were carried out in the identified Distressed Community in at least one of the prior 3 years; *or*
- It has attained at least 5% of the market share for a particular product in the identified Distressed Community (e.g., at least 5% of mortgages originated in said Distressed Community) in at least one of the prior 3 years.

Certification Deadline for CDFI Partners: Applicants proposing to engage in CDFI Related Activities must ensure that each CDFI partner receiving financial or technical assistance is certified as a CDFI as of the end of the applicable Assessment Period. If a BEA Program Applicant provides assistance to an organization that is not certified as a CDFI as of the end of the applicable Assessment Period, or to a CDFI whose certification has lapsed, then the transaction shall not be considered assistance to a CDFI, and most likely, shall not be a Qualified Activity. Such activity would not be eligible to count toward a BEA Program award.

Any entity that is planning to participate in the BEA Program either as an applicant or a CDFI Partner, and that is seeking certification as a CDFI, must submit an Application for Certification no later than the following dates: 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 complete a certification review for the purpose of the current funding round of the BEA Program.

Part VI. CDFI Partner Documentation: Statement of Integral Involvement

CDFI Partner: _____

City, State: _____

Name of Distressed Community: _____

Total Assets: _____

as of the most recently completed
Fiscal Year

Date Certification Expires: _____

Check here if Certification has expired, but CDFI Partner has submitted a recertification application

- For each type of lending or investing activities, provide an appropriate measure of volume, such as the annual number and dollar amount of loans closed. If the CDFI Partner has more than one type of loan product, it may list each product individually or all together.
- For each type of Development Service, provide an appropriate measure of activity level such as the number of clients receiving technical assistance.
- For Financial Services, provide an appropriate measure of activity level, such as number of accounts opened each year.

| CDFI Partner Activity in Identified Distressed Community | FY 2002 | | | FY 2001 | | | FY 2000 | | |
|--|-------------------|---------------------------------------|---------------------------|-------------------|---------------------------------------|---------------------------|-------------------|---------------------------------------|---------------------------|
| | Total #/\$ Amount | # / \$ Amount to Distressed Community | % to Distressed Community | Total #/\$ Amount | # / \$ Amount to Distressed Community | % to Distressed Community | Total #/\$ Amount | # / \$ Amount to Distressed Community | % to Distressed Community |
| Lending/Investments: | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Financial Services: | | | | | | | | | |
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| | | | | | | | | | |
| Development Services: | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

The above-named CDFI, by its undersigned Authorized Representative, hereby certifies that all of the information in the Statement of Integral Involvement is true, accurate, and complete, and has been duly authorized by the governing body of the CDFI.

| | |
|--|-------------------|
| CDFI Partner Authorized Representative (name and title): | Telephone Number: |
| Signature: | Date: |

Part VII. Certifications
Certification 1: For ETA and First Account Providers

Applicant: _____

Control Number: 031BE00_____

To receive consideration for the provision of Electronic Transfer Accounts (ETAs) and First Accounts you must certify by checking the applicable boxes that the respective accounts will have the appropriate characteristics.

Yes, the Applicant is providing ETAs*

The Applicant, by its undersigned Authorized Representative, does hereby certify that (i) the Applicant has entered into, and is in compliance with, the Financial Agency Agreement with the Treasury Department; and (ii) each Electronic Transfer Account for which the Applicant is seeking a BEA award possesses, ALL of the characteristics checked below:

- Is an individually owned account at a Federally-insured financial institution;
- Permits a minimum of four cash withdrawals and four balance inquiries per month, which are included in the monthly fee, through any combination of proprietary ATM transactions and/or over-the-counter transactions;
- Allows access to the insured depository institution's on-line point-of-sale network (if any);
- Requires no minimum balance except as required by Federal or state law;
- Provides a monthly statement;
- Provides the same consumer protections that are available to other account holders at the financial institution;
- Is offered only to individuals receiving Federal benefit, wage, salary, or retirement payments;
- Allows set-off only for fees directly related to the account; and
- Is subject to a maximum monthly account-servicing fee of \$3.00.
- Is in compliance with its Financial Agency Agreement with the U.S. Department of Treasury.

Yes, the Applicant is providing First Accounts*

The Applicant, by its undersigned Authorized Representative, does hereby certify that each First Account for which the Applicant is seeking consideration possess all of the characteristics checked below:

- Is an individually owned account at a Federally-insured financial institution held by an individual(s) who has had no prior relationship with a federally insured financial institution;
- Permits a minimum of four cash withdrawals and four balance inquiries per month, which are included in the monthly fee, through any combination of proprietary automated teller machine (ATM) transactions and/or over-the-counter transactions;
- Allows access to the insured depository institution's on-line point-of-sale network (if any);
- Requires no minimum balance except as required by Federal or state law;
- Provides a monthly statement; and
- Provides the same consumer protections that are available to other account holders at the financial institution.

I hereby certify, on behalf of _____, that all the foregoing information is true, accurate and complete.

Applicant (legal name)

By: _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

Date

*Attach copies of product marketing materials used to promote ETAs and First Accounts to customers.

Part VII. Certifications

Certification 2: Certification for Opening Retail Branches

Applicant: _____

Control Number: 031BE00_____

The Applicant, by its undersigned Authorized Representative, does hereby certify that:

- (i) On _____ (enter date branch opened for business), the Applicant opened a new branch office located at: _____

- (ii) The Applicant has not operated a retail branch office in the same census tract in which it is opening such new branch office within the three years prior to opening said branch on the aforementioned date; and
- (iii) Such new branch office will remain in operation for at least the next five years

Applicant (legal name)

By: _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

Date

Part VII. Certifications

Certification 3: Certification for Designating Same Distressed Community

Applicant: _____

Control Number: 031BE00_____

The Applicant, by its undersigned Authorized Representative, does hereby certify that the Applicant is designating the same Distressed Community as _____ (the CDFI Partner).

Applicant (legal name)

By: _____
Signature of Authorized Representative

Print Name and Title of Authorized Representative

Date

Part VII. Certifications
Certification 4. Certification of Disbursement

Applicant: _____

Control Number: 031BE00_____

The Applicant, by its undersigned Authorized Representative, does hereby certify that the documentation which the Applicant has provided to the CDFI Fund, a copy of which is attached hereto, evidencing a disbursement of the proceeds of the loan(s) to the borrower(s) listed below, in the amounts listed below, is true and accurate. This Certification is incorporated into the Award Agreement by and between the Applicant and the Community Development Financial Institutions Fund (the "Fund"), and made a material part thereof.

 Applicant (legal name)

By: _____
 Signature of Authorized Representative

 Print Name and Title of Authorized Representative

 Date

| Service Provided / Borrower / Investee | Total Dollar Value or Amount of Transaction | Amount Disbursed to Date | Date of Execution mm/dd/yy | Date of Initial Disbursement mm/dd/yy | Date of Final Disbursement mm/dd/yy | Type of Activity (Abbreviation ONLY) |
|--|---|--------------------------|----------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
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Part VIII. Other Required Materials: Environmental Review

The Fund's environmental review requirements are set forth in 12 CFR Part 1815. The Applicant should review such regulations carefully before completing this section. In order to assure compliance with those regulations and other requirements related to the environment, the Applicant shall provide the following information:

| | YES | NO |
|--|-----|----|
| 1. Are there any actions proposed in the application that do not constitute a "categorical exclusion" as defined in 12 CFR 1815.110? | | |
| If YES, would any of these actions normally require an environmental impact statement (see 12 CFR 1815.108)? | | |
| 2. Are there any activities proposed in the application that involve: | | |
| (a) historical or archeological sites listed on the National Register of Historic Places or that may be eligible for such listing? | | |
| (b) wilderness areas designated or proposed under the Wilderness Act? | | |
| (c) wild or scenic rivers proposed or listed under the Wild and Scenic Rivers Act? | | |
| (d) critical habitats of endangered or threatened species? | | |
| (e) natural landmarks listed on the National Registry of Natural Landmarks? | | |
| (f) coastal barrier resource systems? | | |
| (g) Coastal Zone Management Areas? | | |
| (h) Sole Source Aquifer Recharge Areas designated by EPA? | | |
| (i) wetlands? | | |
| (j) flood plains? | | |
| (k) prime and unique farmland? | | |
| (l) properties listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? | | |

If YES to any of the above questions, attach a detailed description of each action, clearly identifying the category in which the action falls.

| NOTIFICATION |
|--|
| As stated in 12 CFR 1815.105, if the Fund determines that the application proposes actions which require an environmental assessment or an environmental impact statement, any approval and funding of the application will be contingent upon: |
| (1) The Applicant supplying to the Fund all information necessary for the Fund to perform or have performed any required environmental review; |
| (2) The Applicant not using any Fund financial assistance to perform any of the proposed actions in the application requiring an environmental review until approval is received from the Fund; and |
| (3) The outcome of the required environmental review. |
| In addition, as stated in 12 CFR 1815.106, if the Fund determines that an application, or any part thereof, is not sufficiently definite to perform a meaningful environmental review prior to approval of the application, final approval and funding of the application shall require supplemental environmental review prior to the taking of any action directly using Fund financial assistance for any action that is not a categorical exclusion. |

Part VIII. Other Required Materials: Assurances and Certifications

Applicants are advised to read the following Assurances and Certifications carefully. Signing the certification on the Applicant Information Form certifies that the Applicant will comply with the Assurances and Certifications listed below if a BEA Program award is made. Applicants may not modify any of the Assurances and Certifications. It is not necessary to submit a copy of these Assurances and Certifications with the application.

A. OMB Standard Form 424B: Assurances -- Non-Construction Programs

As the duly authorized representative of the Applicant I certify that the Applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work (activities in application) within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply with the provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

1. It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this application;
2. Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this application and to provide such additional information as may be required;
3. It will comply with all applicable requirements of the Community Development Banking and Financial Institutions Act of 1994 (the Act) [12 U.S.C. 4701 et seq.], regulations implementing the Act and all other applicable Department of the Treasury regulations and implementing procedures (and any regulations or procedures which are later promulgated to supplement or replace them);
4. It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;
5. It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
6. The information in this application, and in these assurances and certifications in support of the application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this application has been duly authorized.

C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions: Instructions for Certification

1. By signing and submitting this application, the prospective primary participant (the Applicant) is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the application). However, failure of the Applicant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal", and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact

- the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
6. The Applicant agrees by submitting this application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
7. The Applicant further agrees by submitting this application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the Applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.

E. Certification Regarding Drug-Free Workplace Requirements

1. The Applicant certifies that it will provide a drug-free workplace by:
 - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;

- (b) establishing a drug-free awareness program to inform employees about:
 - (i) the dangers of drug abuse in the workplace;
 - (ii) the Applicant's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program; and
 - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
 - (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
 - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
 - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;
 - (f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - (g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).
2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award (Place of Performance (Street Address, City, County, State and zip Code)):
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - (c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

F. Certification Regarding Lobbying

1. The Applicant certifies, to the best of its knowledge and belief, that:
- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;