

CDFI and NACA Programs Application Glossary

NOTE: The following definitions are provided to help Applicants understand terms that are particular to the Community Development Financial Institutions Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program). Please refer to the CDFI Fund authorizing statute, regulations and applicable assistance agreements for additional clarification of the definitions that will govern an award received through both programs. If you have any questions, please contact the CDFI Fund’s Help desk at 202-622-6355 or email cdfihelp@cdfi.treas.gov.

Term	Definition
Accumulated Other Comprehensive Income	An entry that is generally found in the equity section of an organization’s balance sheet. Accumulated other comprehensive income measures gains and losses of a business that have yet to be realized.
Adjusted Notes Payable	Notes payable that may be used to support lending or Equity Investment activities. Adjusted Notes Payable is calculated by deducting from total notes payable, all notes payable that are specifically used for non-financing activities.
Affiliate	Any company that Controls, is Controlled by, or is under common Control with another company.
African American or Black	As defined by the U.S. Census Bureau: A person having origins in any of the Black racial groups of Africa.
Alaska Native Village	Any tribe, band, clan, group, village, community, or association in Alaska listed in sections 1610 and 1615 of Title 43 U.S.C., or which meets the requirements of Title 43 Chapter 33, and which the Secretary determines was, on the 1970 census enumeration date composed of 25 or more Natives
American Community Survey	An ongoing statistical survey by the U.S. Census Bureau, sent to approximately 250,000 addresses monthly (or 3 million per year). It regularly gathers information previously contained only in the long form of the decennial census. It is the largest survey, other than the decennial census, that the Census Bureau administers.
American Indian or Alaska Native	A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
Annual Net Loan Loss Ratio	The Annual Net Loan Loss Ratio represents the portion of an organization’s Total Outstanding Loan Portfolio that is so delinquent that it has been deemed uncollectible and assumed to be a loss. This is calculated by dividing Net Write-Offs or Net Charge-Offs by Total Outstanding Loan Portfolio.
Appalachia	The area comprising certain counties in Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, as defined in Title 40a U.S.C. 403 .
Applicant	An entity that submits an application for Financial Assistance or Technical Assistance through the CDFI Program or NACA Program.
Arms-length Transaction or Financing	A financing transaction (such as a Loan or Equity Investment) made with a third party that is not an Affiliate of the Financing Entity. See 12 CFR § 1805.104.

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Asian	As defined by the U.S. Census Bureau: A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. The term includes people who are Asian Indian, Chinese, Filipino, Korean, Japanese, Vietnamese, among others.
Asset	Anything having commercial or exchange value that is owned by a business, institution, or individual.
Assistance Agreement	A written agreement between the CDFI Fund and an award recipient that specifies the terms and conditions of assistance including, without limitation, performance and financial soundness goals, if applicable. 12 CFR § 1805.104(f).
Authorized Representative	An officer, or other individual, who has been designated by the Applicant's or Awardee's board of directors, or otherwise possesses the authority, to sign for and make representations on behalf of the Applicant/Awardee.
Average Assets-Banks and Thrifts	A year-to-date average of the total assets reported in the Report of Condition Schedule RC-K. For the first quarter of the year, the average assets from Call Schedule RC-K first quarter will appear; at the end-of-year, assets for all four quarters would be averaged.
Average Assets-Insured Credit Unions	Total assets for the current period plus total assets for the prior year end, divided by 2.
Average Outstanding Loan Portfolio	The Average Outstanding Loan Portfolio reflects the average amount of Loans disbursed by an organization to its Borrower throughout the course of the organization's fiscal year. This is calculated by averaging the Applicant's Total Outstanding Loan Portfolio at two points in time.
Awardee	An Applicant selected by the CDFI Fund to receive assistance pursuant to the CDFI Program Interim Rule.
Balance Sheet	A statement of the assets, liabilities, and capital of a business or other organization at a particular point in time. Sometimes called the Statement of Financial Position.
Balloon Payment	A large lump sum payment made either at specific intervals or, more commonly, at the end of a Loan. Balloon Payments are most commonly found in mortgages, but may be attached to auto, personal, or other types of Loan.
Bank Holding Company (or Savings and Loan Holding Company)	As defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), any company which has Control over any Bank or any other Bank Holding Company (12 U.S.C. 1841). A Savings and Loan Holding Company is any company that directly or indirectly controls a savings association or that controls any other Savings and Loan Holding Company (12 U.S.C. 1467(a)).
Bank or Thrift	A financial institution that is primarily focused on taking deposits and originating Loans, such as home mortgages.
Borrower	An individual, a for-profit or not-for-profit entity that signs a promissory

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	note in favor of a lender.
Business Loan	A Loan whose primary purpose is investment in a commercial or industrial use. Examples include microcredit, working-capital, lines of credit, among others.
Call Reports	The quarterly report of condition that must be prepared by every National Bank, State Member Bank and insured Nonmember Bank, per the Federal Financial Institutions Examination Council (or FFIEC) . The Federal Deposit Insurance Corporation (FDIC) collects, corrects, updates and stores Call Report data as a widely used source of timely and accurate financial data regarding a Bank's financial condition and the results of its operations.
Capital Available for Financing	Assets that can be used for lending and Equity Investments that have not already been committed, disbursed, or restricted for other purposes.
Capital Liquidity	The level of ease in which assets can be used to meet financial obligations without incurring a significant risk of price change (e.g., cash and cash equivalents are more liquid than loans receivable, which are more liquid than property and equipment).
Cash Equivalents	Assets that are readily convertible into cash, such as money market holdings, short-term government bonds or Treasury bills, marketable securities and commercial paper. An investment that is highly liquid has an insignificant risk of change in value.
Cash on Deposit	All money, cash and cash equivalents placed with another financial institution.
Cash on Hand	Money in the form of cash that a business has at a particular time. Specifically, all money, cash and Cash Equivalents in the organization's cash registers or premises, as opposed to cash in the Bank.
Community Development Financial Institution, or CDFI	An entity currently meeting the eligibility requirements described in 12 C.F.R. Part 1805.200. A CDFI is a financial institution that provides credit and financial services to underserved markets and populations. CDFIs include community development banks, community development credit unions, community development loan funds, community development venture capital funds, microenterprise development loan funds, community development corporations, among others.
Certifiable CDFI	An entity that meets all of the requirements for CDFI certification at the time of its submission of a Financial Assistance or Technical Assistance application, but whose pending certification application has not yet been approved by the CDFI Fund.
Certification Status	An entity's CDFI certification standing with the CDFI Fund. An institution may be an Emerging CDFI, Certifiable CDFI, or a Certified CDFI.
Certified CDFI	An entity that meets all of the requirements for certification by the CDFI Fund, and whose application for certification has been approved (in writing) and has not lapsed or been revoked.
Certified Investment Area	The geographic Target Market that a CDFI has declared in its certification application and that has been approved by the CDFI Fund.
Charge-off (or	The dollar amount of a receivable, primarily a Loan, that has been

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Write-off)	determined to be a loss or non-recoverable during the repayment cycle and that has been taken off the balance sheet as a loss. The two terms are interchangeable.
Collateral	Asset pledged to a lender until a Loan is repaid. If the Borrower defaults, the lender has the legal right to seize the Collateral and sell it to pay off the Loan.
Colonias	Rural communities and neighborhoods within unincorporated communities adjacent to or near the U.S.-Mexico border.
Commercial Real Estate	Real property with intended commercial use and improved by office, retail, industrial or community facilities.
Community Development Corporation (CDC)	A not-for-profit organization incorporated to provide programs, offer services and engage in activities that promote and support community development. CDCs usually serve geographic locations such as neighborhoods or towns. They often focus on serving Low-Income residents or impoverished neighborhoods. CDCs are often involved in a variety of activities including economic development, education, community organizing and real estate development.
Community Development Entity (CDE)	For purposes of the New Markets Tax Credit (NMTC) Program, a domestic corporation or partnership that is an intermediary vehicle for the provision of Loans, investments, or financial counseling in Low-Income Communities (LICs). Certified CDEs are eligible to apply to the CDFI Fund to receive NMTC allocation authority and offer tax credits to investors in exchange for Equity Investments in the CDE and/or its subsidiaries; and to receive Loans or investments from other CDEs that have received NMTC allocations.
Community Development Financial Services	A range of financial services that promote and support economic development, education, community organizing, and real estate development to Low-Income or impoverished neighborhoods. Examples include (but are not limited to) checking and savings accounts, certified checks, ATM machines, deposit taking, remittances, safe deposit box services, and other similar services.
Community Facility	A facility in which health care, childcare, educational, cultural or social services are provided (12 CFR § 1805.104(k)).
Community Governed	An entity in which the residents of an Investment Area(s) or members of a Targeted Population(s) represent greater than 50 percent of the governing body.
Comparable Form (re: matching funds)	Matching funds from non-Federal sources that are identical to the type of Financial Assistance award that is requested by an Applicant. An Applicant seeking a grant from the CDFI Fund must provide evidence of having received matching grant dollars from non-Federal sources. Likewise, an Applicant seeking funding in the form of a Loan must provide evidence of having received matching Loan funds, deemed acceptable by the CDFI Fund.
Comprehensive Business Plan (CBP)	A document covering not less than the next five years and which meets the requirements described in an applicable Notice of Funds Availability (NOFA) and funding application.

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Consumer Loans	Credit extended to individuals, usually on unsecured basis, for personal, family, or household purposes.
Control	(1) Ownership, control, or power to vote 25 percent or more of the outstanding shares of any class of Voting Securities of any company, directly or indirectly or acting through one or more other persons; (2) Control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) of any company; or (3) the power to exercise, directly or indirectly, a controlling influence over the management, credit or investment decisions, or policies of any company. See 12 CFR 1805.104(q).
Core	<p>Category of CDFI Program Financial Assistance Applicant based on the maturity and financial capacity of the Applicant. Includes any Applicant that (i) began operations more than three years prior to applying for funds and (ii) has total assets at the end of the most recent fiscal year that exceeds:</p> <ul style="list-style-type: none"> • \$250 million for Insured Depository Institutions or Depository Institution Holding Companies; • \$10 million for Insured Credit Unions; • \$10 million for Venture Capital Funds; • \$5 million for all other CDFIs. <p>Any Applicant for Financial Assistance that requests an award of more than \$600,000 is automatically considered a Core Applicant.</p>
Cost of Capital	The weighted cost of a financial institution's funds, including both equity and debt. The Cost of Capital includes the average interest rate on debt that the financial institution owes, as well as any dividend payments or other returns due to equity holders.
Credit Counseling	Includes, among others, financial evaluation, options for avoiding bankruptcy and getting out of debt, creating a household budget, the types of bankruptcy and the consequences of filing bankruptcy, the role of the bankruptcy trustee, what to look for in an attorney to handle the process, when one can expect a discharge of debts; and credit after filing for bankruptcy.
Credit Union	A not-for profit, cooperative, tax-exempt financial institution that is owned and controlled by its members and operated for the purpose of promoting thrift, providing credit at reasonable rates, and providing other Financial Services to its members.
Current Assets	Assets that can be converted to cash within the next 12 months.
Current Liabilities	Liabilities that have payments due within the next 12 months.
Current Ratio	This liquidity ratio measures an applicant's ability to pay short term obligations. The ratio is calculated by dividing Total Current Assets by Total Current Liabilities.
Debt Service Coverage	The amount of cash flow available to meet annual interest and principal payments on debt. Debt Service Coverage is usually expressed as a ratio.
Debt-with-equity	Includes convertible debt, as well as debt with warrants, participation

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Features	agreements, royalties, or any other feature that links the investment's rate of return to the performance of the company that received the investment.
Default	When a debtor has not met its legal obligations according to the debt contract, e.g. has not made a scheduled payment, or has violated a Loan covenant of the debt contract.
Delinquencies	Loans with any portion of payments 90 or more days past due.
Delinquency Ratio	The total dollar amount of Loans with payments 90 days or more past due divided by the Total Outstanding Loan Portfolio. Past due Loans include the entire outstanding balance of Loans with payments that are past due. Loans are considered past due if any part of the payment is past due. In the case of a non-regulated for-profit or nonprofit organization, the Delinquency Ratio is measured using a schedule of aging of total Loan receivables at 30, 60, and 90 days. In the case of Insured Credit Unions, the aging schedule is calculated at 2 months, 6 months, and 12 months. In the case of Banks and Thrifts, the aging schedule is calculated at 31, 61, and 90 days or more. Banks and Thrifts also have a category of Loans referred to as non-accrual Loans for which the Banks and Thrifts are no longer accruing interest due to the Borrowers' poor payment performance. The Delinquency Ratio is also commonly referred as Portfolio-at-Risk.
Deployment	Refers to the percentage of total financing capital that is outstanding or committed as Gross Loans Receivable and/or Equity Investments.
Deployment Ratio	Total Outstanding Loan Portfolio and/or Total Outstanding Equity Investment Portfolio divided by Total Financing Capital (the sum of Total Adjusted Notes Payable and Total Equity Capital Available for Financing). The Deployment Ratio indicates the extent to which debt capital and equity capital (both restricted and unrestricted) are actually deployed in Loans or Equity Investments, and serves as an indicator of how an organization has been in using available capital.
Depository Institution Holding Company (DIHC)	A Bank Holding Company or a Savings and Loan Holding Company as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)).
Deposits	Funds placed in a depository institution by individuals or organizations, typically earning interest and insured by governmental agencies.
Development Services	Activities that promote community development and are integral to the Applicant's/Awardee's provision of Financial Products and Financial Services. Such services shall prepare or assist current or potential Borrowers or investees to utilize the Financial Products and Financial Services of the Applicant/Awardee. Such services include, for example: financial or credit counseling to individuals for the purpose of facilitating home ownership, promoting self-employment, or enhancing consumer financial management skills; or technical assistance to Borrowers or investees for the purpose of enhancing business planning, marketing, management, and financial management skills.
Distress Indicator	Beginning in the FY 2011 funding round, the CDFI Fund uses this index

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Index	to measure levels of community (?) distress and to establish an Applicant's priority points. The measures are: poverty rates, median household income, unemployment rates, home foreclosures, and high-cost mortgages. Data for the Distress Indicator Index is calculated at the county level.
Earned Income	Interest income, loan fees and other program income, excluding all grants and contributions.
Earnings	Also known as Net Income and is defined as Revenues less Expenses.
Economic Development	Activities that support social and economic well-being of low and moderate income populations through the development and retention of jobs and the start up and growth of businesses through (i) loans, Equity Investments and other similar financing to for-profit small businesses, microenterprises, and commercial real estate other than Community Facilities, (ii) related Development Services, and (iii) Community Organization Support.
Economic Development Financial Products	Products that finance microenterprises, small businesses, affordable housing, and Commercial Real Estate, including both loans and Equity Investments, and related Development Services.
Eligible Use of Funds	For Financial Assistance applicants, funds from the CDFI Fund may be used for: (i) Financial Products; (ii) Financial Services; (iii) Development Services; (iv) Loan Loss Reserves; (v) Capital Reserves; (vi) and Operations (used to carry out activities deemed appropriate by the CDFI Fund that are not any of the foregoing uses). Technical Assistance applicants may request an award for: (i) personnel/salary; (ii) personnel/fringe; (iii) professional services; (iv) travel; (v) training; (vi) equipment; (vii) materials/supplies; and (viii) other uses.
Emerging CDFI	A financial institution which provides credit and financial services to underserved markets and populations that does not yet meet all of the CDFI Fund's certification requirements, but actively shows an intention to seek CDFI certification.
Empowerment Zone	Designated area within which businesses enjoy favorable tax credits, wage credits, tax deductions, bond financing and capital gains to stimulate economic development and job growth. Empowerment Zones are a joint effort of the U.S. Department of Agriculture (USDA) and Housing and Urban Development (HUD) to revitalize distressed communities. Further information from HUD can be found at: http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm
Environmental Review Form	Applicants seeking awards from the CDFI Fund must submit the Environmental Review Form to determine if an environmental assessment or environmental impact statement will be required as set forth in 12 CFR 1815.110. A copy of the Environmental Review Form can be found at: https://www.cdfifund.gov/docs/2010/cdfi/Environmental%20Review.doc
Equity	The residual claim or interest, of the most junior class of investors in assets, after all liabilities are paid. An equity investment includes stock

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	purchases, a purchase of a partnership interest, a purchase of a limited liability company membership interest, or a loan made on such terms that is has sufficient characteristics of equity (see Equity Equivalent Investment, or EQ2), or any other investment deemed to be an Equity Investment by the CDFI Fund.
Equity Equivalent Investment or EQ2	For the purposes of the CDFI and NACA Program: A loan that is carried as an investment on a non-profit institution's balance sheet, is a general obligation that is not secured by any of the organization's assets, and is fully subordinated to all of the organization's other creditors. It does not give the investing institution the right to accelerate payment unless the organization ceases its normal operations (i.e., changes its line of business). It carries an interest rate that is not tied to any income received by the organization, and it has a rolling term, and therefore an indeterminate maturity. Commonly referred to as an EQ2.
Equity Investment	Investments that support or enhance activities that serve an Investment Area or Targeted Population(s) and must be made through arms-length transactions with a third party that does not have a relationship with the Applicant as an Affiliate. An Equity Investment may include a stock purchase, a purchase of a partnership interest, a purchase of a limited liability company membership interest, a loan made on such terms that it has sufficient characteristics of equity (and is considered as such by the Fund); or any other investment deemed to be an Equity Investment by the Fund. See 12 CFR § 1805.104(st).
Equity Investment Portfolio Valuation	The current redeemable value of equity investments made by an organization.
Equity Investment-to-asset Ratio	The Total Outstanding Equity Investment Portfolio divided by Total Assets.
Ethnicity	According to the US Census and the Office of Management and Budget (OMB), this refers to Hispanic or non-Hispanic origin. The Office of Management and Budget (OMB) defines Hispanic as "a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race."
Expenses	A decrease in equity during the accounting period in the form of outflows or depletions of assets or [the] incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.
Extremely Low Income	Earning less than 30% of the area median income.
501c3	To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign

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	activity for or against political candidates. Organizations described in section 501(c)(3) are commonly referred to as charitable organizations and are eligible to receive tax-deductible contributions.
501c4	501(c)(4) organizations are generally civic leagues and other corporations operated exclusively for the promotion of social welfare, or local associations of employees with membership limited to a designated company or people in a particular municipality or neighborhood, and with net earnings devoted exclusively to charitable, educational, or recreational purposes. 501(c)(4) organizations may lobby for legislation and participate in political campaigns and elections, as long as campaigning is not the organization's primary purpose. The tax exemption for 501(c)(4) organizations applies to most of their operations, but contributions may be subject to gift tax, and income spent on political activities - generally the advocacy of a particular candidate in an election - is taxable. Donations made to 501(c)(4) organizations are not deductible as charitable contributions for the U.S. income tax.
Faith-based Organization	An organization whose founding, capitalization, governance, or membership is derived from a religious institution.
Fee Income	Income generated from fees collected for services that are associated with an organization's mission.
Fee Income From Lending Portfolio and Retail Financial Services	Income generated from fees charged for originating and managing loans, including any late fees.
Financial Assistance (FA)	Funds provided by the CDFI Fund through the CDFI or NACA Program in the form of an equity investment, a grant, loan, deposit, credit union shares, or any combination thereof.
Financial Performance Ratios (FPR)	Ratios used to measure the financial performance of an organization.
Financial Products	Loans, Equity Investments, and similar financing activities (as determined by the CDFI Fund), including the purchase of loans originated and the provision of loan guarantees.
Financial Services	Checking, savings accounts, check cashing, money orders, certified checks, automated teller machines, deposit-taking, safe deposit box services and other similar services.
Financial Statements	Financial reports that reflect the financial condition of an organization at a specific point in time. Generally, such statements consist of balance sheets or statements of financial position; income and expense statements; statements of cash flows and, if applicable, auditors' opinion letters and any reports of findings (management letter), single audit reporting package (i.e., report on compliance with requirements applicable to each major program and on internal controls over compliance in accordance with OMB Circular A-133), or any letters prepared by the auditor in compliance with OMB Circular A-133.

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Financing Entity	An entity whose predominant business activity is the provision, in Arms-Length Transactions, of Financial Products, Development Services, and/or other similar financing. Such entity may be a: <ol style="list-style-type: none"> 1) Depository Institution Holding Company; 2) Insured Depository Institution or State Insured Credit Union; or 3) An organization which is deemed by the Fund to have such a predominant business activity as a result of analysis of its financial statements, organizing documents, and any other information required to be submitted as part of its application, use of personnel and total assets. See 12 CFR § 1805.201(b)(2).
Financing-Related Activities	Activities that support the Applicant's provision of Financial Products, including: <ol style="list-style-type: none"> 1) Pre-development grants, provided that, in the sole determination of the Fund, they are offered to the Applicant's borrowers or potential borrowers in order to enhance such borrower's or potential borrower's ability to use the Applicant's lending or investment products; and 2) The provision of loan packaging, provided that, in the sole determination of the Fund, the Applicant is financing more than a nominal portion of the loan that is being packaged for another lender.
First Accounts	A low cost account designed to expand access to financial services for low- and moderate-income individuals who currently do not have an account with an insured depository institution or an insured credit union.
First Lien	The highest priority debt in the case of default. First lien debt holders are paid before all other debt holders. This type of debt holds less risk than a second lien debt.
First-time Homebuyer	An individual or spouse who meets any one of the following criteria: 1) an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property; 2) a single parent who has only owned a home with a former spouse while married; 3) an individual who is a displaced homemaker and has only owned with a spouse; 4) an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable state or local regulations; 5) an individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
Fringe Benefits	Non-wage compensations provided to employees in addition to their normal wages or salaries.
Full Time Equivalent	An employee that works at least a 35-hour workweek. In calculating the number of full-time equivalents, part-time employees should be aggregated to full-time equivalents. For example, two part-time employees that each work 17.5 hours/week should be aggregated to count as one full-time equivalent. The measure includes volunteers who fill regular staff positions and excludes temporary staff and professional services conducted outside of the office by third parties such as accounting, bookkeeping, and legal counsel.

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Gains/Losses (realized/unrealized)	The change in the value of a capital asset when it is sold or transferred (realized), compared to its initial worth or due to market valuation not related to the sale or transfer (unrealized) of the capital asset. Gains are increases in value; losses are decreases in value.
Geographic Units	A county (or equivalent area), minor civil division that is a unit of local government, incorporated place, census tract, block numbering area, block group, or American Indian area or Alaska Native area as such units are defined or reported by the U.S. Bureau of the Census. However, Geographic Units in metropolitan areas that are used to comprise an Investment Area are limited to census tracts, block groups and American Indian areas or Alaskan Native areas.
Gross Loans Receivable	The Total Outstanding Loan Portfolio at the end of a period. Loans outstanding equals the aggregate dollar amount of all loans receivable without giving effect to any allowance for the collectability thereof (i.e. before deducting for Loan Loss Reserves). Gross Loans Receivable may also be referred to as Total Loans in the case of Banks or Thrifts.
Healthy Food Financing Initiative (HFFI)	The Healthy Food Financing Initiative promotes a range of interventions that expand access to nutritious foods, including developing and equipping grocery stores and other small businesses and retailers selling healthy food in communities that currently lack these options. Residents of these communities, which are sometimes called “food deserts” and are often found in economically distressed areas, are typically served by fast food restaurants and convenience stores that offer little or no fresh produce. The initiative is a partnership between the Departments of Treasury, Agriculture, and Health and Human Services.
Hispanic or Latino	A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, “Spanish origin,” can be used in addition to “Hispanic or Latino.” Note that Hispanic is not a Race but an Ethnicity.
Homeownership Counseling	Assisting borrowers, who are new or existing homeowners, to make informed decisions related to budgeting, selecting a home; types of mortgage insurance; homeowner tax benefits; equity build up; home maintenance and energy conservation, and foreclosure prevention.
Institution Level Report (ILR)	A report used to collect compliance and performance data from CDFI Fund awardees. The ILR is submitted through the Community Investment Impact System (CIIS) and captures organizational information, financial position, lending and investing activities, community development outputs, and development services.
Income and Expense Statement	A report of all revenues and expenses pertaining to a specific time period.
Indian Areas or Native American Areas	A geographic unit as defined by the 2000 Census that includes Federal and state American Indian Reservations, Off-Reservation Trust Lands, Oklahoma Tribal Statistical Areas, Hawaiian Home Lands, and Alaska Native Village Statistical Areas.
Indian Reservation	Any geographic area that meets the requirements of section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)),

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	and shall include land held by incorporated Native groups, regional corporations, and village corporations, as defined in and pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1602); public domain Indian allotments; and former Indian reservations in the State of Oklahoma.
Indian Tribe (Also, American Indian Tribe)	Indian Tribe, band, pueblo, nation or other organized group or community, including Alaska Native Village or regional or village corporation, (as defined in or established pursuant to the Alaska Native Claims Settlement Act), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians. See 12 CFR § 1805.104(y).
Individual Development Account	A matched savings accounts used by low-income households to purchase homes, seek post-secondary education, capitalize small businesses, or engage in other types of similar asset-building activities.
Insured Credit Union	Any credit union, the member accounts of which are insured by the National Credit Union Share Insurance Fund. Please see State-regulated credit unions for those credit unions insured only on the state level.
Insured Depository Institution (IDI)	Any bank or thrift, the deposits of which are insured by the Federal Deposit Insurance Corporation. See 12 CFR § 1805.104(cc).
Interest Earned on Cash & Marketable Securities	Includes all interest earned on cash and marketable securities and considered as earned income in calculating the self-sufficiency ratio.
Interest Expense	The payments of interest related to Notes Payable that a CDFI makes to its lenders.
Interest Payments from Loans or Investments	Includes interest or dividends earned on the CDFI's outstanding loans and/or Equity Investments.
Interest-bearing Deposits	An deposit of money with a financial institution that pays interest on the deposit
Inter-tribal/village Corporation	A tribal or Alaska Native organization consisting of more than one tribal/village government or entity created for a specific purpose such as self- reliance or economic development.
Investee	The recipient of an Equity Investment.
Investment Area	As described at 12 C.F.R. §1805.201(b)(3), a Geographic Unit or contiguous Geographic Units that: <ol style="list-style-type: none"> 1. Is entirely located within the geographic boundaries of the United States and either: 2. Meets at least one of the criteria of economic distress as defined under 12 CFR §1805.201(b)(3)(ii)(D) and has significant unmet needs for Loans, Equity Investments, or Financial Services, as described under 12 CFR §1805.201(b)(3)(iii)(E); or 3. Encompasses or is located wholly within an Empowerment Zone or Enterprise Community designated under section 1391 of the Internal Revenue Code of 1986. See 12 CFR § 1805.104(cc).

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Investments With Maturity or Re-pricing Period of Less than 1 Year	Taken as a percentage of total investments, the ratio is the indicator used to evaluate the Asset Liability Management (Capital Liquidity) of an Insured Credit Union.
Leases to Deposits	A ratio calculated by dividing an institution's net loans and leases by its total deposits.
Liabilities	The debts and obligations of an organization that represent a creditor's claim on its assets.
Lien	A creditor's claim against property. For example, a mortgage is a lien against a house; in many instances, if the mortgage is not paid on time, the house can be seized to satisfy the lien.
Lien Position	Refers to the order by which a creditor's claim against a property is to be satisfied in the event of default. For example, a creditor with a first lien has first claim on the property; a creditor with a subordinate lien will be paid only after other debts with higher claim have been satisfied.
Line of Credit	A commitment, to make loans to a particular borrower up to a specified maximum during a specified period, which may include disbursements and repayments on a revolving basis.
Loan	A type of debt. Like all debt instruments, a loan entails the transfer of financial assets over time, between the lender and the borrower.
Loan Approved	Total dollar amount of loans for which the CDFI has given initial approval or a contingent commitment, and the CDFI has reserved cash, cash equivalents, or other assets to fund at a future date.
Loan Closed	A loan is counted as closed when a legally binding note has been signed by the borrower in favor of the CDFI.
Loan Disbursed	Total dollar amount of loans disbursed in connection with a legally binding note signed by the borrower in favor of the CDFI.
Loan Fund	A legal entity, not regulated by a state or Federal agency, whose predominant business activity is the provision of loans.
Loan Loss Provision	The Loan Loss Provision should appear as an expense item on any active lending institution's Statement of Activities (Income and Expense Statement). It is a non-cash expense that gets reflected as a change in the Loan Loss Reserve (LLR) account on the Balance Sheet. The Loan Loss Provision captures Loan Loss Reserve adjustments resulting from the following 1) Loans written off (decreases LLR), 2) new loans made (increases LLR), and 3) loans paid in part or full (decreases LLR). While it is a non-cash expense, it is treated as a direct operating expense when the provision is made, usually annually.
Loan Loss Reserve Ratio	The total dollar amount of Loan Loss Reserves (cash and accrual) divided by the Total Outstanding Loan Portfolio. The Loan Loss Reserve Ratio describes the amount of an organization's Total Outstanding Loan Portfolio that it assumes it may lose. The Loan Loss Reserve Ratio is also known as the Loan Loss Allowance to Insured Credit Unions, and is defined by the National Credit Union Administration.
Loan Loss	Funds set aside in the form of cash reserves or through accounting-based

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Reserves (LLR)	accrual reserves that serve as a cushion to protect an organization against future losses. Loan Loss Reserves typically show up as a contra asset on a balance sheet. Loan Loss Reserves are not the expense listed on the income/expense statement.
Loan Losses	Amount of a loan that the Lender deems uncollectible from its borrower and is charged off or written off. Losses are reported after default, foreclosure, and liquidation and are the net of any recovered assets. If any amount is reclaimed in the current fiscal year on loans/investments that are written off in previous years, that amount is subtracted from the amount written off in the current fiscal year.
Loan Portfolio Quality	The CDFI Fund uses delinquency rates and net write-offs/charge-offs to measure the quality of an applicant's loan portfolio.
Loan Purchase	The purchase of a loan that was originated and disbursed by another entity.
Loan/investment Underwriting	The process by which a lender determines the soundness of a loan or equity investment, including assessment of collateral, risk and return (social and/or financial).
Loans Outstanding	The loans for which principal is outstanding as of the last day of the fiscal year. These loans may have originated during the fiscal year or in a previous year. This includes any loans that have been restructured, but not those loans that have been written off.
Loan-to-asset Ratio	Total Outstanding Loan Portfolio divided by Total Assets.
Loan-to-deposit Ratio	Total Outstanding Loan Portfolio divided by the total dollar value of deposit liability accounts held by a bank or thrift.
Loan-to-share Ratio	For an Insured Credit Union, Total Outstanding Loan Portfolio divided by the sum of the dollar value of Total Member Shares and Total Non-Member Shares.
Loan-to-value Ratio	Ratio of money borrowed to fair market value, usually in reference to real property.
Low Income Designated Credit Union	A credit union designated as such by the appropriate National Credit Union Administration Regional Director in accordance with the criteria set forth in 12 CFR §701.34.
Lower Mississippi Delta	A 240-county/parish area in an 8-state region comprising parts of Mississippi, Louisiana, Alabama, Arkansas, Tennessee, Kentucky, Missouri and Illinois.
Low-income	An income, adjusted for family size, of not more than: For metropolitan areas, 80 percent of the area median family income; and For non-metropolitan areas, the greater of: (i) 80 percent of the area median family income; or (ii) 80 percent of the statewide non-metropolitan area median family income. See 12 CFR § 1805.104(ee).
Low-Income Targeted Population	Low-Income individuals or an identifiable group of individuals, or persons that lack adequate access to Financial Products or Financial Services in an Applicant's service area(s); who reside within the boundaries of the United States. 12 CFR §1805.201(b)(3)(iii).
Major Urban Area	Metropolitan Statistical Area with population equal to or greater than one

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	million. Includes both the central city and surrounding suburbs.
Margin Analysis	Examines the difference between the amount of equity contributed by a customer as a percentage of the current market value of the securities held in a margin account.
Matching Funds	All financial assistance awarded under the CDFI Program shall be matched with funds from sources other than the Federal government. Except as provided in 12 CFR § 1805.502, such matching funds shall be provided on the basis of not less than one dollar for each dollar provided by the CDFI Fund. Funds that have been used to satisfy a legal requirement for obtaining funds under either the CDFI Program or another Federal grant or award program may not be used to satisfy the matching requirements described in this section. Matching funds shall be used as provided in the Assistance Agreement. Funds that are used prior to the execution of the Assistance Agreement may nevertheless qualify as matching funds provided the Fund determines in its reasonable discretion that such use promoted the purpose of the Comprehensive Business Plan that the Fund is supporting through its assistance.
Matching Funds Firmly Committed	Matching Funds for which the Applicant has entered into or received a legally binding commitment from the Matching Funds source that the Matching Funds have been committed to be disbursed to the Applicant and the Applicant has documentation (such as a copy of a loan agreement, promissory note or grant agreement) to evidence such firm commitment.
Matching Funds In-hand	Describes an Applicant that has actually received its source of matching funds and has documentation to evidence such receipt.
Matching Funds To-be-raised	Describes an Applicant that has less than 100 percent of its matching funds in-hand or firmly committed as of the application deadline. The CDFI Fund will evaluate the Applicant's ability to raise the remaining matching funds.
Material Event	An occurrence that affects an organization's strategic direction, mission, or business operation and, thereby, its status as a certified CDF and/or its compliance with the terms and conditions of its assistance agreement.
Member Shares	A deposit in the form of a share, share certificate or a share draft account owned by a member of an Insured Credit Union, as defined by the National Credit Union Administration (NCUA).
Microenterprise	A type of small business, often unregistered with five or fewer employees and requiring seed capital of not more than \$35,000. Microenterprises typically have little to no access to the commercial banking sector. They often lack collateral, steady employment and a verifiable credit history and therefore, cannot meet the most minimal qualifications to gain access to traditional credit.
Minimum Prudent Standards (MPS)	Indicators, based on organization type, used by the CDFI Fund to evaluate the loan portfolio quality and the financial track record and projections of CDFIs applying for Financial Assistance or Technical Assistance.
Minor Urban Area	Metropolitan Statistical Area with a population of less than one million. Includes both the central city and surrounding suburbs.

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Minority-owned Business	A business that is at least 51 percent owned or controlled by one or more minorities. If the business is a for-profit concern, 50 percent or more of its owners must be minorities; if the business is a nonprofit concern, 50 percent or more of its board of directors must be minorities (or, its chief executive officer or executive director must be minority).
Moderate Income	An income, adjusted for family size, of not less than: For metropolitan areas, 80 percent of the area median family income; for non-metropolitan areas, the less than that of: (i) 80 percent of the area median family income; or (ii) 80 percent of the statewide non-metropolitan area median family income. See 12 CFR § 1805.104(dd).
Multi-bank Community Development Corporation	Refers to several or multiple not-for-profit organizations incorporated to provide programs, offer services and engage in other activities that promote and support community development. They often focus on serving lower-income residents or struggling neighborhoods. They can be involved in a variety of activities including economic development, education, community organizing and affordable housing development.
myCDFIFund Account	The primary online interface for CDFI Fund applicants and awardees.
National Credit Union Administration Form 5300	The National Credit Union Administration (NCUA) requires credit unions to complete a 5300 Call Report on a quarterly basis. The data is used to assess a credit union's financial health and compare it to peer credit unions.
Native American	A person having origins in any of the original peoples of North America and South America (including Central America) and who maintains tribal affiliations or community attachment. Also referred to as American Indian.
Native American Community	Any Native American, Alaska Native or Native Hawaiian population, land or Census-equivalent entity, with the exception of State or Tribal Designated Statistical Areas.
Native American Partner	An entity that primarily serves a Native American, Alaskan Native, and/or Native Hawaiian community that partners with an Applicant on a NACA application. Examples of such partners are: tribal governments; tribal entities; inter-tribal or inter-village organizations; or nonprofit community organizations; and CDFIs, CDCs that by mission and practice primarily serve a Native Communities.
Native CDFI	A community development financial institution (CDFI) that is controlled or sponsored by, or whose Target Market is, more than 50% of any combination of Native American, Alaskan Native, or Hawaiian Native groups.
Native Hawaiian	A person having origins in any of the original peoples of Hawaii.
Net Asset Ratio	Net Assets divided by Total Assets.
Net Assets	Total Assets less Total Liabilities as reported in an organization's balance sheet or statement of financial condition. Net Assets is applicable to non-profit organizations and indicates the extent to which Total Assets exceed Total Liabilities. For-profit organizations refer to this as shareholder's equity or in other equivalent terms.

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Net Capital Ratio	The total dollar value of an Insured Credit Union's Net Capital (or Net Worth) divided by its Total Assets.
Net Charge-off/Write-off	The total dollar amount of loans that are determined to be a loss or non-recoverable during the course of an organization's fiscal year and eliminated as an asset, less loan amounts charged-off but later collected.
Net Income	Total Income or Revenue minus total pretax expenses. For non-profit organizations, net income should appear on the income statement or the statement of activities as total income (earned income plus contributed income) minus total expenses. For for-profits it appears on the Income and Expense Statement as total revenue minus total pre-tax expenses. For an Insured Credit Union, Net Income (or loss) is the same as reported on the NCUA 5300. For Insured Depository Institutions, Net Income (or loss) is the same as reported on the Uniform Bank Performance Report.
Net Loan Loss Ratio	The dollar amount of loans charged off divided by the original value of loans. The net loan loss ratio gives an indication of an organization's loan portfolio quality and its ability to efficiently originate and collect loans.
Net Loan Losses	The net amount of an organization's loans that are charged off. Losses are reported after default, foreclosure, and liquidation and are net of any recovered assets. If any amount is reclaimed in the current fiscal year on loans that were charged off in previous years, that amount should be subtracted from the amount lost (i.e., charged off) in the current fiscal year.
Net Loans	The total remaining value of an organization's loans after losses are reported for default, foreclosure, and liquidation. Net <u>L</u> oans include any recovered assets.
Net Long-Term Assets	The value of an organization's property, equipment, capital assets, loans receivable, and other assets that are expected to be usable after one year, less any long-term liabilities that are expected to be redeemed after one year.
Net Non Core Funding Dependence	One of the CDFI Fund's financial indicators captured using the Minimum Prudent Standards based on organization type. This indicator is used to capture Asset Liability Management (Capital Liquidity) for Insured Depository Institutions and appears on the Summary Page of the Uniform Bank Performance Report.
Net Worth	For a for-profit organization, it is the total dollar value of its Shareholders Equity and is comprised of the sum of common stock, paid-in capital and Retained Earnings. For an Insured Credit Union, it is the total dollar value of its equity and is comprised of undivided earnings, regular reserves, appropriation for non-conforming investments (state-chartered credit unions only), Other Reserves (appropriations of undivided earnings and unsecured Secondary Capital (Low-Income Designated Credit Unions only). Net Worth is also commonly known as Total Equity.
Net Worth Ratio	For-profit organizations report this ratio as Net Worth divided by Total Assets. The Net Worth Ratio is also commonly known as the Equity Ratio.
New Markets Tax	The New Markets Tax Credit (NMTC) Program permits taxpayers to

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Credit Program (NMTC)	receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment (QEI) must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.
Non-federal Sources (matching funds)	Any source of money that is not directly provided by the federal government. For example, state and local governments, private institutions, and other non-profit organizations would be considered non-federal sources.
Non-member Shares	Non-member shares are those deposits made into an Insured Credit Union, as defined by the National Credit Union Administration (NCUA), by a depositor that is not a member, nor eligible to be a member. A deposit may be in the form of a share, share certificate or a share draft account.
Non-Regulated Entities	Financial institutions that are not supervised and subject to regulation by federal or state governmental entities such as the Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Federal Reserve, Office of Thrift Supervision (OTS), and National Credit Union Administration (NCUA). Examples of non-regulated entities include revolving loan funds, venture capital funds, and other such non-depository institutions.
Non-traditional Forms of Collateral	Assets used to secure a loan that are not typically accepted by mainstream financial institutions. Whereas most financial institutions will accept cars, equipment, liens, and receivables to secure loans, non-traditional forms of collateral require more sophisticated valuation techniques and due diligence to ensure that the collateral being offered is acceptable. Examples may include rare items such as antiques and collectibles. For microfinance institutions, “social capital” has been used as a non-traditional form of capital in the form of “lending circles” or social groups.
Notice of Award	A document notifying the Awardee of the CDFI Fund’s decision to provide funding and specifying general terms and conditions underlying the CDFI Fund’s provision of Financial or Technical Assistance. The CDFI Fund’s decision is pursuant to the Awardee agreeing to be bound by such terms and conditions contained in the Assistance Agreement.
Notice of Funds Availability (NOFA)	The public notice, published in the Federal Register, which announces the availability of program funds and advises Applicants with respect to obtaining application materials, establishes application submission deadlines, and establishes other requirements or restrictions applicable to the particular funding round.
Off-balance Sheet Lending	Usually means an asset or debt or financing activity that is not on the organization’s balance sheet. Some organizations may have significant amounts of off-balance sheet assets and liabilities. For example, financial institutions often offer asset management or brokerage services to their clients. The assets in question (often securities) usually belong to the individual clients directly or in trust, while the financial institution may

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	provide management, depository or other services to the client. The organization itself has no direct claim to the assets, and usually has some basic fiduciary duties with respect to the client. Financial institutions may report off-balance sheet items in their accounting statements formally, and may also refer to "assets under management," a figure that may include on and off-balance sheet items.
Off-balance Sheet Resources	Loan or other financial resources committed by third party funders to support an organization's lending or equity investment activities (e.g., undrawn lines of credit), which are available to, but which have not been drawn upon or otherwise utilized by such organization. This measure excludes all grants or contributions committed by a third party funder to a nonprofit organization, but not yet disbursed.
Operating Liquidity Ratio	The total unrestricted cash and cash equivalents divided by the product of Total Pre-Tax Expenses multiplied by 0.25. The Operating Liquidity Ratio is a measure of the extent to which an organization has sufficient operating reserves on hand to pay its expenses. A ratio of 1.0 or greater means that an organization has at least three months of liquid assets on hand to cover three months of expenses. A ratio of less than 1.0 means that an organization may be experiencing operating liquidity problems and has insufficient operating reserves.
Other Pacific Islander	A person having origins in any of the original peoples of Guam, Samoa or other Pacific Islands.
Other Targeted Population	A Target Market that is made up of an identifiable group(s) of individuals in the Applicant's service area for which there exists a strong basis in evidence that they lack of access to loans, Equity Investments and/or Financial Services. Such a Targeted Population may comprise persons who have historically been denied access to loans or Equity Investments due to factors such as gender, race, ethnicity, national origin, and creed, among others.
Outstanding Equity Investment Portfolio	The total dollar amount of Equity Investments held by an organization in portfolio companies in which it owns stock or other forms of ownership interest. Total Outstanding Equity Investment Portfolio should reflect the valuation of the organization's interests after making adjustments for any investment gains or losses.
Past Due Loans	Gross Loans Receivable or Total Loans with payments 30 days or more past due (2 months for Insured Credit Unions). Loans should be considered past due if any part of the payment is past due.
Performance Period	The period of time for which an Awardee reports to the CDFI Fund on its performance measures and financial soundness covenants.
Personnel Benefits	One of the eligible uses of technical assistance funds. This includes payment of staff salaries and specified benefits.
Portfolio-at-risk (PAR)	The total dollar amount of loans with payments 90 days or more past due divided by the Total Outstanding Loan Portfolio. This is calculated based on Past Due Loans and includes the entire outstanding balance of loans with payments that are past due. Loans should be considered past due if any part of the payment is past due. In the case of for-profit or non-

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	depository nonprofit organizations, the Portfolio-at-Risk is measured using a schedule of the aging of total loan receivables at 30, 60 and 90 days. In the case of Insured Credit Unions, the aging schedule is calculated at 2 months, 6 months and 12 months. Banks and Thrifts also have a category of loans called non-accrual for which the Banks and Thrifts are no longer accruing interest due to poor payment performance. The Portfolio-at-Risk is also commonly known as the Delinquency Ratio.
Predatory Lending	Generally, a predatory lending may include one or more of the following practices: 1) Making unaffordable loans based on the assets of the borrower rather than on the borrower's ability to repay an obligation; 2) Inducing a borrower to refinance a loan repeatedly in order to charge high points and fees each time the loan is refinanced ("loan flipping"); or 3) engaging in fraud or deception to conceal the true nature of the loan obligation, or ancillary products, from an unsuspecting or unsophisticated borrower; or 4) other similar practices.
Priority Points	A 0 to 5 rating system developed by the CDFI Fund which gives weighted preference to applicants serving highly distressed economic areas.
Professional Fees	All costs of hiring contractual employees, who are not full- or part-time direct employees of the organization. Contractual employees can include individuals in any position.
Professional Services	One of the eligible uses of technical assistance funds. Professional Services are technical functions performed by independent contractors or consultants. The CDFI Fund allows for the procurement of professional services which directly enhance the mission of the financial institution.
Program-related Investment (PRI)	A low-interest senior or subordinated loan to a nonprofit or for-profit organization whose work closely corresponds with a Foundation's programmatic interests. A PRI may also be in the form of a loan guarantee or equity investment.
Prompt Correction Action Plan	Congressionally mandated act to help mitigate risks to FDIC insured banks. This includes periodic capital requirement assessments by the primary regulator. If the financial institution is deemed weak it may be forced to submit a corrective action plan to restore capital ratios to higher levels.
Provision for Losses	Funds set aside in the form of cash reserves or through accounting-based accrual reserves that serve as a cushion to protect an organization against future losses. (see also Loan Loss Reserve)
Remittance	Generally, a remittance refers to a transfer of money from immigrant populations in the U.S. to their countries of origin.
Retained Earnings	<p>1. In the case of a for-profit, Retained Earnings that may be used for matching an Equity Investment shall consist of: (a) the increase in Retained Earnings (excluding the after-tax value to an Applicant of any grants and other donated assets) that has occurred over the Applicant's most recent fiscal year; or (b) the annual average of such increases that have occurred over the Applicant's three most recent fiscal years.</p> <p>2. In the case of a nonprofit Applicant (other than an Insured Credit Union), Retained Earnings that can be used for Matching Funds purposes</p>

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	<p>for a grant shall consist of: (a) the increase in an Applicant's Net Assets (excluding the amount of any grants and value of other donated assets) that has occurred over the Applicant's most recent fiscal year; or (b) the annual average of such increases that has occurred over the Applicant's three most recent fiscal years.</p> <p>3. In the case of an Insured Credit Union Applicant, Retained Earnings that may be used for Matching Funds purposes for a grant shall consist of: (a) the increase in retained earnings that have occurred over the Applicant's most recent fiscal year: the annual average of such increases that have occurred over the Applicant's three most recent fiscal years; or (b) the entire retained earnings</p>
Return on Average Assets	An indicator used to assess the profitability of a firm's assets. It is most often used by banks and other financial institutions as a means to gauge their performance. As return on average assets is calculated at period ends (quarters, years, etc.), it is merely an average of the period. ROAA is calculated by taking net income and dividing by average total assets. The final ratio is expressed as a percentage of total average assets. This metric displays how efficiently a company is utilizing its assets and is also useful to aid comparison among peers in the same industry.
Revenue	Funds obtained by an organization, including earned income, grants, and contributions. Does not include in-kind contributions.
Salaries and Benefits	All salary and benefit expenses incurred by an organization for individuals directly employed by that organization on a full-time or part-time basis. Includes regular wages received by an employee from an employer on a weekly, biweekly, or monthly basis. May include such employee benefits as health and life insurance, savings plans, and Social Security.
SECA	Small and/or Emerging CDFI Assistance. Please see application criteria in the applicable Notice of Funds Availability for this definition.
Secondary Capital	Monies committed to an uninsured account with a Low-Income Designated Credit Union for a minimum of five years. Funds in the Secondary Capital account (including both principal and interest earned) must be available to cover operating losses realized by such credit union (i.e. losses that exceed its net available reserves and undivided earnings). See 12 CFR § 701.34.
Self-sufficiency	The percentage of operating costs that are covered by earned income. Earned income does not include grants or contributions. The Self Sufficiency MPS Ratio is defined as Total Earned Income divided by Total Expenses.
Service Area	Please see Target Market.
SF-424	Federal Government-wide standard forms for grant application packages.
Shareholders Equity	Ownership interest possessed by shareholders in a corporation. Reported in a for-profit organization's balance sheet and indicates the extent to which an organization's Total Assets exceed its Total Liabilities. This is comparable to the Net Assets for a nonprofit organization. Calculated as Total Asset less Total Liabilities.
Shareholders	The residual claims on assets after all liabilities have been paid off. The

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Equity Available for Financing	amount left over after all obligations have been paid off is the shareholder equity available for financing.
Shares	Deposits, shares, share certificates, share drafts, or any other depository account into an Insured Credit Union authorized by federal or state law.
Shares or Deposits Available for Financing	Total dollar amount of shares (Insured Credit Unions) or deposits (banks and thrifts) that the organization has available to make loans or investments.
Sponsoring Entity	A tribe or tribal entity that proposes to create a separate organization that will become a certified Native CDFI.
Start-up Business	A business that has been in operation for fewer than 12 months.
State-regulated Credit Union	Any credit union that is chartered by a state, and is regularly examined by such state for safety and soundness and whose member accounts are insured by an agency of the state or by a private entity as may be approved by the state's credit union authority.
Subordinate Lien	A claim against a property, such as a mortgage loan, that has a lower priority or claim against a borrower.
Subsidiary	Any company which is owned or Controlled directly or indirectly by another company and includes any service corporation owned in whole or part by an Insured Depository Institution or any Subsidiary of such a service corporation, except as provided in § 1805.200(b)(4);
TA	See Technical Assistance
Target Market	The market in which the applicant or CDFI provides its primary services and functions. This may be an Investment Area(s) and/or a Targeted Population(s). See 12 CFR § 1805.104(II).
Targeted Population	Individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to Financial Products or Financial Services in the Applicant's service area.
Technical Assistance (TA)	A grant provided by the CDFI Fund. Technical Assistance applicants may request an award for: (i) Personnel/salary; (ii) personnel/fringe; (iii) professional services; (iv) travel; (v) training; (vi) equipment; (vii) materials/supplies; and (viii) other uses.
Thrift	Thrifts are savings and loans associations. Thrifts also refer to credit unions and mutual savings banks that provide a variety savings and loans services.
Tier 1 Capital	The core measure of a bank's financial strength. It is composed of core capital, which consists primarily of common stock and disclosed reserves or retained earnings but may also include non-redeemable non-cumulative preferred stock.
Total Adjusted Notes Payable	Notes payables are written promises between two parties. A note payable is created when one party receives a loan from another party. The note is for a specified amount of money, due on a specified date and has a stated interest rate. Notes payables are recorded on a company's books as a liability. Each month that a company has a notes payable, an adjusting entry is required to record accrued interest expenses.

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Transaction Level Report (TLR)	A report used to collect compliance and performance data from CDFI Fund awardees. (Technical Assistance award recipients are not required to submit the TLR). The TLR captures data on each individual loan and investment in an awardee's portfolio and captures data on loan rates and terms, underwriting criteria ratios, project costs and characteristics, geography, borrower characteristics, community development outputs, and program-specific information.
Total Assets	The sum of current and long-term assets owned by a company, individual or other entity.
Total Commitments	The total dollar amount of loan or Equity Investment commitments made by a CDFI to borrowers or investees that have not yet been disbursed, but for which the CDFI has reserved cash, cash equivalents, or other assets to fund at a later date (e.g., a loan that is closed but not yet disbursed, a loan that has been provisionally approved but will not be closed or disbursed until a borrower meets certain terms and conditions; a loan that has been approved by a loan committee but not yet closed).
Total Deposits	The total dollar amount of deposit liability accounts held by a Bank or Thrift that is a Federal Deposit Insurance Corporation insured Bank or Thrift.
Total Equity	For a for-profit organization, it is the total dollar value of its Shareholders Equity and is comprised of the sum of common stock, paid-in capital and Retained Earnings. For an Insured Credit Union, it is the total dollar value of its equity and is comprised of undivided earnings, regular reserves, appropriation for non-conforming investments (state-chartered credit unions only), Other Reserves (appropriations of undivided earnings and unsecured Secondary Capital (Low-Income Designated Credit Unions only). Total equity is also commonly known as net worth.
Total Equity Capital Available for Financing	A nonprofit organization's Net Assets that are permanently or temporarily restricted for lending or Equity Investment activities, and Net Assets that are unrestricted, that may be used, or are being used (e.g., loans receivable) to support lending or Equity Investment activities. If an organization owns its office building and equipment or has other non-financing assets, these assets should not be included in Total Equity Capital Available for Financing. Total Equity Capital Available for Financing shall exclude all sources of debt capital.
Total Expenses	Includes total operating expenses plus non-operating expenses such as pass-through grants, taxes, etc. Does not include losses on fixed assets and idle funds (accounted for in total revenue).
Total Financing Capital	The total amount of capital a financing institution has available for lending purposes.
Total Interest Expenses	The total amount reported by an organization or individual as an expense for borrowed money. Interest is calculated as a percentage of the amount of debt for each period of time.
Total Interest Income	A financial measure for banks, calculated by the amount of money the bank receives from interest on assets (commercial loans, personal mortgages, etc). This figure can also be calculated for other corporations,

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	simply by adding up the amount of interest earned from assets.
Total Liabilities	An organization's total legal debts or obligations that arise during the course of business operations. Liabilities include loans, accounts payable, mortgages, deferred revenues and accrued expenses.
Total Loans	The total volume of loans a financing entity has on its balance sheet.
Total Member Deposits	Bank deposits are made to deposit accounts at a banking institution, such as savings accounts, checking accounts and money market accounts. The aggregate of these accounts at an institution is known as the total member deposits.
Total Member Shares	The total dollar amount of member share accounts deposited in an organization that is an Insured Credit Union, as defined by the National Credit Union Administration. A deposit may be in the form of a share, share certificate or a share draft account.
Total Net Worth	The amount by which assets exceed liabilities. This term can be applied to companies and individuals.
Total Non-member Shares	The total dollar amount of non-member share accounts deposited in an organization that is an Insured Credit Union, as defined by the National Credit Union Administration. Non-member shares are those deposits made into an Insured Credit Union by a depositor who is not a member nor eligible to be a member. A deposit may be in the form of a share, share certificate or a share draft account.
Total Off-balance Sheet Resources	Total dollar amount of loan or other financial resources committed by third party funders to support an organization's lending or Equity Investment activities (e.g., undrawn lines of credit), which are available to, but which have not been drawn upon or otherwise utilized by such organization. This measure excludes all grants or contributions committed by a third party funder to a nonprofit organization, but not yet disbursed.
Total Operating Expenses	The total for the category of expenditures that a business incurs as a result of performing its normal business operations.
Total Operating Income	The amount of profit realized from a business's operations after taking out operating expenses, such as cost of goods sold, wages, or depreciation. Operating income takes the gross income (revenue minus COGS) and subtracts other operating expenses and then removes depreciation. Operating income is typically a synonym for earnings before interest and taxes (EBIT) and is also commonly referred to as "operating profit" or "recurring profit."
Total Outstanding Loan Portfolio	Gross loans receivable as reported in an organization's statement of financial condition or balance sheet. Gross loans receivable are the principal amount of loans receivable held by an organization that represents the amount still owed to the organization by its borrowers without giving effect to any allowance for the collectability thereof (i.e. before loan loss reserves are calculated).
Total Revenue	The total amount of receipts that is brought into a organization by its business activities. Total revenue is typically calculated by multiplying the price at which goods or services are sold by the number of units or amount sold.

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Tribally Controlled Community Corporation	An entity which is 51% controlled by a tribal entity.
Tribe, Tribal	A tribe, band, or other group of Native Americans within the boundaries of the United States and exercising the powers of government and sovereignty, under the national government.
Underwriting	The process of determining the eligibility, risk, and credit-worthiness of an institution or individual for the purpose of providing them a loan, grant, equity investment, or similar financing activity.
Undivided Earnings	The total dollar amount of accumulated income or surplus for an Insured Credit Union. As a post-closing amount, it includes the net income (loss) from operations. This amount appears in the NCUA 5300 Call Report, Statement of Financial Condition.
Uniform Bank Performance Report	An analytical tool used to help supervise and examine financial institutions. The Uniform Bank Performance Report serves as an analysis of the impact that management and economic conditions can have on a bank's balance sheet. It examines liquidity, adequacy of capital and earnings and other factors that could damage the stability of the bank.
United States	The 50 states, the District of Columbia, any territory of the United States, including, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.
Unrestricted Net Assets	Net Assets derived from unrestricted funds or funds released from restrictions during the fiscal year.
Urban Indian	Individuals of American Indian and Alaska Native ancestry who may or may not have direct and/or active ties with a particular tribe, but who identify with and are occasionally active in the Native community in their urban area.
Venture Capital Fund	An organization that predominantly invests funds in businesses, typically in the form of either Equity Investments or subordinated debt with equity features such as a revenue participation or warrants, and generally seeks to participate in the upside returns of such businesses, via such Equity Investments or equity features in an effort to at least partially offset the risk investments.
Very Low-income	An annual income, adjusted for family size, of not more than 60 percent of the area median family income.
Village	The reservation of any federally or State recognized Indian tribe, including any band, nation, pueblo, or rancheria including allotted lands or lands subject to a restriction against alienation imposed by the United States or a State, and any lands of or under the jurisdiction of an Alaska Native village or group, including any lands selected by Alaska Natives or Alaska Native organizations under the Alaska Native Claims Settlement Act.
Village Corporation	Created in 1971 by the Alaska Natives Claims Settlement Act, a village corporation serves as an intermediary between institutions looking to do business on Alaskan lands and the peoples themselves. It allows for the transfer of compensation between the primary entity and its shareholders.
Voting Securities	Shares of common or preferred stock, general or limited partnership

CDFI and NACA Programs Application Glossary

	<p>shares or interests, or similar interests if the shares or interest, by statute, charter, or in any manner, entitle the holder:</p> <ol style="list-style-type: none">1. To vote for or select directors, trustees, or partners (or persons exercising similar functions of the issuing company); or2. To vote on or to direct the conduct of the operations or other significant policies of the issuing company. See 12 CFR § 1805.104(kk)(1).
White	As defined by the Census Bureau: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
Women-owned Business	A business that is at least 51 percent owned or controlled by one or more women. If the business is a for-profit concern, 50 percent or more of its owners must be women; if the business is a nonprofit concern, 50 percent or more of its board of directors must be women (or, its chief executive officer or executive director must be a woman).
Write-off	A reduction in the value of an asset or earnings by the amount of an expense or loss. Companies and individuals are able to write off certain expenses that are required to run the business, or have been incurred in the operation of the business and detract from retained revenues. See Charge-off.
Yield on Average Assets	The average income return on an investment over a period of time. This refers to the interest or dividends received from a security and are usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. It is most often used by banks and other financial institutions as a means to gauge their performance.