

Community Development Financial Institutions Fund (CDFI Fund)

- Assistive Technology Act Technical Assistance and Training Center
- CDFI Certification Webinar
- Presented on November 15, 2017

Agenda

- CDFI Fund – Mission/Vision
- CDFI Fund – Programs
- CDFI Certification
- Questions/Wrap Up

CDFI Fund Mission/Vision

Mission: The CDFI Fund’s mission is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

Vision: The vision of the CDFI Fund is an America in which all people and communities have access to the investment capital and financial services they need to prosper.

CDFI Fund: Programs

The CDFI Fund accomplishes our mission by investing in and supporting CDFIs, CDEs, and other financial institutions through the:

- ❖ CDFI Program and Native American CDFI Assistance (NACA) Program
 - Financial Assistance (FA) Awards
 - Technical Assistance (TA) Grants
 - Healthy Foods Financing Initiative (HFFI-FA)
 - Capacity Building Initiative
- ❖ Bank Enterprise Award (BEA) Program
- ❖ New Markets Tax Credit (NMTC) Program
- ❖ CDFI Bond Guarantee Program (BGP)
- ❖ Capital Magnet Fund (CMF)

CDFI Fund – CDFI Certification

Types of certified Community Development Financial Institutions (CDFIs):

- ❖ Loan Funds
- ❖ Venture Capital Funds
- ❖ Credit Unions
- ❖ Banks and Thrifts
- ❖ Bank Holding Companies

CDFI Fund – CDFI Certification

An entity must meet all of the following requirements to be eligible to apply to become a certified CDFI:

- ❖ Be a Legally Existing Entity;
- ❖ Have a Primary Mission of promoting community development;
- ❖ Be a Financing Entity;
- ❖ Provide Development Services in conjunction with its financing activities;
- ❖ Primarily serve an eligible Target Market;
- ❖ Maintain Accountability to its defined Target Market; and

- ❖ Be a Non-Governmental Entity, and not be controlled by any governmental entities.

CDFI Fund - Contact Information

Certification, Compliance Monitoring, and
Evaluation Support:

ccme@cdfi.treas.gov or 202.653.0423

Technical (AMIS) Support:

AMIS@cdfi.treas.gov or 202-653-0422

Appendix Slides

Initial CDFI Certification Application Process

- ❖ Pre-Application – AMIS Account
- ❖ Application Components
 - ❖ Narrative Responses
 - ❖ Data Inputs
 - ❖ Additional Attachments
 - ❖ Maps – CIMS
- ❖ Application Submission – AMIS/myCDFI Fund
- ❖ Application Review/Determination – Email Notification

Annual CDFI Certification Reporting Process

- ❖ Report Creation – AMIS Account
- ❖ Report Components
 - ❖ Narrative Responses, if necessary
 - ❖ Data Inputs
 - ❖ Additional Attachments, if necessary
 - ❖ Maps – CIMS, if necessary
- ❖ Report Submission – AMIS
- ❖ Report Review/Determination – AMIS
- ❖

Additional Considerations

- ❖ Additional “collective” requirement provision for Depository Institutions and Depository Institution Holding Companies.
- ❖ Regarding Accountability requirement
 - ❖ Board conflicts of interest
 - ❖ Accountability options – Governing & Advisory Boards
 - ❖ Investment Area (IA) accountability options – IA Resident
- ❖ Regarding Target Markets – Other Targeted Populations (OTP)

Becoming a CDFI: Certification & Benefits

Presented by Lisa Wagner, Blue Stem Consulting.

The Certification Process:

Access your readiness:

- Review eligibility criteria

- Adjust where necessary
- Determine best time to apply

Prepare to Apply:

- Download instructions from CDFI website
- Gather org info
- Test run a Target Market map online

Complete Application:

- Create online org account
- Complete online info and upload attachments
- Rolling Deadline

Places orgs get tripped up:

Target Market:

- IA or LITP or OTP
- Keep it simple

Accountability:

- Is your board representative of your target market?

Financing Entity:

- Is lending the majority of your assets?
- Are majority of staff doing lending?

Non-government entity:

- Does any government control your board or decisions of your org?

CDFI Program - Funding Awards

- Do not have to be CDFI certified
- Up to \$125,000
- No matching funds required
- Used for capacity building
- Cannot be used for lending

Financial Assistance

- Must be CDFI certified
- Up to \$2MM grants and loans
- Matching funds required (if assets > \$5MM)
- Used for lending, training & TA; loan loss reserves

CDFI Loan Fund FA and TA Application

Helpful Tips:

TA App: Demonstrate your plan for achieving certification

FA App:

- Business plan
- Financial projections align with strategy/goals
- Show growth

CDFI Loan Fund FA and TA Application

Helpful Tips:

- COLLABORATION/PARTNERSHIPS are important
- Show how CDFI \$\$ will grow your IMPACT
- Read the app and guidance...the fund tells you what they're looking for

Other Benefits of Becoming a Certified CDFI

Access to:

- Banks
- Foundations
- Other Federal Programs

Networks:

- Other CDFIs
- People
- Resources

Increasing Credibility