

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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Bank Enterprise Award Program

FY 2015 Application Webinar

FY 2015 Application Webinar



- Welcome to the FY 2015 Bank Enterprise Award Application (BEA) Webinar!
- As a reminder, participants will be muted until we open phone lines for questions at the end of the presentation.

FY 2015 Application Webinar



BEA Program Team:

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FY 2015 Application Webinar



Webinar Agenda:

- BEA Program Overview
- BEA Application Overview
- FY 2015 BEA Application Round
- Questions

BEA Program Overview



- Created through the Bank Enterprise Act of 1991 and subsequently through the Community Development Banking and Financial Institutions Act of 1994.
 - The first Notice of Funds Availability (NOFA) was published in 1995.
 - The first award round took place in 1996.
- The BEA Program awards FDIC-insured depository institutions that *successfully demonstrate* increased investments in certified **Community Development Financial Institutions (CDFIs)** and/or in their own lending, investing, or service-related activities in **BEA Distressed Communities**.

BEA Program Overview



- Since 1996, the CDFI Fund has granted \$411 million in BEA Program awards over 18 rounds.
- Over the past three years:
 - 82% of BEA Program Awardees have been insured depository institutions defined as Small or Intermediate-Small Banks based on Community Reinvestment Act (CRA) regulations.
- During this same period, BEA Awardees:
 - Increased their investments in certified CDFIs by \$124.3 million;
 - Increased their loans and investments in distressed communities by \$1.2 billion; and
 - Increased the provision of financial services in distressed communities by \$66.7 million.

BEA Program Overview



In FY 2014 the CDFI Fund Awarded \$17.9 million in BEA Program Awards as follows:

Category	Number of Awardees	Award Amount	% of Award Dollars
Certified CDFIs	48	\$15.4 million	86%
Minority Depository Institutions	21	\$6.5 million	30%
Small Banks (assets of less than \$300 million)	35	\$9.9 million	55%
Intermediate Banks (assets of a least \$300 million but less than \$1.202 billion)	24	\$6.8 million	38%
Large Banks (assets of \$1.202 of greater)	10	\$1.2 million	7%

BEA Program Overview



- Applicants must be FDIC-insured depository institutions.
 - CDFI and non-CDFI banks may apply.
 - Holding Companies are not eligible to apply.
- BEA Program Awards are based on demonstrated increases in **Qualified Activities** that occurred in a **BEA Distressed Community** from a calendar year **Baseline Period** to the following calendar year **Assessment Period**.
- BEA Program Awards must be reinvested in additional BEA Program **Qualified Activities**.

BEA Program Overview



BEA Qualified Activities include:

1. CDFI-Related Activities: Providing equity investments, grants, equity-like loans, deposits and/or technical assistance to certified CDFIs. (NOTE: A CDFI that receives CDFI-Related Activities from an Applicant is a *CDFI Partner* and must be *Integrally Involved* in a BEA Distressed Community as defined in the FY 2015 NOFA and BEA Interim Rule.)
2. Distressed Community Financing Activities: Direct lending or investments in the form of affordable housing loans, affordable housing development loans or investments, home improvement loans, education loans, small dollar consumer loans, small business loans or investments, and/or commercial real estate development loans or investments provided to residents or businesses located in **BEA Distressed Communities**.
3. Service Activities: Providing financial services such as deposit accounts (e.g., checking or savings accounts) , community services (e.g. financial counseling), financial services (e.g., new branches/ATMs, check cashing), targeted financial services (e.g., individual development accounts, youth savings accounts) , and targeted retail savings/investment products (e.g., CD's, mutual funds) to the residents of **BEA Distressed Communities**.

BEA Program Overview



BEA Distressed Communities are census tracts that individually or collectively meet each of the following requirements:

- Economic Requirement
 - At least 30% of population living in poverty; **and**
 - Unemployment rate at least 1.5 times the national average.
- Geographic requirement:
 - A total population of at least 4,000, if near a MSA with a population of 50,000 or greater;
 - A population of at least 1,000 if no portion is located near a MSA; or
 - Located within an Indian Reservation.
- * Use the CDFI Fund's Information Mapping System to identify BEA Distressed Communities.

BEA Program Application Overview



BEA Program Award amounts are **Calculated Formulaically** and **Prioritized based on:**

1. Qualified Activity Type: CDFI Related Activities are awarded first, followed by Distressed Community Financing Activities, then Service Activities.
2. CDFI Status: Certified CDFIs are prioritized over non-CDFIs in each Qualified Activity category. Awards to CDFIs are also calculated using a higher award percentage for most Qualified Activity types..
3. CRA Asset Size: Small Banks receive a priority factor of 5, followed by Intermediate Banks which receive a priority factor of 3, then Large Banks which receive a priority factor of 1.

BEA Program Application Overview



Worksheet 1: Estimated BEA Award Calculation

Priority	Increase in Qualified Activities		Multiplied by	Asset Size Priority Factor		Multiplied by	Award % CDFIs	Award % non-CDFIs	Equals	Estimated Award Amount
1 st	CDFI Related Activities	Equity, Equity-Like Loans or Grants	X	N/A		X	15%	15%	=	\$
		Loan, Deposits, or Technical Assistance					18%	6%		\$
2 nd	Distressed Community Financing Activities		X	Small	5	X	9%	3%	=	\$
				Intermediate	3					
				Large	1					
3 rd	Service Activities		X	Small	5	X	9%	3%	=	\$
				Intermediate	3					
				Large	1					

FY 2015 BEA Program Application Round



FY 2015 BEA Program Application Round:

- Approximately \$18 million in available appropriations.
- Baseline Period:
 - January 1, 2013 through December 31, 2013
- Assessment Period:
 - January 1, 2014 through December 31, 2014
- Applications are submitted via:
 - Part 1: Grants.gov; and
 - Part 2: myCDFIFund

FY 2015 BEA Program Application Round



FY 2015 BEA Program Application Round Updates:

- Small Dollar Consumer Loans have been added as a new Qualified Activity in the Distressed Community Financing Activities category.
- Youth Savings Accounts have been added as a Targeted Financial Service in the Service Activities category.
- Applicants are also now required to indicate how they intend to use their BEA Program Award in their applications.

FY 2015 BEA Program Application Round



2015 BEA Program Application Round Updates:

- 2006-10 American Community Survey BEA Eligibility Data has been updated and now includes:
 - Median Family Income (MFI) data for all census tracts.
- Baseline Period determination:
 - Applicants that applied in FY 2014 may use either the legacy or updated eligibility data to report their FY 2015 Baseline Period amounts for any specific activity reported in the FY 2014 Application Assessment Period that is also being reported in the FY 2015 Application. Assessment Period amounts must be determined using the updated eligibility data.
 - For All Other FY 2015 Applicants: Baseline Period and Assessment Period amounts must be determined using the updated eligibility data.

FY 2015 BEA Program Application Round



Applicants must:

- Be FDIC insured.
- Holding companies may **not** apply.
- CDFI and non-CDFI banks may apply.
- CDFI Program Applicants may also apply for BEA, however, Applicants that receive a FY 2015 CDFI Program Award will not be eligible to also receive a FY 2015 BEA Program Award.

CDFI Applicants:

- Must be certified by end of Assessment Period (12/31/14); AND
- Maintain its certification at the time BEA Program awards are announced.

FY 2015 BEA Program Application Round



CDFI Partners must:

- Be Integrally Involved in a Distressed Community;
- Be certified as a CDFI as of 12/31/14 (by the end of the Assessment Period); and
- Submit a FY 2015 BEA Signature Page in myCDFIFund.

In addition, CDFI Partners that received CDFI Support Activity must:

- Associate a Distressed Community map in CIMS; and
- Attach a copy of the Distressed Community map to the FY 2015 BEA Signature Page in myCDFIFund.

FY 2015 BEA Program Application Round



Part 1 - Grants.gov:

- Applicants must apply via Grants.gov by June 15, 2015 11:59 pm ET.
- On Grants.gov Applicants must:
 - Complete an SF 424 Mandatory; and
 - Upload and submit the required Excel charts, applicable MS Word Certifications, and Environmental Review Form.
 - Failure to submit the required Excel Chart will result in the application being deemed incomplete.
- Applicant information (e.g., DUNS, EIN, etc.) submitted via Grants.gov should match the Applicant information in myCDFIFund and reflect Applicant's information and not the name of a holding company, subsidiary or affiliate.

FY 2015 BEA Program Application Round



Part 2 - myCDFIFund:

- All Applicants and CDFI Partners must register and submit a BEA Signature Page via myCDFIFund by 5:00 pm ET on June 17, 2015.
- Applicants must:
 - Complete the FY 2015 BEA Signature Page; and
 - Attach required supporting documentation for **Qualified Activities**;
- CDFI Partners:
 - Complete the FY 2015 BEA Signature Page (all CDFI Partners); and
 - Associate a **Distressed Community map** in CIMS and Attach a copy to the FY 2015 BEA Signature Page in myCDFIFund (only CDFI Partners that received CDFI Support Activities).

FY 2015 BEA Program Application Round



Important Dates:

Activity	Date
Application and NOFA Released	May 4, 2015
Last day for BEA Program Help Desk Questions	June 11, 2015 by 5:00 pm ET
Part 1 – Grants.gov Application Due	June 15, 2015 by 11:59 pm ET
Part 2 – myCDFIFund FY 2015 BEA Signature Page and Supporting Documentation Due	June 17, 2015 by 5:00 pm ET
Last day for IT Help Desk Questions	June 17, 2015 by 5:00 pm ET

FY 2015 BEA Program Application Round



This concludes the FY 2015 BEA Application Webinar. Thank you for your participation. We will now open it up for questions.