

**From:** Robert Lyon  
**Sent:** Thursday, April 05, 2012 10:15 AM  
**To:** CDFIHELP  
**Subject:** Attn: Ruth Jaure - CDFI Program Application comments

Relative to whether the application asks the appropriate questions to determine applicant's financial health, I have several observations related to the loan portfolio quality minimum prudent standards for non-regulated entities, specifically the chart located on page 33 which reflects product groups and PAR standard "ceilings".

1. As PAR is defined as those loans past due 90 days or more, a standard of 10% for business loans is considered excessive, and encourages undue risk taking.
2. Why a 15% overall MPS is cited does not make sense, as each of the product grouping thresholds is less than such number. What this seemingly suggests is that it would be acceptable to have say business loans with a PAR or say 30%, if the other categories resulted in the weighted PAR being below 15%.

Thank you for the opportunity to comment