

**DEPARTMENT OF THE TREASURY****Community Development Financial Institutions Fund****Notice of Funds Availability (NOFA) Inviting Applications for the Bank Enterprise Awards (BEA) Program**

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Notice of Funds Availability (NOFA) inviting applications.

**SUMMARY:** The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 et seq.) authorizes the Community Development Financial Institutions Fund (hereafter referred to as "the Fund") to provide a reward to insured depository institutions for the purpose of promoting investments in or other support to Community Development Financial Institutions ("CDFIs") and facilitating increased lending and provision of financial and other services in economically distressed communities. Insured depository institutions and CDFIs are defined terms in an interim rule (12 CFR part 1806) published elsewhere in this issue of the Federal Register. The Fund reserves the right to award funds under this Notice up to the maximum amount authorized by law. As of the date of this Notice and subject to funding availability, the Fund intends to award up to \$16.25 million in Bank Enterprise Award (BEA) Program funds. The Fund reserves the right to award in excess of \$16.25 million if it deems it appropriate. The BEA Program shall be subject to the revised interim rule. The revised interim rule establishes the Program requirements.

**DATES:** Applications may be submitted at any time after March 7, 1997. The deadline for receipt of an application is 6 p.m. Eastern Standard Time on Friday, April 25, 1997. Applications received after that date and time will not be accepted and will be returned to the sender. Any entity seeking certification as a Community Development Financial Institution (as defined in 12 CFR 1805.200) for the purposes of 12 CFR part 1806 are strongly encouraged to submit the materials described in 12 CFR 1805.701(b) by Friday, April 25, 1997. If such an entity fails to submit such materials by this deadline, the Fund cannot guarantee that it will have sufficient time to complete a certification review for the purposes of the current funding round of the BEA Program. In addition, with respect to all requests for certification, the Fund

reserves the right to request clarifying or technical information after reviewing materials submitted as described in 12 CFR 1805.701(b). If the entity seeking certification does not respond to such requests in a timely manner, the Fund cannot guarantee that it will have sufficient time to complete a certification review for the purposes of the current funding round of the BEA program.

**ADDRESSES:** Applications must be sent to: The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW., Washington DC 20220. Applications sent by FAX will not be accepted.

**FOR FURTHER INFORMATION CONTACT:** The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW., Washington DC 20220, (202) 622-8662. (This is not a toll free number.) To request an application packet, please send by facsimile a written request to (202) 622-2599. Such request must include the name of the requester, organization, mailing address, phone number, and facsimile number. Questions about the BEA regulation, this Notice and the application can also be sent by facsimile to (202) 622-2599. (Please note that this facsimile number has been established for the purpose of accepting application requests and questions.)

**SUPPLEMENTARY INFORMATION:****I. Background**

As part of a national strategy to facilitate revitalization and increased availability of credit and investment capital in distressed communities, the Community Development Banking and Financial Institutions Act of 1994 authorizes a portion of funds appropriated to the Fund to be made available for distribution through the BEA Program. The BEA Program is largely based on the Bank Enterprise Act of 1991 although Congress significantly amended the program to facilitate greater coordination with other activities of the Fund. The BEA Program and the Community Development Financial Institutions Program (12 CFR part 1805) are intended to be complementary initiatives that support a wide range of community development activities and facilitate partnerships between traditional lenders and CDFIs. This Notice invites applications from insured depository institutions for the purpose of promoting community development activities and revitalization.

**II. Eligibility**

The Act specifies that eligible applicants must be insured depository institutions as defined under section (3)(c)(2) of the Federal Deposit Insurance Act.

**III. Designation Factors**

The revised interim rule published separately in this issue of the Federal Register (12 CFR part 1806) describes the process for selecting applicants to receive assistance and for determining award amounts. The rating and selection process will give priority to applicants in the following order: Equity Investments in CDFIs in Distressed Communities, Equity Investment in CDFIs not serving Distressed Communities, CDFI Support Activities, and Development and Services Activities (as such activities are defined in the revised interim rule). Assistance amounts will be calculated based on increases in Qualified Activities that occur during a 6-month Assessment Period in excess of activities that occurred during a 6-month Baseline Period. In general, estimated award amounts for applicants making equity investments in CDFIs will be equal to 15 percent of the anticipated increase in such activities. An applicant may choose to accept less than the maximum amount of assistance in order to increase the ranking of its application. Estimated award amounts for CDFI applicants for carrying out CDFI Support Activities will be equal to 33 percent of the anticipated increase in such activities. Estimated award amounts for non-CDFI applicants for carrying out CDFI Support Activities will be equal to 11 percent of the anticipated increase in such activities. The revised interim rule establishes the ranking and selection process. For an applicant pursuing Development and Service Activities, a multi-step procedure is outlined in the interim rule that will be used to calculate the estimated award amount. In general, if an applicant is a CDFI, such estimated award amount will be equal to 15 percent of the total score calculated in the multi-step procedure. If an applicant is not a CDFI, such estimated award amount will be equal to 5 percent of the total score calculated in the multi-step procedure. In ranking and funding such applicants, the Fund will take into consideration the total score, the asset size of the applicant, and other relevant factors. The Fund, in its sole discretion, may adjust the estimated award amount that an applicant may receive prior to the end of the Assessment Period. The Fund may, in its sole discretion,

establish any limitations on the maximum amount that may be awarded to an applicant. The Fund reserves the right to limit the amount of an award to any Awardee if deemed appropriate.

#### IV. Baseline Period and Assessment Period Dates

As part of its application, an applicant shall report the Qualified Activities that it actually carried out during a 6-month Baseline Period. Such Baseline Period will begin on January 1, 1996, and end on June 30, 1996. An applicant shall also project the Qualified Activities that it expects to carry out during a 6-month Assessment Period. Such Assessment Period will begin on March 1, 1997, and end on August 31, 1997. Applicants selected to participate in the program during the Assessment Period will be required to report the Qualified Activities that it actually carried out during the Assessment Period. Applicants will be required to submit their end of the Assessment Period report by Monday, September 8, 1997. If

applicants do not have final activity numbers for the month ending August 31, 1997, by the reporting deadline, they may submit an estimate for the month of August with actual activity data for the months of March through July 1997. In such a circumstance, the applicant must submit its actual activities for the month of August 1997, not later than September 15, 1997. The Fund will evaluate the performance of applicants in carrying out projected activities to determine actual award amounts. Because the Fund had not certified any organizations as CDFIs during the Baseline Period for this funding round, the Fund will consider all Applicants that propose to engage in CDFI Related Activities to have engaged in no such activities during the Baseline Period for the purpose of calculating awards.

#### V. Other Matters

(a) Paperwork Reduction Act. For details on the information collection requirements of the rule and this Notice, the reader should refer to the interim

rule (12 CFR part 1806) published elsewhere in this issue of the Federal Register.

(b) Environmental Impact. Pursuant to Treasury Directive 75-02, the Department of the Treasury has determined that implementation of the BEA Program under the interim rule is categorically excluded from the National Environmental Policy Act of 1969 (42 U.S.C. 4332) and does not require environmental review. The determination is available to public inspection between 9:30 a.m. and 4:30 p.m. weekdays at the office of the Fund.

Authority: 12 U.S.C. 4703, 4717; Chapter X, Pub. L. 104-19, 108 Stat. 237; 12 CFR 1806.206(a).

Dated: March 4, 1997.

Kirsten S. Moy,

*Director, Community Development Financial Institutions Fund.*

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