

DEPARTMENT OF THE TREASURY**Community Development Financial Institutions Fund****Notice of Funds Availability (NOFA) Inviting Applications for the Bank Enterprise Award (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 incentives 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**. This interim rule implements the Bank Enterprise Award (BEA) Program. The Fund reserves the right to award funds under this NOFA up to the maximum amount authorized by law. As of the date of this NOFA and subject to funding availability, the Fund intends to make available up to \$25 million in BEA Program funds. The Fund reserves the right to award in excess of \$25 million if it deems it appropriate.

DATES: Applications may be submitted at any time after December 5, 1997. The deadline for receipt of an application is 6 p.m. Eastern Standard Time on February 12, 1998. Applications received after that date and time will not be accepted and will be returned to the sender. Any entity seeking certification as a CDFI (as described in 12 CFR 1805.200) for the purposes of 12 CFR part 1806 are strongly encouraged to submit the Application Form for Certification, the contents of which are described in 12 CFR 1805.701(b) (1) through (8), by February 12, 1998. If an entity fails to submit such Application 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) (1) through (8). 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 shall be sent to: The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 601 13th Street, NW, Washington DC 20005. Applications sent by fax will not be accepted.

FOR FURTHER INFORMATION CONTACT: The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 601 13th Street, NW, Washington DC 20005, (202) 622-8662. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION:**I. Background**

As part of a national strategy to facilitate revitalization and increase the availability of credit and investment capital in distressed communities, the Community Development Banking and Financial Institutions Act of 1994 (Act) 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 NOFA 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 in 12 U.S.C. 1813(c)(2).

III. Designation of Distressed Community

In accordance with 12 CFR 1806.200(d), in the case of applicants carrying out Qualified Activities requiring the designation of a Distressed Community (as defined in 12 CFR 1806.103(r)), the Fund will provide

prospective Applicants with data and other information to help identify areas eligible to be Distressed Communities. The Fund is requiring all applicants to contact the BEA Help Desk at (202) 622-8662 to obtain such necessary data and information.

IV. 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 priority of categories: Equity Investments in CDFIs serving 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 projected 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 projected 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 projected 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 within each category, the Fund will apply criteria contained in the revised interim rule. 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.

V. 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, 1997, and end

on June 30, 1997. 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 January 1, 1998, and end on June 30, 1998. Applicants selected to participate in the Program during the Assessment Period will be required to submit to the Fund a Final Report of Qualified Activities actually carried out during the Assessment Period. The deadline for receipt of the

Final Report is 6 p.m. Eastern Standard Time on July 31, 1998. The Fund will evaluate the performance of applicants in carrying out projected activities to determine actual award amounts.

Authority: 12 U.S.C. 4703, 4703 note; 12 U.S.C. 1834a; 12 CFR part 1806.

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