

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

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

**ACTION:** Notice of funds availability inviting applications.

**SUMMARY:** The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 *et seq.*) (hereafter referred to as the "Act") authorizes the Community Development Financial Institutions Fund (hereafter referred to as "the Fund") to select and provide financial and technical assistance to eligible applicants under the Community Development Financial Institutions ("CDFI") Program. The Fund reserves the right to award assistance 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 \$31 million in CDFI Program funds. The Fund may award in excess of \$31 million if more funds become available. The interim rule (12 CFR part 1805) published separately in today's Federal Register provides guidance on the contents of the necessary application materials and program requirements.

**DATES:** Applications may be submitted at any time after October 19, 1995. The deadline for receipt of an application is 4 p.m. Eastern Standard Time on Friday, December 22, 1995. Applications received after that date and time will not be accepted and will be returned to the sender.

**ADDRESSES:** Applications may be obtained from the office of the Fund listed below or by telephone at (202) 622-8662. (This is not a toll-free number.) Applications must be sent to: The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW., Room 5116, 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., Room 5116, Washington, DC 20220, (202) 622-8662. (This is not a toll-free number.)

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

Credit and investment capital are essential ingredients in creating and retaining jobs, developing affordable housing, starting or expanding businesses, revitalizing neighborhoods, and empowering people. As a key urban and rural policy initiative, the CDFI Program will facilitate the creation of a national network of financial institutions that are specifically dedicated to community development. This strategy will build sustainable institutions that make loans and investments and provide services to economically distressed investment areas and disadvantaged targeted populations. The Act, enacted to implement this vision, authorizes the Fund to select entities to receive financial and technical assistance. New institutions are eligible to receive start-up assistance. Institutions in operation at the time of application are eligible to receive assistance to expand their activities. This Notice invites applications from eligible applicants for the purpose of promoting community development activities and revitalization.

**II. Eligibility**

The Act specifies the requirements that each applicant must meet in order to be considered a CDFI. Entities that meet, or propose to meet, these requirements are eligible to apply for assistance. In general, a CDFI must have a primary mission of promoting community development, provide lending or investments, serve an investment area or a targeted population, provide development services, maintain community accountability, and be a non-government entity. The details of these requirements and other program requirements are described in the interim rule governing the CDFI Program (12 CFR part 1805) which is published separately in today's Federal Register.

**III. Types of Assistance**

The Fund will award up to an estimated \$31 million of appropriated funds in CDFI Program assistance. Of assistance amounts available, the Fund may use up to \$4 million to cover the costs of direct loans. The funds available to cover the cost of direct loans may be used to support loans with a total principal amount not to exceed \$31.6 million. An applicant may submit an application for financial assistance, technical assistance, or both. All applicants must submit the materials

described in 12 CFR 1805.700 and the application packet. Applicants for financial assistance shall indicate the dollar amount, form, terms, and conditions of assistance requested. Applicants for technical assistance shall describe the types of technical assistance requested, estimate the cost to obtain such assistance, and provide a narrative justification of its needs for such assistance.

An applicant may seek certification from the Fund that it meets the eligibility requirements of a CDFI regardless of whether it is submitting an application for assistance. Such an applicant shall submit a letter requesting certification and the materials described in 12 CFR 1805.701 and the application packet.

**IV. Matching Funds**

Applicants selected to receive assistance under this Notice must have firm commitments for the matching funds required pursuant to 12 CFR 1805.600 by not later than July 1, 1996. The Fund may recapture and reprogram funds if an applicant fails to raise the required match by such date.

**V. Selection Factors**

Applications will be selected on a competitive basis. The interim rule specifies three categories of selection factors: (1) Financial and organizational capacity; (2) strength of external resources; and (3) community impact. Such categories are based on criteria outlined in the Act and will be utilized by the Fund in selecting applications for assistance. Each of the categories is discussed in greater detail in the interim rule. The Fund may give additional consideration to applicants that have secured firm commitments for all of the matching funds at the time of submission of an application. The Fund may also give additional consideration to applicants that dedicate the greatest portion of their total resources to lending, investment, or provision of Development Services. The Fund has sole discretion in the selection of applications for assistance. The anticipated maximum award per applicant under this Notice is \$2 million. However, the Fund, in its sole discretion, reserves the right to award amounts in excess of \$2 million for applications of exceptional merit.

**VI. Workshops**

The CDFI Fund will host two workshops to disseminate information to organizations interested in applying for assistance under the CDFI Program and the Bank Enterprise Awards Program (12 CFR part 1806). The

workshops will be held on Monday, November 13, 1995 in Washington, DC and on Friday, November 17, 1995 in Los Angeles, California. To register for a workshop call Skip Cooper at (310) 417-5170.

#### VII. Other Matters

(a) Paperwork Reduction Act. The reader should refer to the interim rule (12 CFR part 1805) published separately in today's Federal Register for details

on the information collection requirements of the rule and this Notice.

(b) Environmental Impact. Pursuant to Treasury Directive 75-02, the Department of the Treasury has determined that implementation of the CDFI 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 an environmental review. The

determination is available for 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, 109 Stat. 237; 12 CFR 1805.700.

Dated: October 11, 1995.

John D. Hawke, Jr.,

*Under Secretary (Domestic Finance).*

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