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For further information on the Fund's Information Sessions, dates and locations, or to register online for an Information Session, please visit the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi). If you do not have Internet access, you may register by calling the Fund at (202) 622-8662.

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**Tony Brown,**

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## DEPARTMENT OF THE TREASURY

### Community Development Financial Institutions Fund

#### Notice of Funds Availability (NOFA) Inviting Applications for the Bank Enterprise Award Program

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

**ACTION:** Notice of funds availability (NOFA) inviting applications for the FY 2002 funding round of the Bank Enterprise Award Program.

**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, through the Bank Enterprise Award ("BEA") Program, to Insured Depository Institutions for the purposes 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 12 CFR part 1805 and part 1806, the regulations that govern the CDFI Program (the "CDFI Program Regulations") and the BEA Program (the "BEA Program Regulations"), respectively.

This NOFA is issued in connection with the Fiscal Year 2002 funding round of the BEA Program. Subject to funding availability, the Fund expects that it may award approximately \$16.5 million in appropriated funds under this BEA Program NOFA. The Fund reserves the right to award in excess of \$16.5 million in appropriated funds under this NOFA provided that the funds are available and the Fund deems it appropriate. Under this NOFA, the Fund anticipates a maximum award amount of \$2.0 million per applicant. The Fund reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA and the right to award amounts in excess of the anticipated maximum award amount, if the Fund deems it appropriate.

Published elsewhere in this issue of the **Federal Register** are (i) The Fund's NOFA for the combined Core and Intermediary Components of the CDFI Program, through which CDFIs may apply directly to the Fund for financial assistance and/or technical assistance awards, (ii) the Fund's NOFA for the Small and Emerging CDFI Assistance ("SECA") Component of the CDFI Program, through which CDFIs may apply directly to the Fund for financial assistance awards and Small and Emerging CDFIs, as defined therein, may apply directly to the Fund for financial assistance and technical assistance awards, and (iii) the Fund's NOFA for the Native American CDFI Technical Assistance ("NACTA") Component of the CDFI Program, through which organizations that serve or wish to serve Native American communities through the provision of loans, investments and financial services, may apply directly to the Fund for TA awards. In addition, the Fund expects to issue, at a later date, a Notice of Allocation Availability ("NOAA") for the New Markets Tax Credit ("NMTC") Program, inviting applications from eligible entities for allocations of tax credits. As set forth in the Fund's Guidance, published in the **Federal Register** on May 1, 2001 at 66 FR 21846, the NMTC Program will provide an incentive to investors in the form of a tax credit over seven years, which is expected to stimulate investment in new private capital that, in turn, will

facilitate economic and community development in distressed communities.

**DATES:** The BEA Program has a two-part application. For the FY 2002 funding round, Part One (the "Initial Application") may be submitted at any time, commencing September 24, 2001. The deadline for the Initial Application is 5:00 p.m. EST on November 13, 2001. Initial Applications received in the specific Bureau of the Public Debt—Franchise Services (BPD) office designated below after that date and time will be rejected and returned to the sender, except as follows. An Initial Application mailed via United States Postal Service will be considered as having met the deadline if it is clearly postmarked on or before midnight November 12, 2001. An Initial Application sent by overnight/express delivery will be considered as having met the deadline if it is placed in transit with an overnight/express delivery service by no later than November 12, 2001. An Initial Application that is hand-carried will be considered as having met the deadline if it is received in the specific BPD office designated below by 5:00 pm EST on November 13, 2001.

The deadline for Part Two of the Application (the "Final Report") is 5:00 p.m. EST on August 1, 2002. Final Reports received in the specific BPD office designated below after that date and time will be rejected and returned to the sender, except as follows. A Final Report mailed via United States Postal Service will be considered as having met the deadline if it is clearly postmarked on or before midnight July 31, 2002. A Final Report sent by overnight/express delivery will be considered as having met the deadline if it is placed in transit with an overnight/express delivery service by no later than July 31, 2002. A Final Report that is hand-carried will be considered as having met the deadline if it is received in the specific BPD office designated below by 5:00 pm EST on August 1, 2002.

In each case, it is advisable to obtain documentation from the carrier showing the date and time the Initial Application or the Final Report was placed in transit or hand-delivered, as the case may be. A single, clear date and time stamp will help in determining whether the delivery of an Initial Application or a Final Report has met the applicable deadline requirements set forth above.

Initial Applications or Final Reports sent by facsimile will not be accepted. Final Reports (but not Initial Applications) may be submitted

electronically through the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi).

Any entity seeking certification as a CDFI (as described in 12 CFR 1805.200) for the purpose of the BEA Program (either as an Applicant or a CDFI Partner) is strongly encouraged to submit the Application Form for Certification (the contents of which are described in 12 CFR 1805.201(b)(1) through (7)), by Tuesday, November 20, 2001. If an entity fails to submit such application by this deadline, the Fund may not have sufficient time to timely complete a certification review for the purpose of the current funding round of the BEA Program. 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 1805.201(b)(1) through (7). If the entity seeking certification does not respond to such requests in a timely manner, the Fund may not have sufficient time to complete a certification review for the purposes of the current funding round of the BEA Program.

**ADDRESSES:** Both the Initial Application and the Final Report shall be sent to: CDFI Fund Awards Manager, Bureau of Public Debt—Franchising, 200 Third Street, Room 211, Parkersburg, WV 26101. Initial Applications and Final Reports will not be accepted in the Fund's offices.

**FOR FURTHER INFORMATION CONTACT:** If you have any questions about the programmatic requirements of the BEA Program, contact the BEA Program Manager. Should you wish to request an application package or have questions regarding application procedures, contact the Awards Manager. The BEA Program Manager and the Awards Manager may be reached by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), by telephone at (202) 622-8662, by facsimile at (202) 622-7754, or by mail at CDFI Fund, 601 13th Street, NW., Suite 200 South, Washington, DC 20005. These are not toll free numbers. Allow at least one to two weeks from the date the Fund receives a request for receipt of the application package. Applications and other information regarding the Fund and its programs may be downloaded from the Fund's web site at <http://www.treas.gov/cdfi>.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

As part of a national strategy to facilitate revitalization and increase the availability of credit, investment capital and financial services 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 CDFI Program are 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 for the BEA Program must be Insured Depository Institutions, as defined in 12 U.S.C. 1813(c)(2). An Applicant must be FDIC-insured by the deadline for submission of the Initial Application (i.e., November 13, 2001) to be eligible for consideration for a BEA Program award under this NOFA.

##### **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 said terms are defined in 12 CFR 1806.103(r)), the Fund will provide Applicants with data and other information to help identify areas that are eligible to be designated as Distressed Communities. Specifically, the Fund will provide such information through the CDFI Fund Help Desk website (the "Help Desk"). The Help Desk is found at [www.treas.gov/cdfi](http://www.treas.gov/cdfi). The Fund requires all Applicants to use the Help Desk to produce the Distressed Community worksheets and corresponding maps. The Help Desk provides step-by-step instructions on how to designate a Distressed Community and allows an Applicant to create and print instantly a Distressed Community designation worksheet(s) and corresponding map(s). For purposes of determining whether an Applicant is serving an eligible Distressed Community, the Fund will continue to use 1990 Census data, as 2000 Census data will not be available in sufficient detail for use under this NOFA.

##### **IV. Designation Factors**

The BEA Program Regulations describe the Fund's processes for rating

and selecting Applicants to receive assistance and for determining award amounts. Award amounts will be calculated by the Fund 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, award amount for Applicants making Equity Investments in CDFIs will be equal to 15 percent of the increase in such activities. An Applicant may choose to accept less than the maximum amount of 15 percent (but no less than 12 percent) in order to increase the ranking of its Application within the Equity Investment category. Award amounts for CDFI Applicants carrying out CDFI Support Activities will be equal to 33 percent of the increase in such activities. Award amounts for non-CDFI Applicants for carrying out CDFI Support Activities will be equal to 11 percent of the increase in such activities.

For Applicants pursuing Development and Service Activities, a multiple step procedure is outlined in the BEA Program Regulations that will be used to calculate the estimated award amounts. 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 multiple 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 multiple step procedure.

If the amount of funds available during a funding round is insufficient for all estimated award amounts, awardees will be selected based on the process described at 12 CFR 1806.204. This process gives priority to Applicants in the following order: (1) Equity Investments in CDFIs serving Distressed Communities; (2) Equity Investments in CDFIs not serving Distressed Communities; (3) CDFI Support Activities; and (4) Development and Service Activities (as defined in 12 CFR 1806.103). Beginning with this NOFA, in addition to ranking Applicants within the Development and Service Activity category by the ratio of the total score to the asset size of the Applicant, the Fund will give Applicants that are certified CDFIs first priority within the Development and Service Activity category.

The Fund, in its sole discretion: (1) May adjust the estimated award amount that an Applicant may receive; (2) may establish a maximum amount that may be awarded to an Applicant; and (3) reserves the right to limit the amount of

an award to any Applicant if the Fund deems it appropriate.

#### **V. Baseline Period and Assessment Period Dates**

As part of its Initial Application, an Applicant shall report the Qualified Activities that it actually carried out during the 6-month Baseline Period beginning January 1, 2001 and ending June 30, 2001. An Applicant shall also project the Qualified Activities that it expects to carry out during the 6-month Assessment Period beginning January 1, 2002 and ending June 30, 2002. Applicants participating in the BEA Program must submit to the Fund a Final Report (Part II of the Application) of Qualified Activities actually carried out during the Assessment Period. The Fund will evaluate the performance of Applicants in carrying out projected activities to determine actual award amounts. The Fund may request clarifying or technical information after receiving an Applicant's Final Report.

#### **VI. Compliance With Other CDFI Fund Awards**

In the event that an FY 2002 BEA Program Awardee or its subsidiary or affiliate is not in compliance with the terms and conditions of any other award under any component of the CDFI Program, the Fund may, in its sole discretion, withhold disbursement (either initial or subsequent) on the FY 2002 BEA Program award. Moreover, noncompliance with any other award shall be considered an event of default under the FY 2002 BEA Program award. This policy will take effect with regard to compliance issues arising in calendar year 2002.

#### **VII. Certification Status**

For purposes of determining BEA Program awards, the BEA Program Regulations define a CDFI as "an entity whose certification under § 1805.201 of this chapter is in effect as of the end of the applicable Assessment Period \* \* \* 12 CFR 1806.103(m).

Accordingly, in order for a BEA Program Applicant to receive credit for CDFI Related Activities, the CDFI partner(s) that receives financial or technical assistance must be certified as a CDFI by the Fund as of the end of the Assessment Period for the particular BEA Program funding round. Moreover, the CDFI partner's certification must not have lapsed (i.e., expired without the prior submission to the Fund of a recertification Application). If a BEA Program Applicant provides assistance to an organization that is not certified as a CDFI as of the end of the Assessment Period, then the transaction shall not be

considered assistance to a CDFI and shall not be a Qualified Activity. Such activity would not be eligible to count toward a BEA Program award.

If the BEA Program Applicant is considering providing assistance to an organization that the Fund has not yet certified, the activity will qualify—provided the organization is certified by the Fund by the end of the Assessment Period. However, Applicants should be advised that the Fund cannot guarantee certification before the end of the Assessment Period of those organizations that have submitted certification Applications after the Initial Application Due date (November 13, 2001 for the FY 2002 funding round).

If the CDFI partner submits its recertification Application by no later than the certification expiration date evidencing that it can be recertified, then the Fund will deem the CDFI's certification to be continued on an interim basis until the Fund makes its final determination. In the interim, any assistance by a BEA Program Applicant to a CDFI that submitted a recertification Application by its expiration date would be considered a CDFI Qualified Activity (provided the activity meets all other applicable requirements).

If an Applicant is itself seeking certification as a CDFI, then it must be certified as a CDFI by the Fund as of the end of the Assessment Period for the particular BEA Program funding round in order to be eligible for the higher award percentage and ranking priority afforded CDFIs. If an Applicant is not certified as a CDFI by the end of the applicable Assessment Period, then it shall not be treated as a CDFI for purposes of determining award amounts. In addition, if the Applicant's certification is due to expire on or before the end of the Assessment Period (June 30, 2002 for the FY 2002 fund round of the BEA Program Round)—and allows its certification to lapse—the Applicant will not be treated as a CDFI for purposes of determining award amounts and ranking. If the CDFI Applicant submits a recertification Application evidencing that it can be recertified—by no later than the certification expiration date—then the Fund will deem the CDFI Applicant's certification to be continued on an interim basis until the Fund makes its final determination. A CDFI that submitted a recertification Application by its expiration date would be treated as a CDFI for purposes of calculating an award amounts and ranking.

Information on the certification status and certification expiration date of each

CDFI can be found on the Fund's list of certified CDFIs, which may be obtained on the Fund's website: [www.treas.gov/cdfi](http://www.treas.gov/cdfi).

#### **VIII. Loan Participations**

On January 31, 2001, the Fund issued policy guidance clarifying the types of transactions it will consider to be eligible Participation Loans for the purpose of calculating BEA Program awards. Specifically, the guidance stated that a Participation Loan may qualify as either a CDFI Support Activity or a Development Activity like any other loan under the BEA Program. In order for a participation loan to be considered a CDFI Support Activity, the borrower must be a CDFI, and the monies drawn must be used to support the CDFI's activities. In order for a participation loan to be considered a Development Activity, the borrower or activity financed must be located within or integrally involved in a designated Distressed Community.

The January 31, 2001 guidance further clarified that, as with other loans, for a participation loan to be considered a Qualified Activity under the BEA Program, the loan must be closed and an initial disbursement made during the applicable Assessment Period. While a participation agreement among lenders may be executed prior to an applicable Assessment Period, a BEA Program Applicant shall receive an award only for a loan funding a particular Qualified Activity that is closed during the Assessment Period. In the case of a participation loan that involves one of the lenders serving as a "lead lender" or "agent" for this group, the disbursement of funds to the "lead lender" or "agent" to fund loans to third parties does not necessarily constitute a loan by one or more participating lenders to the lead lender or agent. In particular, if such lead lender or agent is a CDFI, the above-described disbursement may not constitute a loan to a CDFI for purposes of calculating a BEA Program Award.

#### **IX. Lines of Credit**

Given current demand for the BEA Program's resources, concerns have been raised about the current method of calculating BEA Program awards applicable to lines of credit (i.e., based upon the maximum amount of the line). Specifically, with large lines of credit (e.g., \$10 million and above), the borrower often does not fully draw down the entire line of credit within the three-year period. A BEA Program award based on the full amount of the line may require the Fund to obligate more funds than the Awardee will disburse.

As provided in the BEA Program Regulations at 12 CFR 1806.205(d), the Fund has the discretion to limit the amount of an award for any reason. Given the strong demand for BEA Program resources, beginning with the FY 2002 round of the BEA Program, the Fund will limit the amount of resources it will obligate toward Lines of Credit. In the case of lines of credit for commercial real estate loans that are secured by real estate and which have a permanent take out source, Applicants may count the full amount of the line (consistent with current practices). For all other lines of credit, Applicant may only count the amount of monies expected to be disbursed on the line within 12 months of closing, but in no event shall the amount obligated exceed the greater of: (a) The face amount of the line, or (b) \$2 million in the case of CDFI Support Activities and \$1 million in the case of Development and Service Activities.

#### X. Equity Like Loans

For purposes of calculating BEA Program awards, the Fund will treat certain loans, "made on such terms that they have characteristics of equity," to be Equity Investments. The Fund refers to such loans as Equity-Like Loans. Prior to the FY 2001 funding round of the BEA Program, the Fund stated (in general guidance) that an Equity-Like Loan must meet all three of the following criteria to be considered a Qualified Activity: (1) The loan must have a "soft," flexible maturity (i.e., a rolling maturity such as when the maturity date is extended annually by one year, or a maturity in which repayment is required only when the CDFI borrower has resources available to make the payment); (2) payment of interest and/or principal may only be made out of the CDFI borrower's available cash flow and non-payment of principal or interest will not automatically trigger a default; and (3) the loan must be subordinate to all other debt of the CDFI borrower.

In recent years, BEA Program Applicants have developed new loan and investment instruments and the use of Equity-Like Loans has become more common in the financial services industry. In response to these trends, the Fund issued guidance updating and clarifying its policy on the types of instruments it will consider to be Equity-Like Loans for the purpose of calculating BEA Program awards.

Specifically, the January 2001 guidance states that, beginning with the FY 2001 funding round of the BEA Program, the Fund will require an instrument to have each of the following

characteristics in order to be considered an Equity-Like Loan:

(1) The initial term of the loan at the time of origination must be a minimum of ten years.

(2) The maturity date at the end of the initial ten year term must be a "soft" or indefinite, rolling maturity that is extended, subject to the following sentence, in annual increments after the initial maturity date so long as the CDFI borrower continues to be financially sound and carry out a community development mission. The period of the extended rolling maturity must be a minimum of five years after the initial ten-year term. In other words, as long as the CDFI borrower remains fiscally sound and pursues a community development mission, the effective term of the loan must be at least 15 years.

(3) There shall be no periodic payments of principal during the initial term of the loan. The CDFI borrower may pay principal, in whole or in part, during the extended term of the loan or at maturity. Any such payment shall be made in accordance with the provisions of this policy.

(4) Any payment of principal and/or interest on the loan (except at maturity) shall be required to be made only out of the CDFI borrower's available cash flow after satisfying all other obligations, including all other non-subordinated and non-equity-like debt, and operating expenses. Furthermore, failure to make payment of principal and/or interest shall not automatically result in a default. However, nothing in the foregoing shall be construed as a requirement to forego any right to any payment of principal or interest.

(5) The loan must be subordinate to all other debt of the CDFI borrower except for other Equity-Like Loans.

Notwithstanding the foregoing, the Fund reserves the right to determine, on a case-by-case basis, if an instrument evidences an Equity-Like Loan.

As specified in the January 2001 guidance, the Fund requests that Applicants submit to the Fund for review, not later than 45 days prior to the end of the Assessment Period, all documents evidencing loans that they wish to be considered Equity-Like Loans. The purpose for this request is to enhance the Fund's ability to provide feedback to Applicants as to whether a transaction meets the Equity-Like Loan requirements prior to the end of the applicable Assessment Period. Such information will allow Applicants, if they so choose, to modify the instruments to conform to the requirements prior to the end of the Assessment Period. This process is intended to prevent circumstances in

which an Applicant executes loan documents without review by the Fund only to learn after the close of the Assessment Period that the transaction is ineligible. The Fund cannot guarantee timely feedback to Applicants that submit the aforementioned documentation less than 45 days prior to the end of the applicable Assessment Period.

#### XI. Deposits in CDFIs

As provided in the BEA Program Regulations at 12 CFR 1806.205(d), the Fund has the discretion to limit the amount of an award for any reason. Given the strong demand for BEA Program resources and concerns about over-subscription, the Fund has decided to cap the maximum applicable award for deposits in certified CDFIs.

Specifically, effective with the FY 2002 funding round of the BEA Program, for the purposes of determining the award amount attributed to deposits in CDFIs, the Fund will count only the first \$1,000,000 deposited in certified CDFIs. Furthermore, the Fund will only count a deposit in a CDFI if the CDFI receiving the deposit has not made a corresponding deposit in the Applicant making the deposit.

The Fund also wishes to clarify how Applicants should calculate a "Materially Below Market" interest rate on a Certificate of Deposit. The BEA Program Regulations state that any Certificate of Deposit placed by an Applicant in a CDFI that is bank, thrift, or credit union must be: (1) Uninsured; or (2) insured if it earns a rate of interest that is determined by the Fund to be Materially Below Market. The Fund has interpreted a "Materially Below Market" interest rate to be an Annual Percentage Rate that does not exceed 80 percent of the rate on a U.S. Treasury bill of comparable maturity as of the date the deposit is placed. For a three-year deposit, use the three-year rate posted for U.S. Government securities, Treasury Constant Maturity on the Federal Reserve website at [www.federalreserve.gov/releases/H15/update](http://www.federalreserve.gov/releases/H15/update). The rate on the website is updated daily at approximately 4:00 p.m. Eastern Time. Certificates of Deposit closed prior to that time may use the rate posted for the previous day. The Fund also wishes to clarify that the Annual Percentage Rate on a Certificate of Deposit should be compounded quarterly, semi-annually, or annually. In addition, the Fund wishes to clarify that Applicants should determine whether a Certificate of Deposit is insured based on the total amount the Applicant has on deposit on the day the Certificate of Deposit is placed. For example, if an

Applicant purchased a \$100,000 Certificate of Deposit from a CDFI in April, 2000 and purchases another \$100,000 Certificate of Deposit from the same CDFI in May, 2002, then the second Certificate of Deposit should be treated as uninsured for purposes of calculating the Annual Percentage Rate. The Applicant must make note of this in its BEA Program Application.

## XII. Waivers

First, for the purpose of streamlining the Application process and reducing burdens on Applicants, and pursuant to the BEA Program Regulations at 12 CFR 1806.104, the Fund hereby waives the regulatory requirement that Applicants submit the items described at 12 CFR 1806.206(b)(1), (4) and (7). Specifically, for the purpose of this NOFA, an Applicant is not required to submit: (1) Copies of its certificate of insurance issued by the Federal Deposit Insurance Corporation, articles of incorporation, Federal or state-issued bank or thrift charter, by-laws and other establishing documents for the purpose of establishing eligibility for an award; (2) a copy of its most recent Report of Condition or Thrift Financial Report; or (3) a copy of its most recent annual report. The Fund has waived the requirement that these items be submitted with the Application because the Federal Deposit Insurance Corporation will conduct a verification of eligibility for the Fund based on information it has collected from insured depository institutions. Further, each Applicant's total asset size will be obtained by the Fund through other publicly available data sources (specifically, the Fund will use data reported through the Federal Deposit Insurance Corporation's website).

Second, for the purpose of this NOFA and the NOFA published in the **Federal Register** on September 1, 1999 (64 FR 48062), the Fund is waiving two of the requirements set forth in 12 CFR 1806.103(m) of the BEA Program Regulations. Section 1806.103(m) provides that an Applicant may receive an award under the BEA Program for assistance provided to an uncertified CDFI that, at the time of the Qualified Activity, does not meet the CDFI eligibility requirements if: (1) The Applicant requires the uncertified CDFI to refrain from using the assistance provided until the entity is certified; (2) the uncertified CDFI is certified by the end of the applicable Assessment Period; and (3) the Applicant retains the option of recapturing said assistance in the event the uncertified CDFI is not certified by the end of the applicable Assessment Period.

The Fund believes that waiving the first requirement will further the purposes of the Act. Specifically, the Conference Report underlying the Act provides that Congress intended the BEA Program to affect immediately economically distressed communities through infusion of private dollars as loans, services, and technical assistance to, and equity investments in, CDFIs. The Fund believes the requirement that an uncertified CDFI refrain from using the assistance would defeat the purposes of the Act by delaying the uncertified CDFI's ability to use such capital for projects that are intended to catalyze urban and rural economic revitalization.

The Fund also believes that there is good cause to waive the third requirement. Requiring an Applicant to retain the option of recapturing assistance in the event the uncertified CDFI is not certified by the end of the applicable Assessment Period is a matter of business judgment best left to the Applicants themselves. This requirement also potentially imposes added paperwork burdens on Applicants that use standardized loan or investment agreements.

As a result, if an Applicant provides assistance to an uncertified CDFI during the applicable Assessment Period, such assistance may be eligible for an award under the BEA Program if the Fund certifies the entity by the end of the applicable Assessment Period.

Third, as provided in § 1806.200 (a) of the BEA Program Regulations, if an Applicant proposes to carry out CDFI Support Activities or Development and Service Activities, the Applicant shall designate one or more Distressed Communities in which it proposes to carry out those activities. For those Applicants proposing to carry out CDFI Support Activities only (or CDFI Support Activities and Equity Investments in CDFIs) the Fund hereby waives the requirement that an Applicant designate one or more Distressed Communities in which it proposes to carry out the CDFI Support Activities. Instead, the Applicant must sign and submit with its Initial Application, a certification (included in the Initial Application) that it is designating the same Distressed Community as its CDFI partner.

## XIII. Information Sessions

In connection with the Fiscal Year 2002 funding rounds of its programs, the Fund will conduct In-Person Information Sessions to disseminate information to organizations contemplating applying to, and other organizations interested in learning

about, the Core, Intermediary, SECA and NACTA Components of the CDFI Program, and the BEA Program. Registration is required, as the In-Person Information Sessions will be held in secured federal facilities. The Fund anticipates conducting up to 17 In-Person Information Sessions, through October 31, 2001, in the following cities: Anchorage, AK; Boston, MA; Chicago, IL; Dallas, TX; Denver, CO; Honolulu, HI; Los Angeles, CA; Memphis, TN; Miami, FL; Minneapolis, MN; Philadelphia, PA; Seattle, WA; and Washington, DC.

In addition to the In-Person Information Sessions listed above, the Fund will broadcast a Televideo Information Session, using interactive video-teleconferencing technology, on November 8, 2001 (tentative date), 1 p.m. to 4 p.m. EST. Registration is required, as the Televideo Information Session will be held in secured federal facilities. The Televideo Information Session will be produced in Washington, DC, and will be downlinked via satellite to the local Department of Housing and Urban Development (HUD) offices located in the following 81 cities: Albany, NY; Albuquerque, NM; Anchorage, AK; Atlanta, GA; Baltimore, MD; Bangor, ME; Birmingham, AL; Boise, ID; Boston, MA; Buffalo, NY; Burlington, VT; Camden, NJ; Casper, WY; Charleston, WV; Chicago, IL; Cincinnati, OH; Cleveland, OH; Columbia, SC; Columbus, OH; Dallas, TX; Denver, CO; Des Moines, IA; Detroit, MI; Fargo, ND; Flint, MI; Fort Worth, TX; Fresno, CA; Grand Rapids, MI; Greensboro, NC; Hartford, CT; Helena, MT; Honolulu, HI; Houston, TX; Indianapolis, IN; Jackson, MS; Jacksonville, FL; Kansas City, KS; Knoxville, TN; Las Vegas, NV; Little Rock, AR; Los Angeles, CA; Louisville, KY; Lubbock, TX; Manchester, NH; Memphis, TN; Miami, FL; Milwaukee, WI; Minneapolis, MN; Nashville, TN; New Orleans, LA; New York, NY; Newark, NJ; Oklahoma City, OK; Omaha, NE; Orlando, FL; Philadelphia, PA; Phoenix, AZ; Pittsburgh, PA; Portland, OR; Providence, RI; Reno, NV; Richmond, VA; Sacramento, CA; St. Louis, MO; Salt Lake City, UT; San Antonio, TX; San Diego, CA; San Francisco, CA; San Juan, PR; Santa Ana, CA; Seattle, WA; Shreveport, LA; Sioux Falls, SD; Spokane, WA; Springfield, IL; Syracuse, NY; Tampa, FL; Tucson, AZ; Tulsa, OK; Washington, DC; and Wilmington, DE.

For further information on the Fund's Information Sessions, dates and locations, or to register online for an Information Session, please visit the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi). If

you do not have Internet access, you may register by calling the Fund at (202) 622-8662.

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