

To: Interested Parties
Re: Questions and Answers about CDFI Fund Research Initiative
Date: July 18, 2007

In response to the Announcement of a CDFI Fund Research Initiative released in late June 2007, a number of questions have been received. For the benefit of all potential proposers, the Question and Answer Document below has been prepared. To obtain a copy of the original CDFI Fund Research Initiative Announcement, please access the CDFI Fund website at www.cdfifund.gov.

Addendum to Announcement of CDFI Fund Research Initiative
Questions and Answers about CDFI Fund Research Initiative
July 18, 2007

- 1) Is there a limit on overhead costs that may be included in the proposed project budget?

Project budgets must specify overhead costs and explain why these costs are reasonable and cannot be funded outside the grant. There is no explicit limit on the percentage of costs attributable to overhead. Proposal reviewers will consider whether the overall budget for the project is reasonable for conducting the work when considering the merit of each proposal. In addition, the CDFI Fund reserves the option of negotiating final grant amounts with researchers if that appears warranted.

- 2) Can funds be used to buy out teaching during the time of the grant?

Project budgets should be based on the hours each researcher will work on the research. If the grant amount is sufficient for a researcher employed by a university to “buy out” teaching time, the researcher may make with the university whatever arrangements are needed to do so.

- 3) Do any data sets that result from the research have to be made public or can they remain proprietary?

If grant funds are used for analysis of a proprietary data set already created prior to grant award, the data set must be made available on request to reviewers of the resulting research paper and CDFI Fund Staff, (so that any results can be verified) but the data may remain proprietary. If the grant funds are used for collection of new data, then the data set will not be proprietary.

To maintain confidentiality, researchers may strip any identifiers (i.e. name, address) from data.

- 4) Can original qualitative research be proposed if it could be completed and analyzed during the six-month period of the grant?

Yes.

- 5) Is there a limit to how many proposals can be submitted with a specific individual as PI?

No, there is no limit. However, the proposal review will include an assessment of “the ability to carry out the work within the time and budget proposed.” (See “Evaluation Criteria” in the Announcement.)

- 6) Can the funds be used to extend or analyze an existing proprietary database?

Yes. See answer to question #3.

- 7) Is the usage of "loan" in the various research areas referring to lending specifically or any type of financing investments including equity?

The research questions should have been more precisely defined to include equity investments as well as loans.

- 8) How will other related research funding be evaluated when scoring the applications?

Other funding for the research proposed will be examined in order to assess both the reasonableness of the proposed grant amount and the likelihood that the project will be completed within the timeframe required.

- 9) Is there specific weighting for the various evaluation criteria listed?

No, there is no specific weighting for the criteria. However, if the proposal reviewers find that the project is not likely to be accomplished in the timeframe or within the proposed budget, the project will not be awarded a grant.

- 10) Can you provide more information about the CIIS data that would be available to researchers?

We encourage you to access the CDFI Fund website at the following address:
http://www.cdfifund.gov/what_we_do/ciis.asp

In addition, we attach a description of the CIIS data at the end of the Q&A.

- 11) Would the CDFI Fund provide the data free of cost to grant recipients undertaking studies?

Yes, the data will be provided free of charge.

- 13) Would more than one year of data be available?

Data for FY 03, 04, 05 would be available, possibly FY 06 as well.

- 14) Is there any way to get the names of the CDFIs from the Institution Level Data?

The identities of CDFIs will be provided. Any researcher that has access to the CIIS or any Fund data would sign an agreement guaranteeing the confidentiality of these data; users would agree to secure these data and allow access only to those who are actually analyzing these data for the specific research project funded by this research initiative; ownership would be retained by the CDFI Fund and all data would be returned to the Fund and the user will agree to destroy all copies of the data after completing this project.

**ATTACHMENT 1
COMMUNITY INVESTMENT IMPACT SYSTEM (CIIS) DATA**

The Fund collects annual performance data from its awardees. It shall make these data available to researchers within the confines of Privacy laws. Data include institution-level data such as financial position, types and number of staff, markets served and development services provided. Financing data, including purpose, type, and amount of financing; delinquency and charge-offs; borrower characteristics and related community outcomes such as jobs and housing are available in one of two forms for each CDFI: aggregated at the institution level or disaggregated by each loan and investment in the CDFI's portfolio. The specific Institution Level Report and Transaction Level Report data points collected in CIIS are listed below. For data point definitions and additional information on CIIS, visit http://www.cdfifund.gov/what_we_do/ciis.asp.

CIIS

CDFI Institution Level Report Data Points

I Organizational Information

A Basic Information

Organization ID for Public Release

Report Year

Financial Institution Type

Organizational Structure

- 1 Name of Person Responsible for Completing the Survey
- 2 Telephone Number of Person Responsible
- 3 Email Address of Person Responsible
- 4 Date of Organization's Fiscal Year End
- 5 Year of Organization's Incorporation
- 6 Year Organization Began Financing Activities

B Organizational Structure/Affiliation

- 7 Is the Organization Minority Owned or Controlled?
- 8 Is the Organization Women Owned or Controlled?
- 9 Charter Number (Credit Union) or FDIC Certification Number (Bank or Thrift)
- 10 Is the Organization a "Faith Based" Organization
- 11 Did the Organization Finance or Provide Financial Services to a Religious Institution(s) or Faith-Based Organization(s) During the Reporting Period?

C Populations and Geography Financed

- 12 Which of the Following Racial and Ethnic Populations Did the Organization Finance During the Reporting Period?
 - American Indian
 - Alaskan Native
 - Asian
 - Black or African-American
 - Native Hawaiian
 - Other Pacific Islander
 - White
 - Other
- 13 Hispanic
- 14 Which of the Following Geographic Areas Did the Organization Provide Financing in During the Reporting Period?
 - Appalachia
 - Colonias
 - Hot Zones

Lower Mississippi Delta
 Native American Areas
 Rural Areas
 Major Urban Areas
 Minor Urban Areas

- Are 50% or More of the Customers or End Users American Indian, Alaska Native, or Native Hawaiian or
 15 Located in Native American Areas?
- 16 Native American Community Activities table

- D Staff and Consultants
- 17 FTEs Dedicated to Lending/Investing
 18 FTEs Dedicated to Development Services
 19 FTEs Dedicated to Financial Services Other Than Lending/Investing
 20 FTEs Dedicated to Administration and Other Activities
 21 Total FTEs
 22 Consultant/Contractor FTEs

II Financial Position

- A Lending/Investing Pool
- 23 Investment Capital Table: Sources of Capital Under Management (source, type, amount, weighted average interest rate)
- 24 Investment Capital Summary Table
 Total Borrowed Capital
 Weighted Average Interest Rate of Borrowed Capital
- 25 Off Balance Sheet Resources Committed to the Organization for Lending/Investing
- B Financing Commitments
- 26 Financing Commitments to Borrowers/Investees at Reporting Period End
- C Summary Balance Sheet
- 27 Cash and Cash Equivalents Available for Operating Expenses
 28 Current Assets
 29a Loan Loss Reserves -- Accrual
 29b Loan Loss Reserves -- Cash
 29c Depository Loss Reserves
 30 Total Assets
 31 Current Liabilities
 32 Total Liabilities
 33 Shareholders Equity, Net Assets or Net Worth
- D Summary Income and Expense Statement
- 34 Contributed Operating Revenue Table
 Bank or Other Regulated Financial Institution - Amount
 CDFI Intermediary - Amount
 Corporation - Amount
 Government - Federal - CDFI Fund - Amount
 Government - Federal - Other Sources - Amount
 Government - State or Local - Amount
 Government Sponsored Entities - Amount

Individuals - Amount
Non Depository Financial Institution - Amount
Philanthropic & Religious Institutions - Amount
Other - Amount

- 35 Interest Income Earned on Portfolio
- 36 Fee Income Earned from Lending Portfolio and Retail Financial Services
- 37 Interest Earned on Cash & Marketable Securities
- 38 Contract, Training, and Consulting Income
- 39 Other Earned Revenue
- 40 Total Earned Revenue
- 41 Total Operating Revenue (before gains/losses)
- 42 Gains/Losses on Community Development Equity Investments
- 43 Gains/Losses - Other
- 44 Total Gains/Losses (Realized and Unrealized)
- 45 Total Operating Revenue (after gains/losses)
- 46 Total Non-Operating Revenue
- 47 Total Revenue

- 48 Interest Expense
- 49 Bad Debt Expense / Loan Loss Provision
- 50 Salaries and Benefits for Staff
- 51 Professional Fees
- 52 Other Operating Expenses
- 53 Total Pre-Tax Operating Expenses
- 54 Total Non-Operating Revenues
- 55 Total Expenses
- 56 Dividends Paid Out
- 57 Estimated Value of Additional Expenses

- 58 Total Revenue in the Fiscal Year Prior to the Current Reporting Period
- 59 Total Revenue in the Fiscal Year Two Years Prior to the Current Reporting Period
- 60 Total Expenses in the Fiscal Year Prior to the Current Reporting Period
- 61 Total Expenses in the Fiscal Year Two Years Prior to the Current Reporting Period
- 62 Will the Organization Submit a Transaction-Level Report for the Current Reporting Period?

III Financing

A Financing Questions

- 63 Loans/Investments Originated Table (type of financing, number and amount by purpose)

- 64 Amount of Loans/Investments Closed in Approved Target Market

- 65 Portfolio Outstanding Table (type of financing, number and amount by purpose)

- 66 Amount 90 Days or More Past Due - Amount
Number 90 Days or More Past Due - Number
- 67 Net Amount Charged Off (\$)
- 68 Loan Purchase Table to the SOW Word document

B Loan Purchases and Sales

- 69 Sector Breakouts for All Loans Purchased During the Reporting Period (number and amount by purpose)

- 70 Loans Sold Table (number, presale book value and sale price by purchaser)

- 71 Sector Breakout for Loans Sold During Reporting Period (presale book value and presale book value of guaranteed portion by purpose)

- C Loan Guarantees
- 72 Loan Guarantees Originated - Amount
 Loan Guarantees Originated - Number
- 73 Loan Guarantees Outstanding - Amount
 Loan Guarantees Outstanding - Number
- IV Community Development Impact**
- 74 Jobs in Portfolio Businesses at Reporting Period Start
- 75 Jobs in Portfolio Businesses at Reporting Period End
- 76 Projected Number of Housing Units Assisted
- 77 Projected Number of Affordable Housing Units Assisted
- 78 Number of First-Time Homebuyers
- 79 Projected Capacity of Community Facilities Financed
- 80 Projected Square Feet of Commercial Real Estate Property Developed
- 81 Portfolio Companies That Have Decreased in Value in Past 12 Months
- 82 Did the Organization Introduce Any New Products or Services During the Reporting Period?
- V Development Services**
- Types of Development Services Provided During the Reporting period
- 83 Housing Technical Assistance
- 84 Homeownership Counseling
- 85 Business Technical Assistance
- 86 Real Estate Technical Assistance
- 87 Credit Counseling
- 88 Financial Education
- 89 Other Services
- 90 Number of Development Services Clients CDFI Fund Programmatic Priority
 Number of Clients Receiving Affordable Housing Development Services
 Hot Zone Clients Receiving Affordable Housing Development Services
 Target Market Clients Receiving Affordable Housing Development Services
- 91 Number of Clients Receiving Economic Development Services
 Hot Zone Clients Receiving Economic Development Services
 Target Market Clients Receiving Economic Development Services
- 92 Number of Clients Receiving Financial Services Development Services
 Hot Zone Clients Receiving Financial Services Development Services
 Target Market Clients Receiving Financial Services Development Services
- 93 Number of Clients Receiving Other Services
 Hot Zone Clients Receiving Other Services
 Target Market Clients Receiving Other Services
- 94 Number of American Indians, Alaska Natives and Native Hawaiians Served
- VI Individual Development Accounts (IDAs)**
- 95 Total Amount of All Open IDAs
- 96 Total Number of All Individual Development Accounts Open
- 97 IDA Withdrawal Purpose Table
- IDA Withdrawal - Business Development - Amount
- IDA Withdrawal - Business Development - Number
- IDA Withdrawal - Education - Amount
- IDA Withdrawal - Education - Number
- IDA Withdrawal - Homeownership - Amount
- IDA Withdrawal - Homeownership - Number
- IDA Withdrawal - Retirement Account - Amount
- IDA Withdrawal - Retirement Account - Number

IDA Withdrawal - Other - Amount
IDA Withdrawal - Other - Number

VII Depository CDFI Offerings

A Depository Account Offerings - Credit Union Accounts

- 98 Regular Share Accounts, Amount
Regular Share Accounts, Number
- 99 Non-Member Share Deposits, Amount
Non-Member Share Deposits, Number of
- 100 Share Draft Accounts, Amount
Share Draft Accounts, Number
- 101 IRAs, Amount
IRAs, Number
- 102 Share Certificate Accounts, Amount
Share Certificate Accounts, Number

B Depository Account Offerings - Bank and Thrift Accounts

- 103 Savings Accounts, Amount
Savings Accounts, Number
- 104 Checking Accounts, Amount
Checking Accounts, Number
- 105 Certificates of Deposits, Amount
Certificates of Deposits, Number

C Depository Account Offerings - Credit Unions, Banks and Thrifts

- 106 Bank or Thrift Customers OR Credit Union Members
- 107 Number of New Accounts Opened
- 108 Accounts Opened to the Unbanked

D Financial Services Offerings

- 109 ATM Access
- 110 Check Cashing for Customers/Members
- 111 Direct Deposit
- 112 Money Orders
- 113 On-Line Banking
- 114 Youth or School Savings Programs

Targeted Depository Financial Service Offerings

- 115 Accept Matricula Consular, ITIN, or Other Form of Alternative Identification for Opening an Account
- 116 Alternate to Pay Day Loan
- 117 Bill Payment
- 118 Electronic Transfer Accounts
- 119 First Accounts
- 120 Health and/or Life Insurance
- 121 Non-Customer/Non-Member Check Cashing
- 122 Payroll Card or Other Stored Value Card
- 123 Remittance Programs
- 124 Other Targeted Services
Explain Other

VIII Data Collection and Tracking Systems

- 125 Loan Portfolio Software
- 126 Borrower Characteristics Software
- 127 Community Development Impact Software

IX Credit Reporting Agencies Used

- 128 Credit Scores
- 129 Reporting Agency: Equifax
Reporting Agency: Experian
Reporting Agency: TransUnion

X Survey Feedback

- 130 Hours to Complete
- 131 Comments

XI Summary Ratios

- 132 Average Net Revenue Ratio
- 133 Net Asset Ratio
- 134 Operating Liquidity Ratio
- 135 Current Ratio
- 136 Self-Sufficiency Ratio

CIIS CDFI Transaction Level Report Data Points	
1	Project Number
2	Originator Transaction ID
3	Client ID
4	Investee Type
Transaction Profile	
5	Date Originated
6	Original Loan/Investment Amount
7	Purpose
8	Transaction Type
9	Interest Rate
10	Interest Type
11	Points
12	Origination Fees
13	Amortization Type
14	Equity-Like Features
15	Term
16	Date First Payment Due
17	Guarantee
18	Lien Position
19	Collateral Type
20	Collateral Value at Origination
21	Equity Injection Amount
22	Forgivable Loan
Investee Address	
23	Investee Street Address Line 1
24	Investee Street Address Line 2
25	Investee City
26	Investee State
27	Investee Zipcode5
28	Investee Zipcode+4
29	Investee FIPS Code
Project Addresses	
30	Project Street Address Line 1
31	Project Street Address Line 2
32	Project City
33	Project State
34	Project Zipcode5
35	Project Zipcode+4
36	Project FIPS Code
Borrower/Investee Profile	
37	NAICS
38	SIC Code
39	Date Business Established
40	Entity Structure
41	Minority Owned or Controlled
42	Women Owned or Controlled
43	Low-Income Owned or Controlled

44	Jobs at Time of Loan/Investment
	Transaction Status
45	Principal Balance Outstanding
46	Loan Status
47	Days Delinquent
48	Number of Times 60 Days or More Delinquent
49	Number of Times the Loan Was Restructured
50	Number of Times the Loan Was Refinanced
51	Refinanced-Original Transaction ID
52	Amount Charged Off
53	Amount Recovered
54	Fair Value at Origination
55	Fair Value at End of Reporting Period
56	Annual Gross Revenue from Business Operations Reported During the Reporting Period
57	Jobs at Reporting Period End
58	DS/FCOS Hours of Assistance Provided During Reporting Period
	Impact Profile
59	Low-Income Status
60	Other Targeted Populations
61	LITP End Users
62	OTP End Users
63	IA End Users
64	HZ End Users
65	Credit Score
66	Gender
67	Race
68	Hispanic Origin
69	Female-Headed Household
70	First-Time Homebuyer
71	Banked @ time of Intake
72	Rejected by Bank or Credit Union
73	DS/FCOS Hours of Assistance at Time of Investment
74	DS/FCOS Hours of Assistance - Post Loan/Investment
75	Annual Gross Revenue from Business Operations At Time of Loan/Investment
76	Total Project Cost
77	Total Project Cost - Public Sources
78	Total Project Cost - Affiliates & Related Program
	Projected Impacts
79	Projected Jobs to Be Created at Businesses Financed
80	Projected Jobs to be Created - Construction
81	Projected Jobs to be Created at Tenant Businesses
82	Community Facility
83	Capacity of Educational Community Facility
84	Capacity of Childcare Community Facility
85	Capacity of Healthcare Community Facility
86	Capacity of Arts Center Community Facility
87	Capacity of Other Community Facility
88	Square Feet of Real Estate - Total
89	Square Feet of Real Estate – Manufacturing

90	Square Feet of Real Estate – Office
91	Square Feet of Real Estate-Retail
92	Asking Rent per Square Foot
93	Housing Units – Sale
94	Housing Units – Rental
95	Affordable Housing Units – Sale
96	Affordable Housing Units – Rental
97	Other Impact (1) - Explain
98	Other Impact (1) - Number of Units
99	Other Impact (2) - Explain
100	Other Impact (2) - Number of Units