

# The Emergency Support and Minority Lending Grant

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- **Telephone: 646 558 8656**  
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## Slide Link

Today's slides can be found online at:

<http://bit.ly/2022-03-16-cdfi>

# We Encourage Questions

Use the

## Questions Box

located on the bottom of your screen to type your comments or questions.



# Tell Us What You Think!



**Please take our post-event survey.  
We value your feedback!**

# ESML - What we DO know - When:

- Is less than what we don't know
- Application will open in Spring 2022
- No later than June 22?
- 3<sup>rd</sup> part of stimulus funding
- **HUGE \$1.75 BILLION FUND**



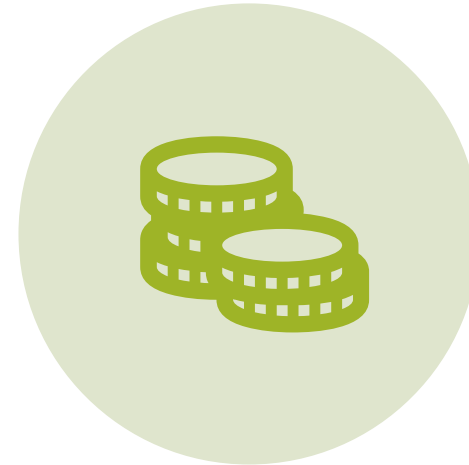
## More of what we know! What:

- Structure: Maximum impact on minority communities
- New CDFI team standing up program
- Taken on a bit of the political
- May see a new Minority Lending animal emerge

# CDFI ESML - \$1.75 Billion Dollars



\$1.25 BILLION SEEMS TO BE DIRECTED  
TOWARDS CDFIS AND MDIS



\$500 MILLION TOWARDS CDFIS



# Who qualifies?

- Emergency Support Provisions (Section 523 of Appropriations Bill)  
(both RRP and MDI Programs)
- Definitions section, p. 30 of excerpt
- Page 31 of Omnibus Appropriations EXCERPT (4). Here's the definition of a "Minority Lending Institution"
  1. A CDFI; and
  2. With a majority of # of Financial Products directed at minorities or majority minority Census Tracts; and
  3. Is an MDI as defined by FIRREA<sup>[1]</sup> or the institution's regulator defined by the NCUA [or under 308(b) of FIRREA, 12 USC 1463 note]; and
  4. Meets accountability standards as determined by the Administrator.<sup>[2]</sup>

# Who qualifies? Part 2: NCUA

- How is MDI defined by NCUA?
- Answer: MDI came out of FIRREA. It caused the NCUA to issue IRPS 13-1. It requires:
- 50% of board of directors to be minorities AND
- 50% of current members are minorities AND
- 50% of potential members are minorities

# Is that set in stone? Hold on!

- Question: Do you have to be an MDI to qualify for the Minority Lending Program?
- Answer: Stay tuned. CDFI is trying to work this out with Treasury.
- Question: Are there matching funds requirements for the Minority Lending Program?
- Answer: No, no matching funds requirements.

# Political updates

## Congresswoman Maxine Waters, Chairwomen of the House Financial Services Committee:

- Formed a Community Development Advisory Group with Senator Warner to provide oversight and explore new opportunities.
- Considering new program to have CDFIs support millennial entrepreneurs.
- Looking to introduce legislation that would authorize another \$4B in capital investments and grants for CDFIs.
- “We will go continually and harder for more resources for CDFIs.”

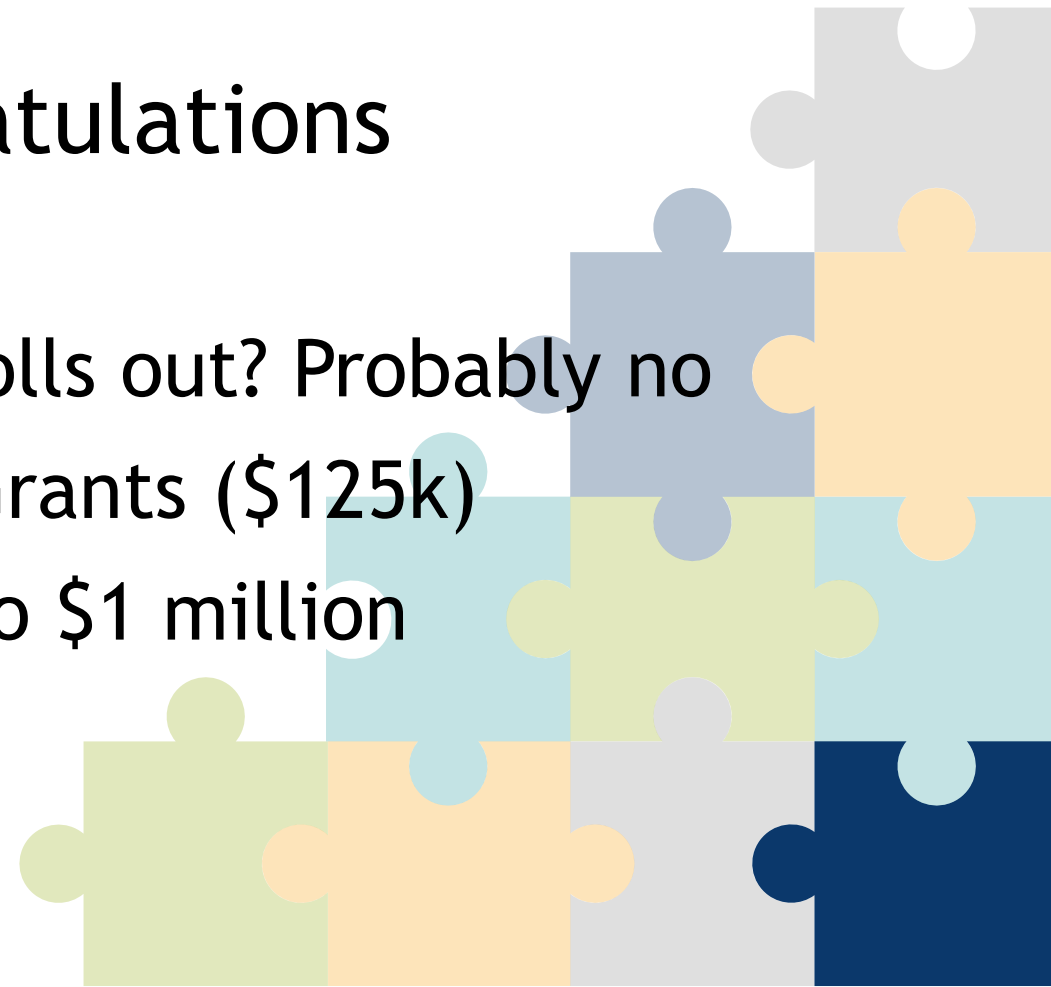
# Self-Assessment

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# Key Questions

- Are you a CDFI? If yes, congratulations
  - If no - GET CERTIFIED ASAP
  - Can you certify before program rolls out? Probably no
  - Eligible for Technical Assistance Grants (\$125k)
  - Financial Assistance Grants - Up to \$1 million



# Key Questions - Part 2

- Are you an MDI? Congratulations!
  - Self selecting on your NCUA 5300
  - Should you self select if you don't know if you qualify?
  - 50% of Board of Directors - hardest requirement, easiest to decide whether you qualify
  - CU Strategic Planning can help here with membership requirements



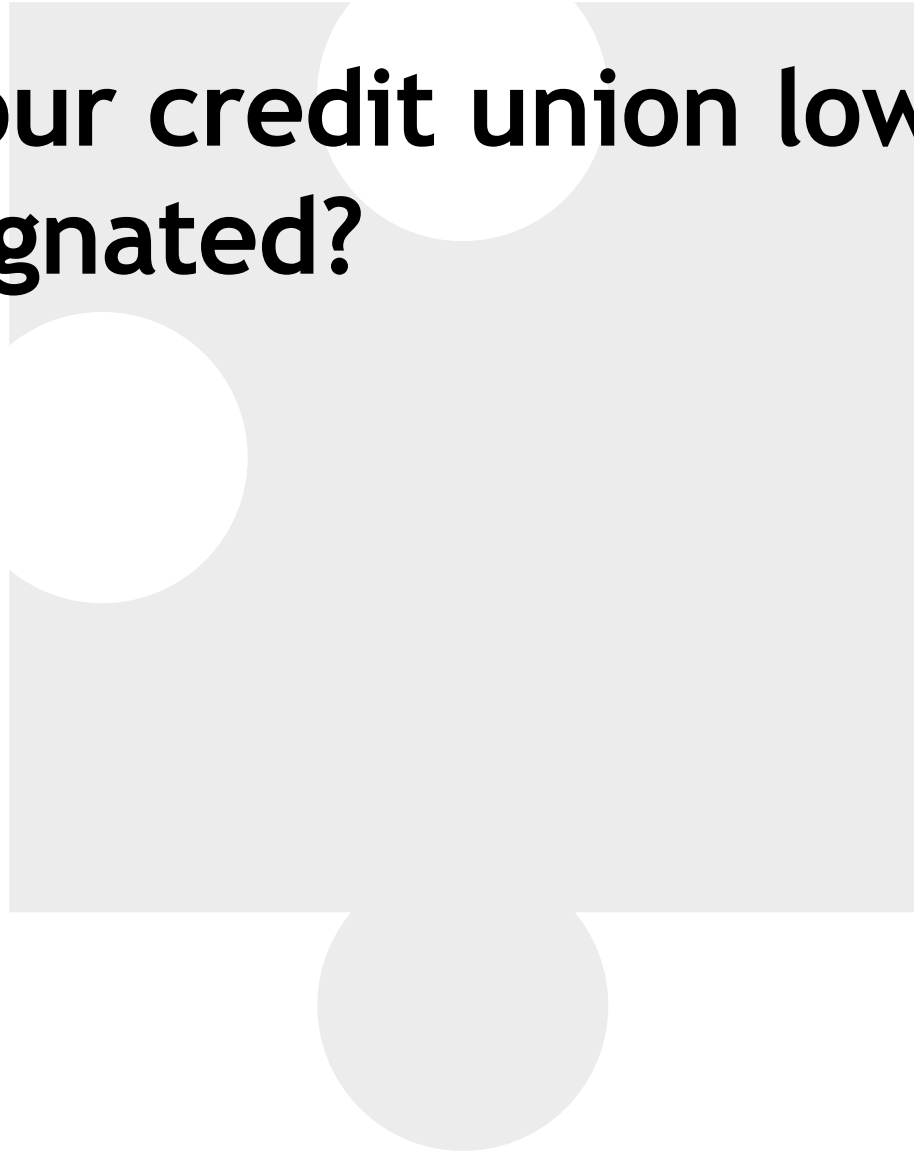
# Big questions - AWARD DOLLARS

- If you are CDFI and MDI YOU NEED TO APPLY
- LARGE PROBABLE AWARD AMOUNT AHEAD AWARD
- If you are CDFI but NOT MDI
- \$500 million available  
(5x the last FA monies are available)
- SIGNIFICANT AWARD DOLLARS





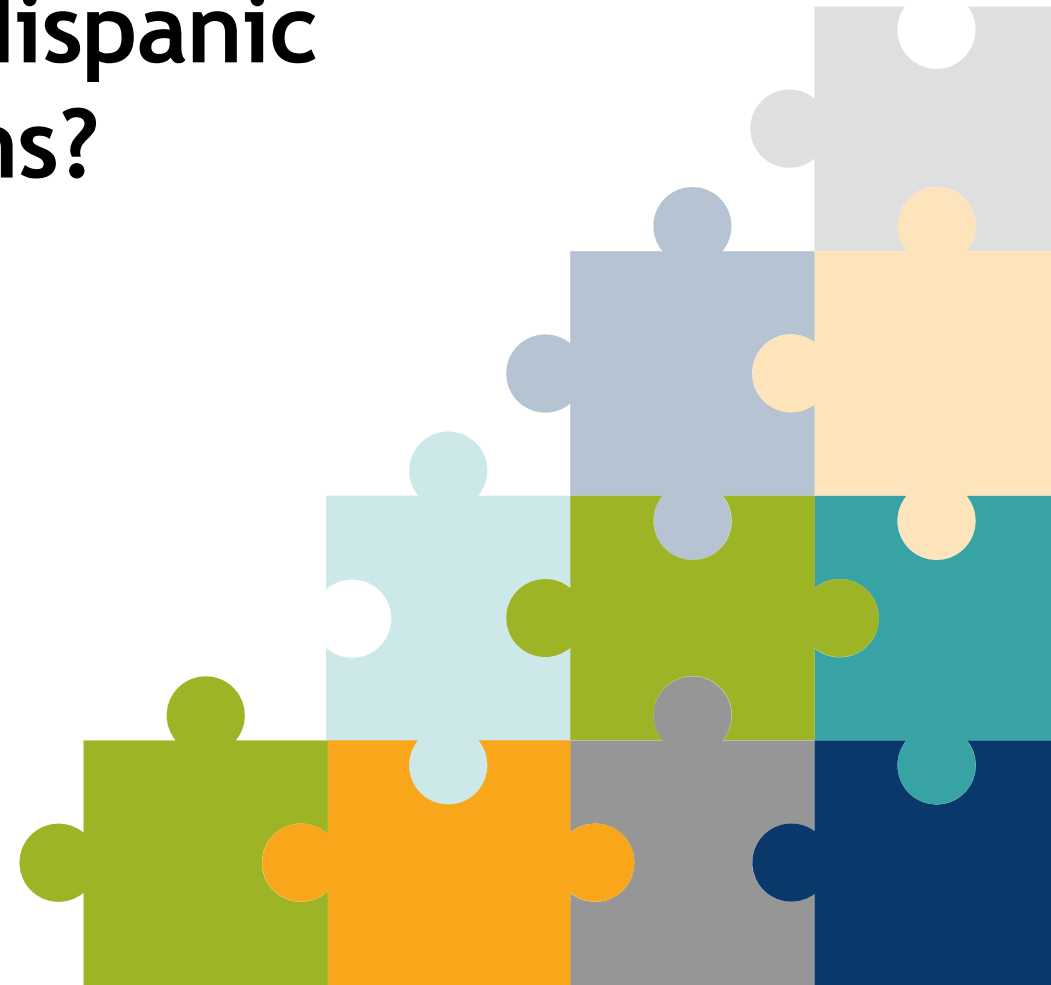
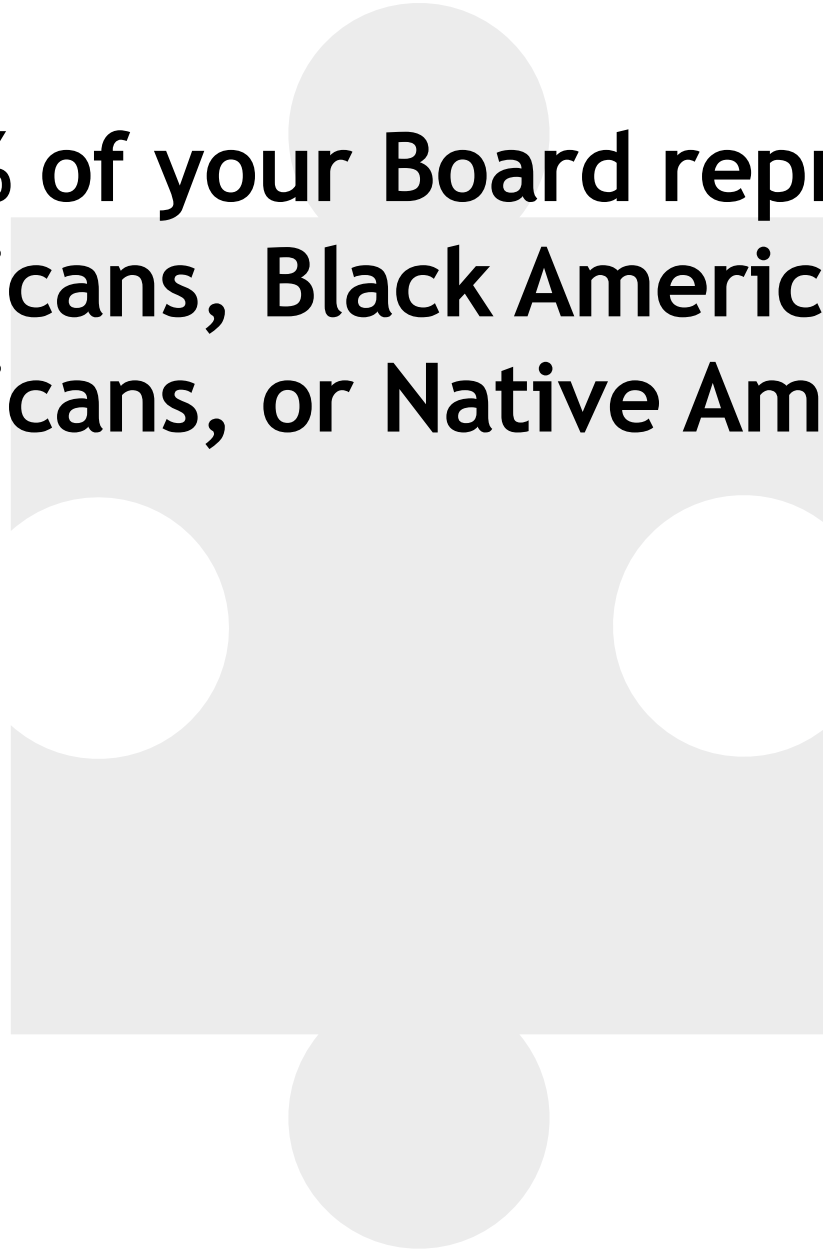
**Is your credit union low-income designated?**



**Are 50% of your current or potential members Asian American, Black American, Hispanic American, Native American, Native Alaskan or Native Hawaiian?**



**Is 50% of your Board represented by Asian Americans, Black Americans, Hispanic Americans, or Native Americans?**



# How diverse is your executive team?



**Is your current lending policy and strategy geared towards serving the unbanked and underbanked populations of your community? Specifically, minorities?**

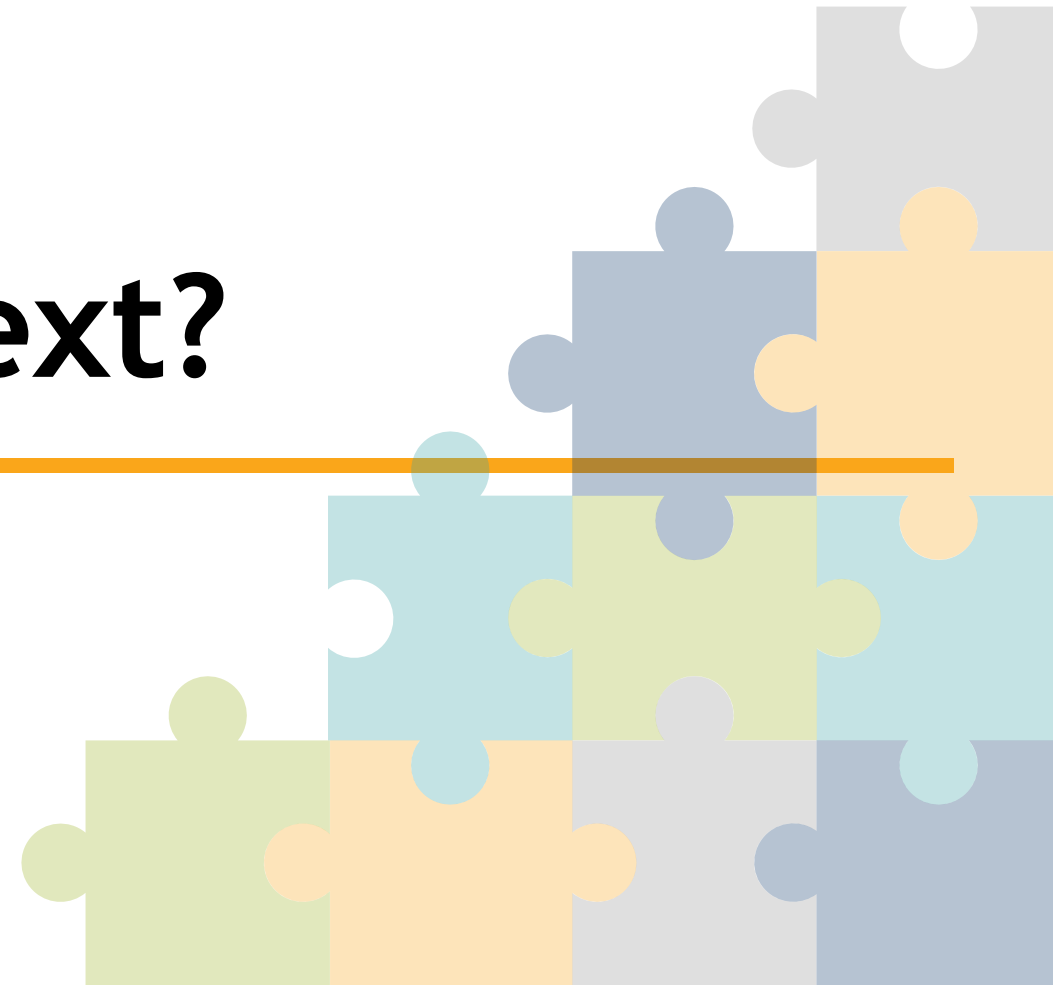


**Have you identified community partners to strengthen your work and connection to minority groups in your community?**



# What's Next?

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# CU Strategic Planning Is Here to Help

- For CDFI and MDIs - get your ideas ready
- For CDFIs - get your ideas ready
  - Examine whether and how you qualify for MDI
- Not a CDFI? Get certified
  - CU Strategic Planning has certified more credit unions than anyone else
- Process is not all technology





**Minority Lending is ALL ABOUT connecting to Diversity, Equity and Inclusion (DEI) at your credit union**



# Questions and Thank You!

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