

CDFI 2023: Grants, Certification and Compliance - OH MY!



Time Keeps on Slipping - Into the Future

CU Strategic Planning

- Here to help you in every way!
- Maintaining your CDFI Certification
- Winning new awards
- Staying in compliance
- Being a strong CDFI



Amazing Grace

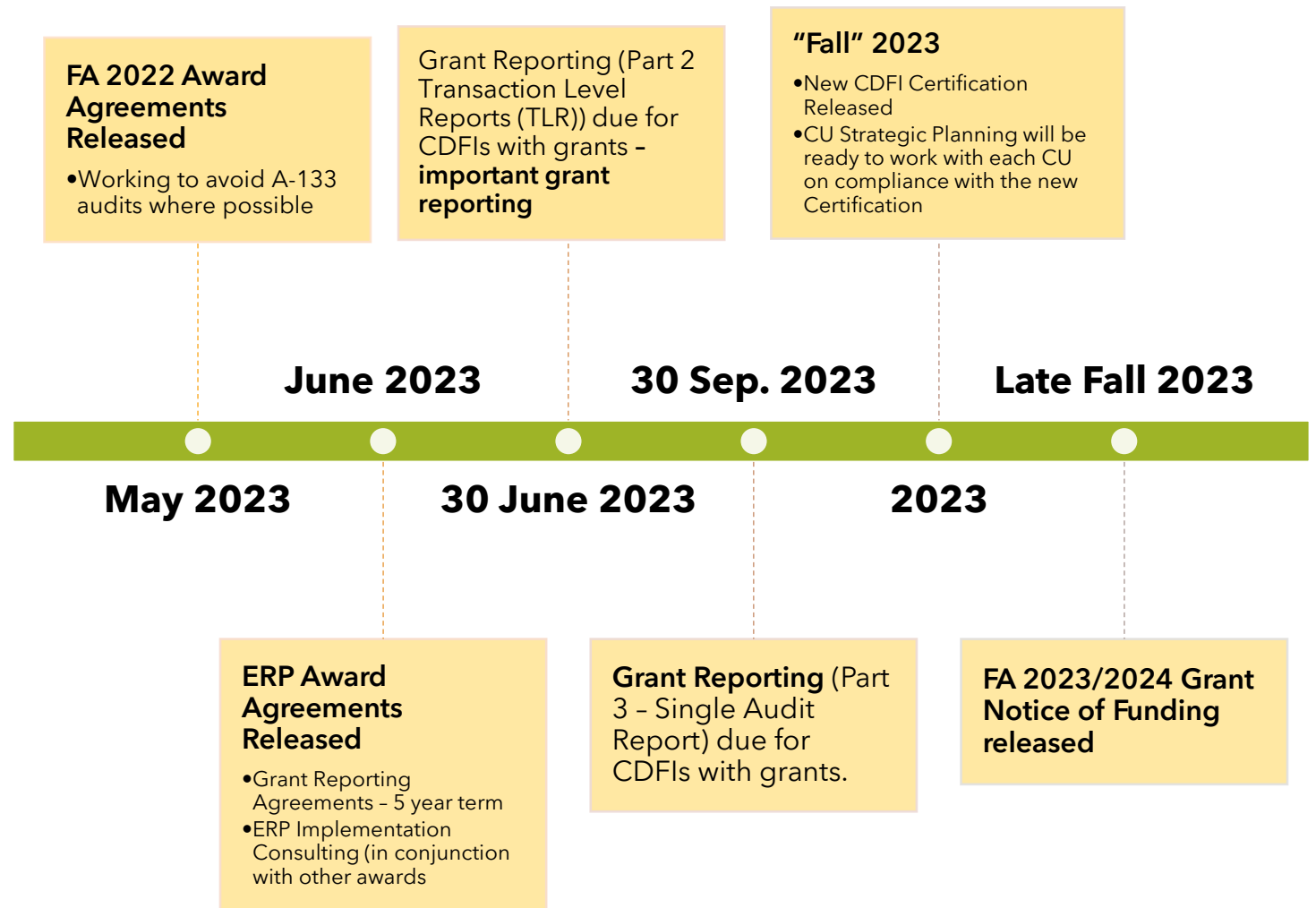
Due to the grace period being extended to CDFIs who are currently certified prior to the implementation of the new CDFI Certification Application, **no Certified CDFI will lose their Certification or be placed into a cure** based on their responses to the 2023 ACR.



CDFI Recertification

When the CDFI Fund reopens from pause
we will work with every CDFI

2023 CDFI Timeline of Events



CDFI Grant Programs +

CDFI FA Grant 2022 Class

Awarded

**Status with CU
Strategic Planning:
Grant Reporting**

CDFI FA Grant 2023/4

**Expected Opening:
Late 2023**

Awards: mid 2024

**Status with CU
Strategic Planning:
Open for Sale
Last Call!!!**

NCUA Grant Program 2023

Opens May 1, 2023

**Applications due
June 30, 2023**

CDFI FA Grant 2025

**Could we get back
on a normal time
frame?**

April 2025

Big Time Opportunity!

- 2023/2024 FA Grant Round
- Start right now!

This will be the last
CDFI FA Grant round until
2025



A tall, dark blue ladder stands vertically in the center of a vast, arid desert landscape. The ground is a mix of brown and tan, with rolling hills in the distance. The sky is a clear, vibrant blue, filled with scattered, fluffy white clouds. The overall scene conveys a sense of reaching for a goal or overcoming challenges.

Challenges Ahead: Future Focus



Compliance Mode

- **Financial Assistance (FA) Grants**
 - 3 years of Grant Reporting
 - Waiting for release of the Award Agreements
 - CU Strategic Planning webinar for FA 2022 Grant winners
- **Equitable Recovery Program Grants**
 - 5 years of Grant Reporting
 - Waiting for the release of Award Agreements
 - CU Strategic Planning webinar for FA 2022 Grant winners
 - What is required?





Building Your Lending Strategy as a CDFI



Putting the puzzle pieces together

- **Grant winnings:**
 - FA Grants, ERP, ECIP
- **Driving Loan Demand**
- **Creating liquidity for now and the future**
- **Putting CDFI people in place**

Announcing CU Strategic Planning's

Lending and Resource Consulting

Implementing FA Grants, ERP,
ECIP Programs with focus on
lending and liquidity



Community Development Strategy

- The CDFI Fund has provided no guidance, nor do we expect any.
- **If you'd like help developing a compliant strategic plan, reach out to Mike.**

CDFIs will be required to submit a board-approved strategic plan evidencing a community development strategy.

Advisory Boards

- With many accountability options changing, some credit unions are going to struggle to meet the accountability requirement.
- The CDFI Fund has codified another route to accountability: the advisory board.

Requirements:

- 33% of credit union members must be part of an “individual Target Market”
- At least one advisory board member must be accountable to each TM component
- 60% of the advisory board must be accountable to the TM
- A governing board member must have a seat on the advisory board
- Accountability policy



CDFI Grants

2022 FA Grants

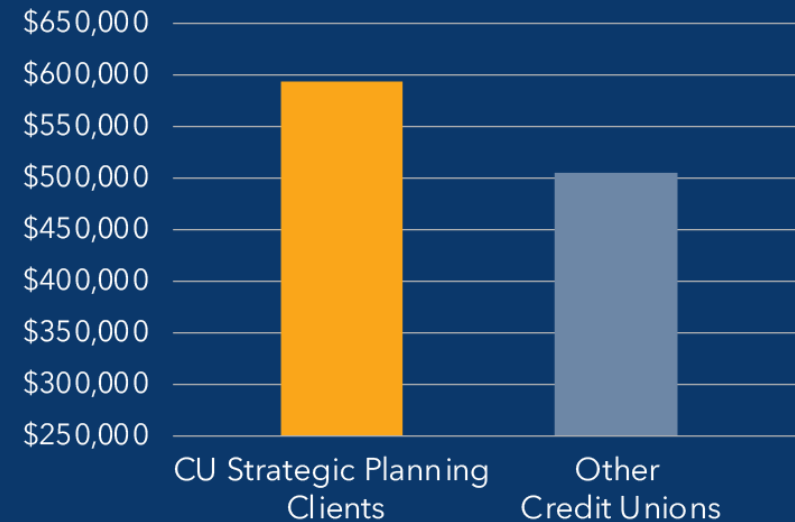
56%

Of all winning credit union FA Awards were prepared by CU Strategic Planning.

\$26,965,300

Total funds won for CU Strategic Planning clients in 2022 FA Awards (Base and PPC funds)

Average Base FA Award



Our clients averaged **\$89,312** more per award than other CU recipients

What Can CDFI Awards be Used For?

Financial Assistance (FA) Grant: Use of Funds

<p>Loan Loss Reserves</p>	<p>Capital Reserves</p>	<p>Financial Products: to increase loan deployment including staffing, training, and technology</p>	<p>Development Services: Financial counseling</p>	<p>Financial Services: ATM/ITM</p>
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2022 ERP Grants



93%

Of ERP applications
submitted by CU Strategic
Planning won awards

\$139,339,237

Total funds won for CU Strategic Planning clients
in Equitable Recovery Program awards

\$945 Million

Total funding
secured for CDFI
credit unions
since 1998



Next Steps: If Your Credit Union Is Not Yet Certified

GET CDFI CERTIFIED NOW?

- Certification Process is on “pause” and will return with an updated certification process in late 2023
 - CU Strategic Planning is accepting credit unions for CDFI certification
 - Data collection preparing for submission under the new process
 - Use YE 2022 loan data

Apply for a Technical Assistance Grant

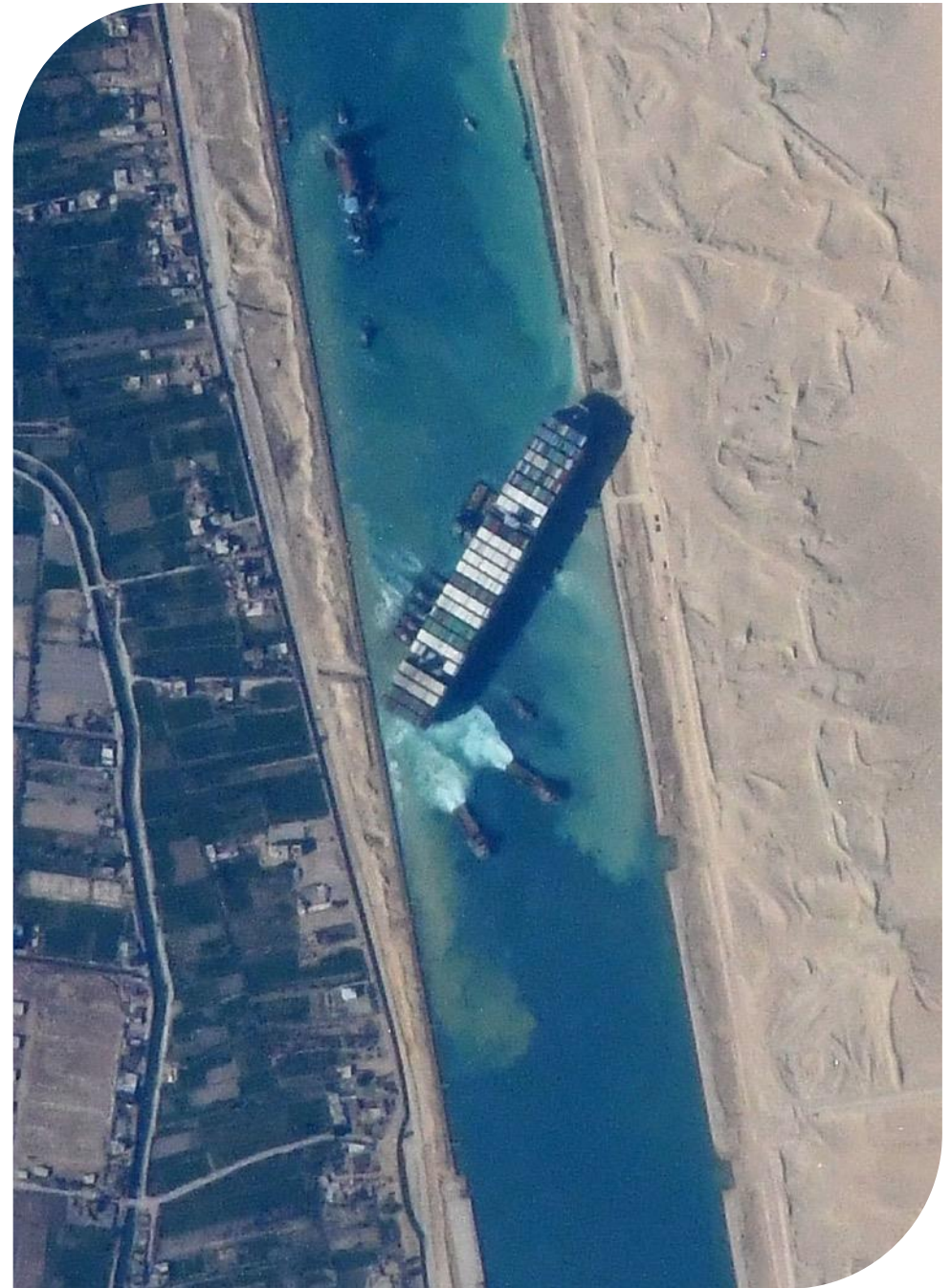
For those not yet certified as CDFI

\$125,000 award that establishes your CU as an emerging CDFI

Apply for CDFI certification as soon as CDFI reopens from "pause" with the new CDFI Certification

3 years to certify

Quarterly Lending Analysis Report

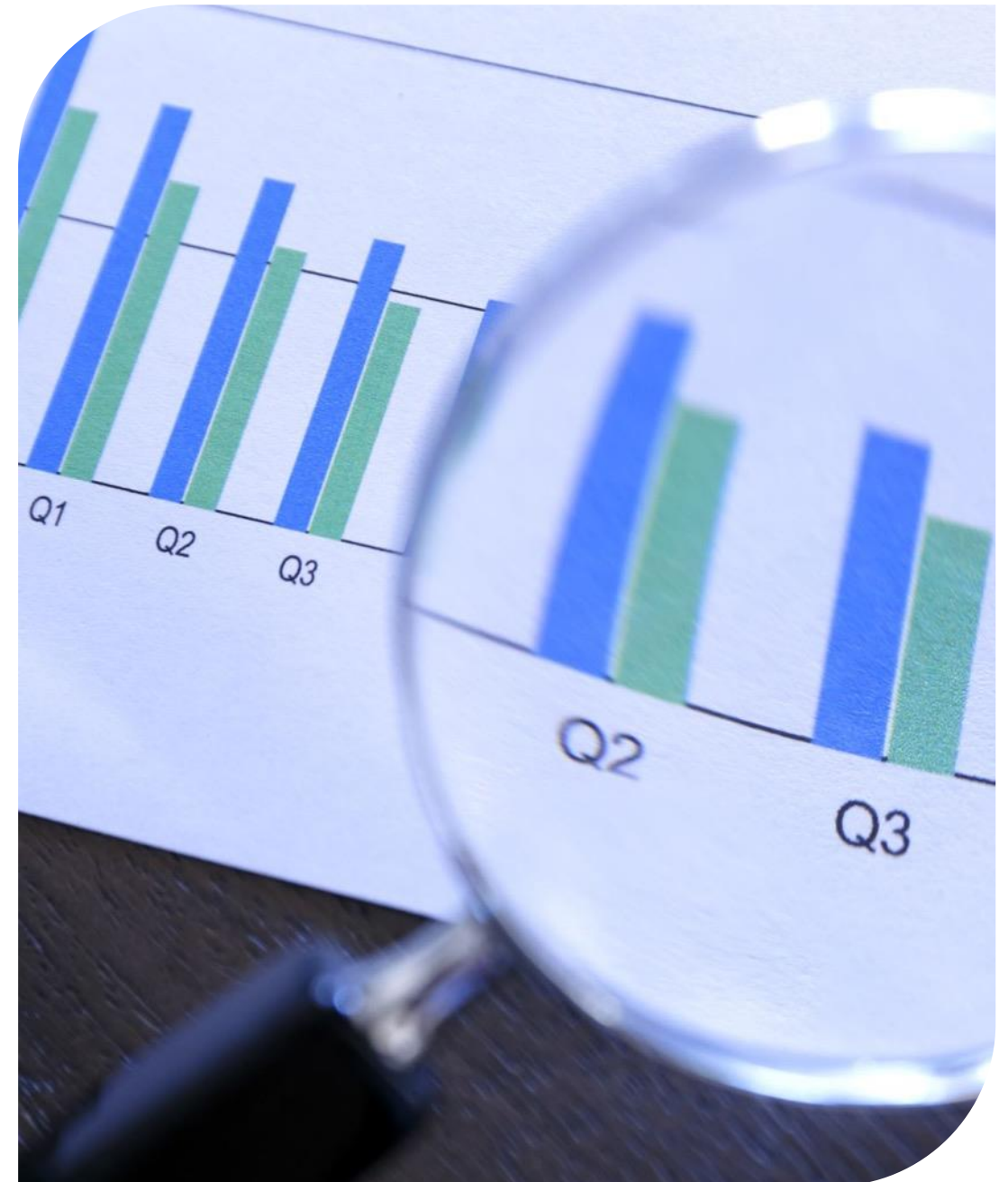


Beyond CDFI Cure Letters

CU Strategic Planning has a proven track record to help credit unions return to compliance. Ask the credit unions that relied on us.

Our Expert Tips

- **Our Annual Certification Report**
Correct baseline to avoid errors that lead to Cure letters
- **Quarterly Loan Analysis Reporting**
Track lending to Target Market in real time
- **Strategic Planning/Development of Community Development Statement**
Implementing ERP and ECIP
- **Diversity, Equity, Inclusion, Belonging and Accessibility**
Work with your board and management to take next steps





Questions

How can we help you?

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