

the Fund's Depository Institutions Manager. If you have questions regarding administrative requirements, contact the Fund's Awards Manager. The Depository Institutions Manager and the Awards Manager may be reached by e-mail at cdfihelp@cdfi.treas.gov, by telephone at (202) 622-6355, 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. Applications and other information regarding the Fund and its programs may be downloaded and printed from the Fund's Web site at <http://www.cdfifund.gov>.

SUPPLEMENTARY INFORMATION:

I. Eligibility

The legislation that authorizes the BEA Program 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 June 30, 2003 for the 6-month option and by December 31, 2003 for the 12-month option to be eligible for consideration for a BEA Program award under this NOFA.

For the purposes of this NOFA, an eligible CDFI Partner is:

(a) a CDFI that is not an insured credit union, insured depository institution, or depository institution holding company, and that has up to \$25 million in total assets as of its most recently completed fiscal year;

(b) a CDFI that is an insured credit union that has up to \$25 million in total assets for its most recently completed fiscal year;

(c) a CDFI that is an insured depository institution or depository institution holding company and that has up to \$500 million in total assets for its most recently completed fiscal year, or

(d) a CDFI proposing a new level or type of activity in a CDFI Program-qualified Hot Zone (for further information on the CDFI Program's Hot Zones, please refer to the NOFA for the Financial Assistance Component of the CDFI Program published in this issue of the **Federal Register**, and the Fund's Web site at <http://www.cdfifund.gov/programs/hotzones>).

For purposes of CDFI Support Activities, the CDFI Partner must demonstrate that it is Integrally Involved in an eligible Distressed Community. The revised interim rule (at 12 CFR § 1806.103(gg)) provides the following definition of Integrally

Involved: (a) For a CDFI Partner, having provided at least five percent of financial transactions or dollars transacted (e.g., loans or equity investments as defined in 12 CFR 1805.104(s)), or five percent of Development Service activities, in the Distressed Community identified by the applicant or the CDFI Partner, as applicable, in each of the three calendar years preceding the date of the applicable NOFA, or having transacted at least ten percent of financial transactions (e.g., loans or equity investments) in said Distressed Community in at least one of the three calendar years preceding the date of the applicable NOFA, or demonstrating that it has attained at least five percent of market share for a particular product in said Distressed Community (such as at least five percent of home mortgages originated in said Distressed Community) in at least one of the three calendar years preceding the date of the applicable NOFA; or (b) for a non-CDFI, having directed at least five percent of its business activities (e.g., investments, revenues, expenses, or other appropriate measures) to serving the Distressed Community identified by the applicant in each of the three calendar years preceding the date of the applicable NOFA, or having provided at least ten percent of its business activities in said Distressed Community in at least one of the three calendar years preceding the date of the applicable NOFA.

II. Designation of Distressed Community

A Distressed Community, defined in the revised interim rule at 12 CFR § 1806.103(t), and as more fully described in 12 CFR § 1806.200, must meet the following minimum geographic, population, poverty, and unemployment requirements:

(1) *Geographic requirements.* A Distressed Community must be a geographic area:

(a) That is located within the boundaries of a Unit of General Local Government;

(b) the boundaries of which are contiguous; and

(c) the population of which is at least 4,000 if any portion of the area is located within a Metropolitan Area with a population of 50,000 or greater; or

(d) the population must be at least 1,000 if no portion of the area is located within such a Metropolitan Area. If an area is located entirely within an Indian Reservation, there is no minimum population requirement.

(2) *Economic Distress requirements.* A Distressed Community must be a geographic area where:

(a) at least 30 percent of the Residents have incomes that are less than the national poverty level, as published by the U.S. Bureau of the Census in the most recent decennial census; and

(b) the unemployment rate is at least 1.5 times greater than the national average, as determined by the U.S. Bureau of Labor Statistics' most recent data (including estimates of unemployment developed using the U.S. Bureau of Labor Statistics' Census Share calculation method).

An applicant applying for a BEA Program Award for carrying out Distressed Community Financing Activities, Services Activities, and CDFI Support Activities shall designate one or more Distressed Communities. Each CDFI Partner that is the recipient of CDFI Support Activities from an applicant shall also designate a Distressed Community. The CDFI Partner can identify a different Distressed Community than the applicant. Applicants providing Equity Investments to a CDFI, and CDFI Partners that receive Equity Investments, are not required to designate Distressed Communities. Please note that the CDFI Partner's designated Distressed Community must meet the requirements of the BEA Program; a Distressed Community as defined by the BEA Program is not the same as an Investment Area as defined by the CDFI Program or a Low-Income Community, as defined by the NMTC Program.

An applicant or CDFI Partner (as appropriate) shall designate an area as a Distressed Community by:

(a) Selecting geographic units which individually meet the minimum area eligibility requirements; or

(b) selecting two or more geographic units which, in the aggregate, meet the minimum area eligibility requirements set forth in paragraph (1) of this section provided that no geographic unit selected by the applicant within the area has a poverty rate of less than 20 percent. An applicant engaging in Distressed Community Financing Activities or Service Activities designates a Distressed Community by submitting:

(i) a List of Eligible Census Tracts; and

(ii) a Map of the Distressed Community.

An applicant that engaged in CDFI Support Activities only (or CDFI Support Activities and CDFI Equity Investments) may designate the same Distressed Community as any one of its CDFI Partners by signing and submitting with its application, a certification (included in the application materials) that it is designating the same Distressed