

FA provided by the Fund (matching funds are not required for TA grants). Matching funds must be at least comparable in form and value to the FA provided by the Fund (for example, if an applicant seeks a FA grant from the Fund, the applicant must obtain matching funds through grant(s) from non-Federal sources that are at least equal to the amount requested from the Fund).

Due to funding constraints and the desire to quickly deploy CDFI Fund dollars, the Fund will not consider for funding any applicant that does not have at least the following level of matching funds committed or in-hand: 25 percent of requested FA in-hand and 50 percent of requested FA firmly committed. Matching funds in-hand (received), or firm commitments for matching funds made, on or after January 1, 2002, and before April 30, 2004, will be considered when determining matching funds eligibility. The Fund reserves the right to recapture and reprogram an award if an applicant fails to raise the required matching funds by April 30, 2004 (with documentation of such receipt received by the CDFI Fund not later than May 15, 2004), or to grant an extension of such matching funds deadline for specific applicants selected to receive FA, if the Fund deems it appropriate. For purposes of this NOFA, "matching funds in-hand" means that the applicant has actually received the matching funds and has documentation (such as a copy of a check) to evidence such receipt; "firm commitment for matching funds" means that the applicant has entered into or received a legally binding commitment from the matching funds source that the matching funds have been committed to be disbursed to the applicant and the applicant has documentation (such as a copy of a loan agreement, promissory note or grant agreement) to evidence such firm commitment.

Funds used by an applicant as matching funds for a previous award under the CDFI Program or under another Federal grant or award program cannot be used to satisfy the matching funds requirement. If an applicant seeks to use as matching funds monies received from an organization that was a previous awardee under the CDFI Program, the Fund will deem such funds to be Federal funds, unless the funding entity establishes to the reasonable satisfaction of the Fund that such funds do not consist, in whole or in part, of CDFI Program funds or other Federal funds.

## V. Evaluation

All applications will be reviewed for eligibility and completeness. If determined to be eligible and complete, the Fund will conduct the substantive review of each application in accordance with the criteria and procedures described in the interim regulations, this NOFA and the application. First, the Fund will determine whether the applicant has a need for capital, based on the applicant's projections of capital available and activities projected. Applicants not projecting a need for capital will not be considered. Next, the Fund will determine whether the applicant has a minimum of 25 percent of the requested FA in matching funds in-hand and 50 percent of the matching funds for the requested assistance firmly committed. If this level of matching funds is not documented as in-hand or firmly committed, the applicant will not be considered for funding. Following these determinations, the Fund will evaluate each application on a 100-point scale, comprising the four criteria categories set forth below; each applicant must obtain a minimum score in each section to be considered for funding. Numeric scores will be related to:

(1) *Market Need and Community Development Performance*: including an evaluation of:

(a) The applicant's understanding of its market context and its current and prospective customers, the extent of economic distress within the designated Investment Area(s) (including serving Hot Zones) or the extent of need within the designated Targeted Population(s), the extent of need for Equity Investments, loans, Development Services, and Financial Services within the designated Target Market, and the extent of demand within the Target Market for the applicant's products and services;

(b) The extent to which the applicant demonstrates that it will target its activities to Hot Zones and/or the Fund's Programmatic Priorities;

(c) The applicant's realistic projections for community development impact, including the extent to which the applicant will concentrate its activities on serving its Target Market, and the extent to which the activities proposed in the Comprehensive Business Plan will expand economic opportunities or promote community development within the designated Target Market (including achieving the Fund's Programmatic Priorities);

(d) Product design and strategy, including an assessment of the

applicant's products and services, marketing and outreach efforts, and delivery strategy (including the applicant's track record in community development and serving the target market);

(e) The extent to which the applicant will provide products that meet key community development needs (such as low-down-payment mortgage products for Low-Income homebuyers and provision of financial services to individuals previously lacking such services); and

(f) The degree to which the applicant's strategy is integral to Federal community development initiatives (for example, Empowerment Zones) particularly targeted to benefit Low-Income people or underserved communities. For any entity that has already received an award from the Fund, the applicant also will be evaluated on the extent to which it proposes to create greater community development impact than to be achieved through the prior award and its track record in meeting previous performance goals and other Assistance Agreement requirements (maximum of 40 points; minimum of 20 points required to be considered for an award);

(2) *Management and Underwriting*: including an evaluation of:

(a) The applicant's underwriting and portfolio quality;

(b) Risk mitigation strategies; and

(c) The capacity, skills and experience of the applicant's management team as appropriate to deliver the proposed products and services (maximum of 20 points; minimum of 10 points required to be considered for an award);

(3) *Financial Health*: including an evaluation of the applicant's liquidity and other elements of financial strength, including earnings, capital adequacy, and deployment of resources (maximum of 20 points; minimum of 10 points required to be considered for an award); and

(4) *Financial Sustainability and Matching Funds*: including an evaluation of:

(a) The applicant's projected financial health, including its ability to raise operating support from sources other than the Fund and its capitalization strategy (including participation in a secondary market); and

(b) Extent to which the applicant has matching funds in-hand or firmly committed, as described above. Applicants must demonstrate 100 percent of the requested FA can be matched with matching funds in-hand or fully committed in order to receive more than 15 out of 20 points in this section. Under this category, applicants