

CDFIs that serve Native American, Alaska Native and Native Hawaiian populations. Further, Title I, subtitle C, section 121 of the Community Renewal Tax Relief Act of 2000, as enacted by section 1(a)(7) of the Consolidated Appropriations Act, 2001 (Pub. L. No. 106-554, December 21, 2000), established the New Markets Tax Credit ("NMTC") Program which will provide an incentive to investors in the form of a tax credit over seven years, which is expected to stimulate the provision of private investment capital that, in turn, will facilitate economic and community development in low-income communities.

II. The CDFI Fund's Programs: A Continuum of Capital, Investment and Incentive Opportunities

Credit and investment capital are essential ingredients for developing affordable housing, promoting homeownership, starting or expanding businesses, meeting unmet market needs, and stimulating economic growth. Access to financial services is critical to helping bring more Americans into the economic mainstream. Provision of counseling and technical assistance is needed for Americans to effectively use the nation's financial system and avoid "predatory" financial products.

Through the CDFI Program, the BEA Program and the NMTC Program, the Fund supports financial institutions around the country that are specifically dedicated to financing and supporting community and economic development activities. This strategy builds strong institutions that make loans and investments and provide financial services in markets (including economically distressed investment areas and disadvantaged targeted populations) whose needs for loans, investments, and financial services have not been fully met by traditional financial institutions, particularly in the areas of promoting homeownership, developing affordable housing, and stimulating small business development, as well as providing financial services to those that have not previously accessed financial institutions. The Fund's programs are designed to address the unique capitalization and/or technical capacity needs of CDFIs and other community development entities, so that they may better meet the needs of their particular target markets through loans, investments, financial services and other related activities.

Pursuant to the Act, in 2001, the Fund completed and published the Native American Lending Study ("the Study"),

which identifies significant barriers to lending and investment in Native American, Alaska Native and Native Hawaiian communities and strategies for overcoming those barriers. One of the barriers identified by the Study is the small number of CDFIs and other financial institutions in Native American, Alaska Native and Native Hawaiian communities. Since CDFIs are important tools for developing self-sustaining economies in many underserved communities, the Fund seeks to assist Native American, Alaska Native and Native Hawaiian communities to create and develop CDFIs that serve such communities.

In Fiscal Year 2003, the components of the CDFI Program, the NACD Program, the New Markets Tax Credit ("NMTC") Program, and the BEA Program (each described below), together constitute a continuum of programmatic and investment alternatives to support financial institutions in their efforts to provide capital and financial services to underserved communities. These program alternatives range from capacity-building and technical assistance grants to emerging entities, to financial investments to capitalize CDFIs, to community development investment incentives for insured depository institutions, to Federal tax credit incentives for community development investors.

(1) *Technical Assistance Component (CDFI Program)*: Through the Technical Assistance Component of the CDFI Program, the Fund provides technical assistance ("TA") grants to CDFIs, and entities proposing to become CDFIs, in order to build their capacity to better address the community development and capital access needs of their particular target markets including, but not limited to, entities specifically serving or proposing to serve Native American, Alaska Native and/or Native Hawaiian communities. The FY 2003 and 2004 NOFA for the Technical Assistance Component is published in this issue of the **Federal Register**.

(2) *Native American CDFI Development Program*: Through the NACD Program, the Fund may provide TA grants to entities in order to create CDFIs designed to address the community development and capital access needs of Native American, Alaska Native and/or Native Hawaiian communities. The FY 2003 and 2004 NOFA for the NACD Program is published in this issue of the **Federal Register**. Interested parties should be aware that implementation of the FY 2003/04 NOFA for the NACD Program is contingent on the appropriation of

funds for the purposes enumerated in the NOFA; as of the date of this NOFA, said appropriation is pending with Congress. The Fund will issue a notice on its Web site, at <http://www.cdfifund.gov>, at such time that the Fund has the authority to implement the FY 2003/04 NOFA for the NACD Program.

(3) *Financial Assistance Component (CDFI Program)*: Through the Financial Assistance Component of the CDFI Program the Fund makes financial investments in, and provides TA grants to, CDFIs that have comprehensive business plans for creating demonstrable community development impact through the deployment of capital within their respective target markets and CDFIs that demonstrate the ability to effectively leverage private sector sources of capital. The FY 2003 NOFA for the Financial Assistance Component is published in this issue of the **Federal Register**.

(4) *New Markets Tax Credit Program*: Through the NMTC Program, the Fund provides an incentive to investors in the form of a tax credit over seven years, which is expected to stimulate investment in private capital that, in turn, will facilitate economic and community development in low-income communities. The calendar year 2003 Notice of Allocation Availability for the NMTC Program will be published in the **Federal Register** at a later date.

(5) *Bank Enterprise Award Program*: Through the BEA Program, the Fund provides financial incentives to insured depository institutions for the purpose of promoting investments in, or other support to, CDFIs and facilitating increased lending and provision of financial and other services in economically distressed communities. The FY 2003 NOFA for the BEA Program is published in this issue of the **Federal Register**.

The revised interim rule for the CDFI Program (12 CFR 1805) and the revised interim rule for the BEA Program (12 CFR 1806) are also published in this issue of the **Federal Register**. Please refer to the program regulations for an in-depth understanding of the respective programs.

The following table provides a brief summary of certain aspects found in each NOFA for the Fund's components or programs for FY 2003 and is intended to offer guidance to potential applicants as to which components or programs they might be eligible to apply. Please refer to each individual NOFA for specific application, eligibility, and evaluation information for the particular component or program for FY 2003.