

**DEPARTMENT OF THE TREASURY****Community Development Financial Institutions Fund****Notice of Funds Availability (NOFA) Inviting Applications for the Bank Enterprise Award Program**

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Notice of funds availability inviting applications.

**SUMMARY:** The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 *et seq.*) authorizes the Community Development Financial Institutions Fund (hereafter referred to as "the Fund") to provide assistance to insured depository institutions for the purpose of promoting investments in Community Development Financial Institutions ("CDFIs") and facilitating increased lending and provision of financial and other services in economically distressed communities. Insured depository institutions and CDFIs are defined terms in an interim rule (12 CFR part 1806) published elsewhere in today's Federal Register. The Fund reserves the right to award funds under this Notice up to the maximum amount authorized by law. As of the date of this Notice and subject to funding availability, the Fund intends to award up to \$15.5 million in Bank Enterprise Award ("BEA") Program funds. The Fund may award in excess of \$15.5 million if more funds become available. The BEA Program shall be subject to the interim rule. The interim rule establishes the program requirements.

**DATES:** Applications may be submitted at any time after October 19, 1995. The deadline for receipt of an application is 4 p.m. Eastern Standard Time on Friday, December 15, 1995. Applications received after that date and time will not be accepted and will be returned to the sender.

**ADDRESSES:** Applications may be obtained from the office of the Fund listed below or by telephone at (202) 622-8662. (This is not a toll free number.) Applications must be sent to: The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW., Room 5116, Washington D.C. 20220. Applications sent by FAX will not be accepted.

**FOR FURTHER INFORMATION CONTACT:** The Community Development Financial Institutions Fund, U.S. Department of the Treasury, 1500 Pennsylvania Avenue NW., Room 5116, Washington

D.C. 20220, (202) 622-8662. (This is not a toll free number.)

**SUPPLEMENTARY INFORMATION:****I. Background**

As part of a national strategy to facilitate revitalization and increased availability of credit and investment capital in distressed communities, the Community Development Banking and Financial Institutions Act of 1994 authorizes a portion of funds appropriated to the Fund to be distributed through the BEA Program. The BEA Program is largely based on the Bank Enterprise Act of 1991, although Congress significantly amended the program to facilitate greater coordination with other activities of the Fund. The BEA Program and the Community Development Financial Institutions Program (12 CFR part 1805) are intended to be complementary initiatives that support a wide range of community development activities and facilitate partnerships between traditional lenders and CDFIs. This Notice invites applications from insured depository institutions for the purpose of promoting community development activities and revitalization.

**II. Eligibility**

The Act specifies that eligible applicants must be insured depository institutions as defined under section (3)(c)(2) of the Federal Deposit Insurance Act.

**III. Designation Factors**

The interim rule published separately in today's Federal Register (12 CFR part 1806) describes the process for selecting applicants to receive assistance and for calculating assistance amounts. The rating and selection process will give priority to applicants that make equity investments in CDFIs (as defined in the interim rule). After assistance for such priorities has been awarded, any remaining funds will be distributed to applicants pursuing Eligible Development Activities (as defined in the interim rule). Assistance amounts will be calculated based on increases in qualified activities that occur during a 6-month assessment period in excess of activities that occurred during a 6-month baseline period. In general, estimated award amounts for applicants making equity investments in CDFIs will be equal to 15 percent of the anticipated increase in such activities. The interim rule establishes the ranking and selection process. An applicant may also choose to accept less than the maximum amount of assistance in order to increase the ranking of its

application. For applicants pursuing Eligible Development Activities, a multi-step procedure is outlined in the interim rule that will be used to calculate the estimated award amount. In general, if an applicant is a CDFI, such estimated award amount will be equal to 15 percent of the total score calculated in the multi-step procedure. If an applicant is not a CDFI, such estimated award amount will be equal to 5 percent of the total score calculated in the multi-step procedure. Applications for such activities will be ranked and funded based on the total score as weighted by the asset size of the applicant. The Fund, in its sole discretion, may adjust the estimated award amount that an applicant may receive prior to the beginning of an assessment period.

The anticipated maximum award under this Notice is \$1 million. However, the Fund, in its sole discretion, reserves the right to award amounts in excess of \$1 million for applications of exceptional merit.

**IV. Baseline and Assessment Period Dates**

As part of its application, an applicant shall report the qualified activities that it actually carried out during a 6-month baseline period. Such baseline period will begin on April 1, 1995 and end on September 30, 1995. An applicant shall also project the qualified activities that it expects to carry out during a 6-month assessment period. Such assessment period will begin on January 1, 1996 and end on June 30, 1996. Applicants selected to participate in the program during the assessment period will be required to report the qualified activities that it actually carried out during the assessment period. The Fund will evaluate the performance of applicants in carrying out projected activities to determine actual award amounts. The Fund will make every reasonable effort to announce selected applicants by January 16, 1996.

**V. Workshops**

The CDFI Fund will host two workshops to disseminate information to organizations interested in applying for assistance under the BEA Program and the CDFI Program (12 CFR part 1805). The workshops will be held on Monday, November 13, 1995 in Washington, DC and on Friday, November 17, 1995 in Los Angeles, California. To register for a workshop call Skip Cooper at (310) 417-5170.

**VI. Other Matters**

(a) Paperwork Reduction Act. For details on the information collection

requirements of the rule and this Notice, the reader should refer to the interim rule (12 CFR part 1806) published separately in today's Federal Register.

(b) Environmental Impact. Pursuant to Treasury Directive 75-02, the Department of the Treasury has determined that implementation of the BEA Program under the interim rule is categorically excluded from the National Environmental Policy Act of 1969 (42 U.S.C. 4332) and does not require an environmental review. The determination is available for public inspection between 9:30 a.m. and 4:30 p.m. weekdays at the office of the Fund.

Authority: 12 U.S.C. 4703, 4717; Chapter X, Pub.L. 104-19, 109 Stat. 237; 12 CFR 1806.206(a).

Dated: October 11, 1995.

John D. Hawke, Jr.,

*Under Secretary (Domestic Finance).*

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