

NCUA-CDFI FUND CERTIFICATION INITIATIVE

FAQs

As of September 26, 2016

1. What is the Community Development Financial Institutions (CDFI) Certification?

CDFI Certification is the U.S. Department of the Treasury's recognition of specialized financial institutions serving low-income communities. CDFIs are eligible to apply for technical assistance and financial assistance awards from the CDFI Fund, as well as training provided through its Capacity Building Initiative.

2. How does an organization become CDFI Certified?

To become a CDFI, your credit union must meet the eligibility requirements and submit an application.

ELIGIBILITY REQUIREMENTS:

- Be a legal entity;
- Have a primary mission of promoting community development;
- Provide both financial products;
- Serve one or more defined target markets;
- Maintain accountability to a defined market;
- Provide developmental services such financial literacy training; and
- Not be controlled by governmental organizations.

Refer to the CDFI Fund's website (<https://www.cdfifund.gov/>) for more information about the CDFI Certification process and to download the CDFI Certification Application.

3. What are the benefits of becoming a CDFI?

CDFI Certification allows access to:

- Direct funding through the CDFI Program
- Training through the CDFI Fund's Capacity Building Initiative
- Access to funding from non-CDFI Fund sources

Refer to the CDFI Fund's website (<https://www.cdfifund.gov/>) for an overview of the CDFI designation, its benefits and online references.

4. Are certain low-income designated credit unions going to automatically become CDFI Certified? Will low-income credit unions get a “pass” on all or certain CDFI Certification requirements?

No. Credit unions will not be automatically CDFI Certified or get a “pass” on any CDFI Certification requirement. Rather, NCUA will provide to preliminarily qualified credit unions certain data it already collects that helps demonstrate that the credit union qualifies for CDFI Certification. Preliminarily qualified credit unions will need to submit this data to the CDFI Fund as part of an application for certification.

5. Isn't a NCUA low-income designated credit union the same as a CDFI Certified credit union?

No. The NCUA low income designation and the CDFI Certification are two distinct designations conferred by separate federal agencies. The [low income designation](#), commonly referred to as “LID,” is conferred by NCUA on federally insured credit unions that have a majority of members who are low-income. Refer to [NCUA Rules and Regulation 701.34](#) for the definition of “low-income members.”

[CDFI Certification](#) is conferred by the CDFI Fund on specialized organizations that provide financial services in low-income communities and to people who lack access to financing. Refer to the LID-CDFI Fact Sheet on the NCUA Learning Center’s webpage for general information on each designation and to obtain detailed information from the respective agency websites. <https://www.ncua.gov/services/Pages/small-credit-union-learning-center/Documents/community-development-financial-institutions-fund-low-income-designations-fact-sheet.pdf>

6. Will NCUA be recommending that certain credit unions become certified?

No. NCUA will not recommend a credit union for certification under this initiative. NCUA will provide a preliminarily qualified credit union’s data, including the results of its analysis that helps demonstrate the credit union meets particular requirements for CDFI Certification.

7. Why are the agencies undertaking this initiative?

As regulated financial institutions, credit unions regularly provide data and information to the federal regulator. In the case of NCUA's low-income designated credit unions, there are qualifying similarities for both designations. Therefore, the CDFI Fund and NCUA are collaborating to minimize the redundancy of data reported to NCUA that also satisfies the data requirements for CDFI Certification for certain preliminarily qualified credit unions. This will be a time and cost savings benefit both to the preliminarily qualified credit unions and to the CDFI Fund.

8. Will only those credit unions identified by NCUA be able to obtain CDFI Certification from now on?

No. A credit union that is not identified through the streamlined process may apply to the CDFI Fund under the standard application process. Refer to the CDFI Fund's website (<https://www.cdfifund.gov/>) for more information about the CDFI Certification process and to download the CDFI Certification Application.

9. How much does it cost to apply for a CDFI Certification?

There is no charge to apply for CDFI Certification.

10. What is the closing date for the CDFI Certification Application?

There is no closing date for credit unions to submit its application for CDFI Certification to the CDFI Fund. The application period is open year round.

11. Does the CDFI Fund consider a federally insured credit union's CAMEL rating as part of its eligibility requirements for a CDFI Certification?

No. The CDFI Fund does not include the CAMEL rating as part of its approval criteria for CDFI Certification. However, the CDFI Fund will take into consideration a credit union's CAMEL rating as well as other safety and soundness factors during its review of a CDFI grant funding application.

12. I have submitted the credit union's 2015 loan origination file in the AIRES format as instructed in the invitation letter and sent it to Partners@ncua.gov using the Zix encrypted service. How will I know if my information has been received?

Partners@ncua.gov will provide email notification that your information has been received.

13. I have followed the steps in the CDFI Fund Account Set Up for All Credit Unions document to register my credit union with the CDFI Fund's AMIS system and set up the administrator account in the MyCDFI Fund account. I have also submitted the AIRES loan origination file to Partners@ncua.gov using the Zix encrypted service. The NCUA's invitation letter indicates it will provide additional documentation once our credit union is confirmed of its eligibility to complete the streamlined application. Is there anything else I need to do right now?

No. You have completed all the steps in AMIS and MyCDFI Fund account. If your CDFI Fund administrator is able to access the signature page outlined in the CDFI Fund Account Set Up instructions, you have successfully completed your initial steps toward CDFI Certification. You will be notified along the way which steps you will need to take next.