UTAH'S CREDIT UNIONS

CCU Social Impact Committee

Community Development Financial Institution Playbook

Please note this document was prepared 9/2025 to provide general assistance and summary information to help credit unions determine if the Community Development Financial Institution certification is right for them, and to provide a practice pathway to certification. While this playbook outlines process, timelines, and potential partners, it is not meant to be all-inclusive. Please consult the Department of Treasury CDFI Fund, NCUA, and other resources, as needed.

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So, you want to be a CDFI?

Here are some things to consider to help ensure that you're making the right choice for your credit union and your members.

What is the CDFI Program?

The CDFI Program uses monetary awards and training opportunities to invest in and build the capacity of CDFIs, empowering them to grow, achieve organizational sustainability, and drive community revitalization. In FY 2024, CDFI Program Awardees:

- Financed more than 109,000 businesses
- Provided funding for more than 45,000 affordable housing units
- Originated more than $24 billion in loans and investments

What types of awards are available?

The CDFI Program offers both **Financial Assistance** and **Technical Assistance** awards to CDFIs. These competitive awards support and enhance the ability of these organizations to meet the needs of the communities they serve.

1. **Financial Assistance awards** are made in the form of loans, grants, equity investments, deposits, and credit union shares, which CDFIs are required to match dollar-for-dollar with non-federal funds. This requirement enables CDFIs to multiply the impact of federal investment to meet the demand for affordable financial products in economically distressed communities.
2. **Technical Assistance grants** are offered to CDFIs and Certifiable CDFIs (see eligibility below) to build their organizational capacity.

Both Financial and Technical Assistance awards empower CDFIs to grow, achieve organizational sustainability, and contribute to the revitalization of the communities they serve.

Is the program right for my credit union?

CDFIs have a primary mission of serving low-income individuals and communities. Therefore, the program is best suited to credit unions with a track record of serving economically distressed communities, low-income people, and a demonstrable history of empowering these communities to enter the financial mainstream. These community-based organizations are dedicated to serving market niches that traditional financial institutions often underserve.

The CDFI program is not well-suited to credit unions that lack access to low-income communities, have limited opportunities to serve those communities, or are simply looking to add capital to their portfolio through grants.

An Overview of the CDFI Certification Process:

A. General Requirements:

1. **Primary Mission:** Your organization must have a primary mission of promoting community development, with a focus on providing financial products and services to underserved communities.
2. **Target Market:** You must demonstrate that at least 60% of your financial products and services1 are directed towards one or more eligible target markets, such as low-income communities or individuals, or other disadvantaged populations.
3. **Development Services:** In addition to financial products, your organization must provide development services, such as technical assistance or financial education, to assist your target market in utilizing financial products more effectively.
4. **Accountability:** You must maintain accountability, demonstrated by representation of the target market on your board of directors. An advisory board can substitute if your board representation is inadequate.

B. Typical timeline:

The process typically ranges from 6-12 months, but it depends on several factors:

1. **Preparation of Documentation:** Gathering required materials such as financial statements, community impact plans, and organizational documents can take several weeks to months.
2. **Application Submission:** Once the application is submitted through the CDFI Fund's online portal, it undergoes review and validation.
3. **Review Process:** The CDFI Fund's review process generally lasts around 3 to 6 months, including:
   - o Initial eligibility review
   - o Review of community development impact
   - o Financial and management evaluation
   - o Clarification or additional information requests
4. **Certification Decision:** After review, the CDFI Fund makes a decision, which can take an additional 1 to 3 months.
5. **Appeals/Additional Steps (if needed):** Some applicants may go through appeals/supplementary reviews, extending the timeline.

C. Factors Affecting Timeline:

- Completeness and quality of the application
- Responsiveness to requests for additional information
- Complexity of the credit union's community development activities
- Staff workload at the CDFI Fund at the time of application

Steps to Certification

Step 1: Understand CDFI Certification Criteria

- Primary Mission: Ensure that the credit union's mission centers around community development and serving underserved populations.
  - o There is a test associated with this requirement of the application.
  - o Must be in place for at least 6 months prior to application.
  - o It is recommended to draft a CDFI-specific mission statement
- Target Market:
  - o Identify the underserved target markets you plan to focus on, such as low-income communities or populations lacking access to traditional banking services.

Step 2: Assess Eligibility

- Evaluate your current services, membership base, and outreach strategies to ensure alignment with CDFI requirements2.
- Confirm non-governmental status as a legal, member-owned cooperative3.
- Ensure accountability requirements are met (automatic disqualifiers):
  - o Board or Advisory Board Target market representation4
  - o CDFI-centric mission statement (6 mos. prior to application)

Step 3: Organizational Preparation

- Financial Stability:
  - Maintain clear financial health indicators, including strong capital adequacy, asset quality, and liquidity ratios.
- Development Services:
  - Implement or enhance educational programs or financial literacy workshops to assist your members in accessing and using financial services.

Step 4: Document Collection and Preparation

- Gather comprehensive organizational documents, including:
  - Primary Mission Statement, including service history and board approval
  - Financial Statements
  - Organizational Chart, including accountability information and demographic information of governing and executive leadership
  - Board Minutes showing focus on target market
  - Strategic Community Development Plan detailing growth and service strategies for the target market

Step 5: Compile and Review the Strategic Community Development Plan

- Develop a detailed Strategic Community Development Plan highlighting your goals for serving the target market, including specific financial products and educational services designed to meet their needs.

Step 6: Submission of Certification Application

- Register for an AMIS account and Sam.gov account
- Complete the CDFI Certification Application through the CDFI Fund's online Application Submission Tool.
- Attach necessary documentation that proves how your credit union meets the CDFI criteria.

Step 7: Respond to CDFI Fund Inquiries

- Be ready to provide clarifications or additional documentation if requested by the CDFI Fund during their review process.

Step 8: Await and Receive Certification Decision

- The CDFI Fund will review the application and notify you about your certification status. This decision could take several months.

Step 9: Leverage CDFI Certification Benefits

- Once certified, explore the financial and technical assistance opportunities offered by the CDFI Fund to enhance your credit union's capacity to support your target market.

Step 10: Maintain Compliance and Reporting

- Ensure ongoing reporting to the CDFI Fund and meet annual compliance requirements to maintain your certification and enjoy continued benefits.

Additional Tips:

- Community Partnerships:
  Engage with local organizations and stakeholders to better understand and serve the needs of your target market.
- Board and Governance:
  - Ensure your board includes representatives who reflect and understand the needs of your target community.
  - If accountability is satisfied through an advisory board, it must meet at least three (3) times a year.
- Continuous Improvement:
  Regularly evaluate and adapt your products, services, and outreach strategies to better serve your members and meet CDFI requirements.

Key Partners and Network:

- **The CDFI Fund**
  The primary resource, offering detailed guidelines, application support, webinars, and technical assistance throughout the certification process.
- **Community Development Financial Institution Technical Assistance Providers (CDFI TAs)**
  Organizations that specialize in assisting entities through certification, strategic planning, and capacity building. They can offer tailored support and training.
- **Industry Associations**
  Examples include the National Federation of Community Development Credit Unions and regional credit union associations, which provide resources, peer networks, and guidance.
- **Legal and Financial Consultants**
  Experts in nonprofit, credit union law, or community development finance can assist with application preparation, financial analysis, and compliance.
- **Existing Certified CDFIs**
  Networking with already certified CDFIs can provide insights, best practices, and mentorship.

Resources:

- **CDFI Fund Official Website:** https://www.cdfifund.gov
  Offers application guides, FAQs, webinar recordings, and step-by-step instructions.
- **Application Guides and Checklists:**
  Detailed documentation available to help ensure you meet all criteria and prepare complete submissions.
- **Webinars and Workshops:**
  - Online training sessions hosted by the CDFI Fund or partner organizations covering the certification process.
  - Capacity Building Grants
  - Opportunities from the CDFI Fund or private foundations to support organizational development.
- **Peer Networks and Forums:**
  Platforms such as the National Federation of Community Development Credit Unions or regional associations for shared learning and mentorship.
- **Eligibility Resources:**
  - Inclusive- FIDAP
  - Community Development Bankers Assoc- Policy Map
  - Mastercard Center for Inclusive Growth- Growth Score Map

Resource Partners:

How These Resources Help:

- Streamlining the certification process by aligning your strategy with CDFI criteria.
- Enhancing organizational capacity to serve underserved communities effectively.
- Increasing the likelihood of successful certification and sustainable community impact.

Inclusiv is a prominent national organization dedicated to supporting community development credit unions and advancing financial inclusion. It provides a variety of resources to assist credit unions in achieving CDFI certification.

Resources Inclusiv Provides for CDFI Certification:

- **Technical Assistance and Guidance**
  Inclusiv offers tailored technical assistance to help credit unions understand the certification process, gather necessary documentation, and develop strategic plans aligned with CDFI requirements.
- **Workshops and Webinars**
  Regularly hosts educational sessions on the CDFI certification process, including eligibility, application preparation, and best practices for serving underserved communities.
- **Application Support**
  Provides step-by-step guidance on completing the CDFI application, including tips on demonstrating community impact, target market focus, and financial health.

- **Resource Libraries and Guides**
  Maintains comprehensive resources, including checklists, templates, and FAQs, to simplify the certification process.
- **Peer Networks**
  Facilitates connections among member credit unions and certified CDFIs for sharing experiences, strategies, and mentorship.
- **Advocacy and Policy Support**
  Advocates for policies that support CDFI certification and access to resources, ensuring credit unions have the necessary support to serve their communities effectively.
- **Access to Funding Opportunities**
  Helps members access grants, technical assistance funds, and other financial resources through the CDFI Fund and other programs.

CU Strategic Planning was founded in 2008 and is a fully employee-owned business with experts who have worked in credit unions all their lives. Their team of 36 associates spans the country. They help credit unions obtain CDFI certification and win the grants that CDFI designation makes possible.

Resources Provided by CU Strategic Planning for CDFI Certification:

- **Strategic Planning Services**
  - Customized strategic planning to align your credit union's mission, services, and operations with CDFI certification requirements.
  - Development of a clear mission and target market plan focused on underserved communities.
- **Application Assistance**
  - Guidance on completing the CDFI certification application, including demonstrating community impact, financial strength, and target market focus.
  - Assistance with compiling the necessary documentation and crafting compelling narratives.
- **Organizational Development Support**
  Strengthening governance, operational capacity, and internal controls to meet certification standards.
- **Impact Measurement and Reporting**
  Tools and frameworks to measure and communicate community development impacts effectively, a key component of the certification process.
- **Workshops and Training**
  Educational sessions on the CDFI certification process, best practices for serving underserved markets, and aligning strategic goals accordingly.
- **Capacity Building**
  Identifying and addressing organizational gaps to ensure readiness for CDFI certification and ongoing compliance.
- **Technical Assistance and Consulting**
  One-on-one consulting tailored to your credit union's specific needs, guiding you through each step of the certification process.

The Opportunity Finance Network (OFN) is a leading nonprofit organization dedicated to supporting community development financial institutions (CDFIs). It aims to expand access to capital in underserved communities, fostering economic growth and financial inclusion through advocacy, resources, and technical assistance.

Resources and Services Provided by OFN:

- **Technical assistance and training for CDFIs**
  OFN offers expert guidance, workshops, and educational programs to strengthen the operational and financial capabilities of community development financial institutions.
- **Access to capital and investment opportunities**
  The organization connects CDFIs with funding sources, including grants and investments, to help them expand their lending and impact.
- **Policy advocacy and lobbying efforts**
  OFN actively works to influence policies and regulations that improve access to capital and create a favorable environment for underserved communities.

- **Research and data analysis on underserved markets**
  The network conducts and shares research to inform best practices and demonstrate the economic impact of CDFIs and targeted investments.
- **Networking events, conferences, and peer learning opportunities**
  OFN hosts events that enable CDFIs, partners, and stakeholders to collaborate, share knowledge, and learn from each other's experiences.
- **Resources on best practices, tools, and innovative finance models**
  The organization provides publications, toolkits, and case studies to help CDFIs adopt effective strategies and explore new financial solutions.

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Community Development Financial Institution Playbook

Re-Engaging as a Community Development Financial Institution

Please note this document was prepared 9/2025 to provide general assistance and summary information to help credit unions re-engage after losing a CDFI certification.

The Committee thanks Latrice McGlothin, Kinecta Federal Credit Union, for authoring this document.

Losing your CDFI certification is a tough moment—but it doesn't have to be the end of the story. If your credit union remains committed to serving underserved communities, there's a clear path to re-engagement. Here's what to consider as you prepare to reapply.

Step 1: Understand Why Certification Was Lost
Before diving back into the application process, take time to reflect and regroup.

- Review the CDFI Fund's feedback or denial notice
- Identify gaps in meeting certification requirements—common issues include lending thresholds, governance accountability, or mission alignment.
- Consult with internal stakeholders and external advisors to assess readiness for reapplication.

Step 2: Rebuild and Realign
To reapply, credit unions must submit a new CDFI Certification Application through the CDFI Fund's AMIS portal. Key components include:

- A Board-approved Community Development Mission Statement in place for at least six months.
- Lending data showing that at least 60% of loans (by number and dollar amount) serve the target market.
- Governance accountability—either 33% of the board or 60% of a Community Development Advisory Board must be accountable to the target market.
- Responsible financial practices, including a review of products like overdraft protection.
- Transaction-Level Reporting (TLR) showing origination activity for the most recent fiscal year.

Step 3: Gather Your Documents
Be prepared to submit:

- Community Development Mission Statement
- Loan portfolio data with borrower demographics
- Governance structure documentation
- Annual Certification Report (ACR) and Transaction-Level Reports (TLR)
- Descriptions of financial products and responsible lending policies

Step 4: Seek Support

- Contact the CDFI Fund's Office of Certification Policy and Evaluation (OCPE): Email: OCPECert@cdfi.treas.gov / Phone: (202) 653-0423 / AMIS Service Request: Preferred method for inquiries.
- Consider working with consultants such as CU Strategic Planning for hands-on guidance with data analysis, mission alignment, and application strategy.

Step 5: Watch the Clock

Credit unions must reapply using the revised CDFI Certification Application. Deadlines are staggered based on fiscal year-end, with final submission due by each 12/31/2025.