



NCUA
National Credit Union Administration

2021 Community Development Revolving Loan Fund Grant Round Application Guidelines

April 2021



NCUA

National Credit Union Administration

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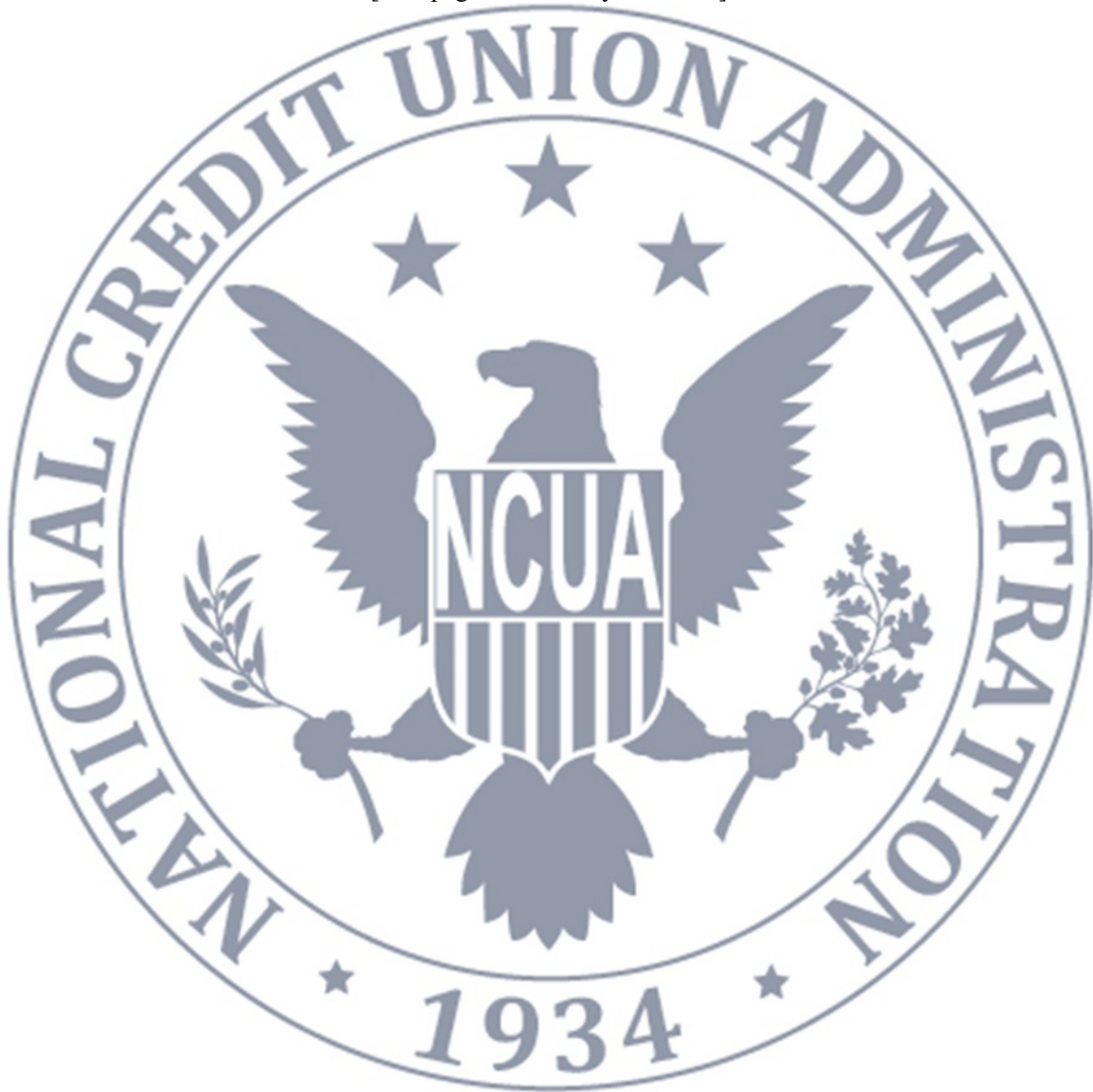




Table of Contents

Overview	4
Critical Dates	5
General Eligibility and Administrative Requirements.....	5
2021 Grant Initiatives	7
• Digital Services and Cybersecurity	7
• MDI Mentoring	10
• Underserved Outreach	16
General Expense Guidelines.....	22
• Ineligible Expenses.....	23
• Grant Project Budget Example.....	24
Terms and Conditions	25
Regulatory Guidance	27
Post-Award Requirements.....	27
Helpful Resources	28
Contact Information	29



Overview

The purpose of the Community Development Revolving Loan Fund (CDRLF) is to assist low-income-designated credit unions in providing basic financial services to their members to stimulate economic activities in their communities. Through the CDRLF, the NCUA provides financial support in the form of technical assistance grants to low-income designated credit unions to modernize, build capacity, and extend outreach into underserved communities. The CDRLF is funded by congressional appropriations and administered by the NCUA.

The goal of the 2021 CDRLF Grant Round is to help low-income credit unions respond to the various challenges created by the COVID-19 pandemic. Low-income credit unions can benefit by using these funds in a variety of ways, including modernizing their technology, improving cybersecurity, and increasing outreach into underserved communities.

The 2021 CDRLF Grant Round will provide approximately \$1.5 million to low-income credit unions through three overall initiatives – Digital Services and Cybersecurity, Minority Depository Institution (MDI) Mentoring, and Underserved Outreach. These areas will help credit unions develop new resources that address racial, socio-economic, and technological issues affecting credit unions and their members, particularly those of modest means.

Initiative	Activities/Resources Developed	Maximum Award Amount
Digital Services and Cybersecurity	<ul style="list-style-type: none">• Implement a digital solution that helps members measure their financial health.• Acquire technology that allows credit union employees to work remotely.• Ensure the security of credit union’s financial systems.	\$7,000
Minority Depository Institution (MDI) Mentoring	<ul style="list-style-type: none">• Help MDI credit unions build and strengthen internal capacity.• Help MDI credit unions grow and expand.• Develop products and services that increase the wealth of minority members and minority-owned businesses.	\$25,000
Underserved Outreach	<ul style="list-style-type: none">• Extend access to financial products and services to underserved communities.• Improve the financial literacy and personal finance knowledge of low-income populations.• Expand outreach efforts to assist the needs of low wealth persons and households.	\$50,000



Credit unions may only apply for funding under one initiative. If a credit union submits multiple grant applications, the NCUA will only accept the first application received.

Specific details about the purpose, types of eligible projects, and application information for each initiative is in the 2021 Grant Initiatives section of this document.

Critical Dates¹

As soon as possible – Low-income credit unions that want to apply for the 2021 CDRLF Grant Round should complete the annual registration for the System of Award Management (SAM) as soon as possible. SAM registration is required to apply for a grant and may take longer than four weeks to complete. Registration is available electronically through www.sam.gov. More details about SAM are available in the General Eligibility and Administrative Requirements section of this document.

May 3, 2021 – The grant round opens at 9:00 a.m. Eastern time. Applications are available electronically through the [NCUA's Grants Management System](#).

June 21, 2021 – Last day to contact the NCUA staff with inquiries regarding the grant round. All questions should be submitted by email to CUREAPPS@ncua.gov.

June 26, 2021 – All applications must be submitted by 11:59 p.m. Eastern time.

August 31, 2021 – The NCUA will notify applicants and announce awards by email from CUREAPPS@ncua.gov and through an official NCUA press release.

General Eligibility and Administrative Requirements

This section contains general details and guidance about the CDRLF program, including eligibility and administrative requirements.

All credit unions must complete the following three steps before registering for the [NCUA's Grants Management System](#) and submitting an application. The NCUA's grants management system will not recognize credit unions that have not completed each requirement.

¹ Subject to change



Step 1 – Low-Income Designation

Credit unions applying for the CDRLF program must have the low-income designation as provided for in the NCUA's rules and regulations.² For information on how to obtain the low-income designation, visit the [NCUA's website](#).

Step 2 – Data Universal Number System (DUNS)

A unique nine-character number used to identify your organization, a DUNS number is used by the federal government to track how federal money is allocated. You can obtain a DUNS number by visiting the [Dun & Bradstreet website](#) or calling 1-866-705-5711 to register or search for a DUNS number. There is no charge to register for a DUNS number.

Step 3 – System for Award Management/Commercial and Government Entity

SAM is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes. An active SAM account status and CAGE number is required to apply for a CDRLF grant. Credit unions with an existing registration with SAM must recertify and maintain an active status annually. There is no charge for the SAM registration and recertification process. First-time SAM users can register by following the instructions in the [Quick Start Guide for New Registrations](#). Existing users can recertify or renew their SAM account status by following the instructions in the [Quick Start Guide for Renewing Registrations](#).

² See § 701.4 and § 741.204.



2021 Grant Initiatives

Digital Services and Cybersecurity

Purpose

The Digital Services and Cybersecurity Initiative provides financial assistance to low-income designated credit unions to help with efforts to:

- enhance protection of the credit union and its members against cyberattack,
- increase the access of low-income and underserved communities to safe and secure digital financial products and services, and
- acquire equipment needed to improve their remote work posture or implement new financial products and services that provide members access to the credit union without physical access to a credit union facility.

Initiative Characteristics

The grant request must be for a new project. This initiative is not intended to fund ongoing projects or cover costs associated with normal maintenance of digital services or cybersecurity.

The project period is 12 months. The maximum grant amount is \$7,000.

Eligible Project Activities

Applicants can select from the following eligible projects:

- **Implementation of Mobile/Online Banking Features.** Activities include interactive websites, mobile applications, digital/electronic signatures, person-to-person payments, and remote deposit capture.
- **Remote Workforce Management and Solutions.** This includes purchase of equipment, such as secure scanners, laptops, or other tools, to allow credit union employees to work remotely during the COVID-19 pandemic.
- **Strengthen Cybersecurity.** Activities include cybersecurity training for employees, the procurement of software and hardware required for cybersecurity



upgrades, implementation of an incident response plan, vulnerability scans, IT auditing and testing activities such as IT general controls testing, social engineer testing, and/or penetration testing to verify the effective implementation of security controls.

Selection Process

Step 1: Application Intake

The NCUA will review each application to determine if the credit union meets the eligibility requirements. Besides the requirements set forth under General Eligibility and Administrative Requirements, credit unions must have a CAMEL Composite rating of 1, 2, or 3 to be eligible for a Digital Services and Cybersecurity grant. Applications that do not meet these requirements will not proceed to Step 2.

Step 2: Application Ranking Order

The NCUA will rank each application from an MDI low-income designated credit union in ascending order based on the credit union's asset size. Then all non-MDI low-income designated credit unions will be ranked in ascending order based on the credit union's asset size. There is no tiebreaker needed because asset size is used in the ranking criteria. Applicants that received CDRLF funding for COVID-19 related projects in 2020 will be ranked lower than credit unions that did not. All applications will advance to Step 3.

Step 3: Compliance Review

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or audit reports if a reviewer deems it necessary. The NCUA will review previous awards to ensure the applicant is not applying for the same project for which it received an award in the past. Some applications may not proceed to Step 4, depending on the results of the compliance review.

Step 4: Project Objective Review

The NCUA will use responses from the completed application to determine if the credit union's project goals and objectives align with the intent of the initiative. Applications for projects that do not align with the initiative objectives will not proceed to Step 5.



Step 5: Grant Amount Determination

The NCUA will determine the grant amount for each application based on various factors such as the specific project, amount requested, project budget, and funding availability. The agency will distribute funds for these approved applications until the allocation for this initiative is exhausted.

Required Application Information and Materials

Applicants will be required to provide the following information. The NCUA may request additional information and materials from as necessary.

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Project Activity** – Select the project activity from the list of approved activities for which the credit union plans to use the grant (more than one is acceptable).
- **Request Amount** – The amount your credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount. **Awards will not exceed \$7,000.**
- **Project Narrative** – Describe the project the credit union intends to complete. Include a brief narrative on the impact of the digital service and/or cybersecurity projects on the credit union and its members. If applicable, explain how this project will allow the credit union to ensure the continuity of service to members throughout the COVID-19 pandemic.
- **Project Budget** – Identify the expenses the credit union plans to use the grant for and outline them in a project budget. See the CDRLF Grant Budget Example on page 24.
- **Project Impact** – Identify up to three ways in which the credit union will be able to determine the impact of the project. Impact will be measured by **outputs** (activities, products, or services to be delivered) and **outcomes** (expected benefits or other positive changes). Outputs should be easily identifiable and measurable. Outcomes should link the outputs to the objective of the project.
- **Additional Supplemental Documentation (Optional)** – Credit unions can submit additional documents which support the narrative. They may not use this space to upload additional narrative.



Eligible Expenses

Below is a list of eligible expenses for the Digital Services and Cybersecurity projects.

- Implementation (project setup, service, and startup costs) and/or enhancement fees.
- Costs of equipment required for the completion of the project.
- Consulting and/or strategic planning fees.
- Marketing expenses associated with the project.
- Training costs associated with eligible projects.

This is not an exhaustive list. Proposed project expenses should be included and justified in the Project Budget. Please submit any questions regarding the eligibility of expenses to CUREAPPS@ncua.gov prior to the expense being incurred.

MDI Mentoring

Purpose

The purpose of the MDI Mentoring initiative is to encourage strong and experienced credit unions to provide guidance to small MDI credit unions to increase their ability to thrive and serve low-income and underserved populations. This grant may be used for eligible expenses associated with facilitating a new mentorship relationship. Funding approval will be based on the applicant's ability to demonstrate a well-developed plan for the mentoring assistance it would receive from a mentor credit union.

Initiative Characteristics

- The award is structured as a relationship between two credit unions, the mentee and mentor.
- The mentor credit union must sign a contractual agreement not to merge with the mentee for a period of five years following the mentorship.
- The mentee credit union is responsible for submitting the grant application.
- The project period is 12 months. The project will begin January 1, 2022 and conclude December 31, 2022 (subject to change).



- Awardees and their mentors must commit to participating in a cohort that will receive training and technical assistance from the NCUA throughout the project period.
- The maximum grant amount is \$25,000.

Eligible Project Activities

Funds for this grant initiative can be used for the implementation of any of the project activities listed below:

- Credit union growth and expansion, such as increasing membership numbers or the size of the loan portfolio.
- Improved management and operations, such as leadership training, developing new policy and procedure documents, or responses to exam and audit findings.
- Increased credit union capabilities, such as introducing a new program or service, or improvement of credit union systems.
- Other activities identified by the applicant.

Selection Process

Step 1: Application intake

The NCUA will review each application to determine if the credit union meets the eligibility requirements. The NCUA will only accept applications submitted by the mentee credit union. Credit unions that received an MDI Mentoring grant in the past are not eligible to receive a grant under this initiative.

In addition to the requirements set forth under General Eligibility and Administrative Requirements, mentee credit unions must qualify for and have an MDI designation as of the March 31, 2021, Call Report cycle and have a CAMEL composite rating of 1, 2, 3, or 4. The MDI designation is a self-identification process completed by the credit union through the CU Online Profile. Mentor credit unions must have a CAMEL composite rating of 1, 2, or 3 AND have no CAMEL component ratings of 4 or 5. Applications that do not meet these requirements will not proceed to Step 2.

Step 2: Compliance Review

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or audit reports if a reviewer deems it necessary. The NCUA will



review previous awards made in this initiative to ensure the applicant has not participated in the MDI mentoring grant in the past. Some applications may not proceed to Step 3, depending on the results of the compliance review.

Step 3: Project Objective Review

The NCUA will use information from the MDI Mentoring application to determine if the credit union's project goals and objectives align with the intent of the initiative. The NCUA will evaluate each eligible application using the Analysis Framework on page 13. All applications will proceed to Step 4.

Step 4: Application Ranking Order

Each reviewer will score the application using the Scoring Framework on page 14. Each application will be given a total score to determine the application ranking order. Credit unions with assets less than \$100 million will receive priority over credit unions with more than \$100 million in assets. All applications will proceed to Step 5.

Step 5: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on various factors such as the request amount, project expenses as described in the budget, and funding availability. The agency will distribute funds until the allocation for this initiative is exhausted.

Required Application Information and Materials

Applicants are required to provide the following information. The NCUA may request additional information and materials as necessary.

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Project Activity** – Identify the area or type of guidance needed by the mentee.
- **Request Amount** – The amount your credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount. **Awards will not exceed \$25,000.**
- **Project Executive Summary** – Provide an executive summary of the project activity selected by the credit union. This section should discuss how the proposed project will benefit the mentee credit union, members of the credit union and community. Make sure to discuss the benefit to the community (500-character minimum, limit of 2,000 characters).
- **Information about the Mentor Credit Union** – Provide information about the



mentor credit union such as the Name, Charter Number, and Location.

- **Narratives for Relevant Information** – The narrative section of the application is divided into the following categories: Statement of Need, Capability of the Mentor Credit Union, and Framework of the Mentoring Relationship. Provide a detailed response to relevant questions and information requests. Refer to the [Analysis Framework](#) for guidance on completing the narrative.
- **Project Budget** – Identify the expense categories the credit union plans to use the grant for and outline them in a project budget. See the [CDRLF Grant Budget Example](#) on page 24.
- **Project Impact** – Identify two to five ways in which the credit union will be able to determine the impact of the project. Impact will be measured by **outputs** (activities, products, or services to be delivered) and **outcomes** (expected benefits or other positive changes). Outputs should be easily identifiable and measurable. Outcomes should link the outputs to the objective of the project.
- **Contractual Agreement** – As part of its application to the NCUA, the mentee must include a signed contractual agreement with its mentor. Upload a signed contract stating that the mentor credit union will not merge with the Mentee credit union for a period of at least five years. The agreement must include a statement from the mentor to the mentee and the NCUA that the mentor is engaging in the mentor/mentee relationship for purposes unrelated to acquiring the mentee. Exceptions to this contractual agreement would be if the mentee credit union became insolvent, then all regulatory and merger process approvals would be followed in order to determine best merger partner.

Analysis Framework

The reviewers will evaluate each application using a point scale based on the following selection criteria: Statement of Need, Capability of the Mentor Credit Union, and Framework of the Mentoring Relationship.

A description of each selection criteria and its corresponding narrative guidance is listed below. Applicants must thoroughly support each criterion in the application with responses to the narrative guidance.

Statement of Need

This section will assess the mentee credit union's compelling need for a mentoring relationship, and the challenge or problem that is being addressed.



Narrative Guidance:

- Clearly describe the credit union's weaknesses, challenges facing the credit union, and problems that the mentorship is proposed to address.
- Be clear, articulate, and specific when detailing the needs of the credit union.

Capability of the Mentor Credit Union

This section will assess whether the mentor credit union is well-suited or qualified to address the needs identified by the mentee credit union.

Narrative Guidance:

- Explain why the mentor credit union was chosen to be a partner.
- Discuss the mentor credit union's experience in the areas targeted by the project.
- Describe the previous mentoring experience of the mentor credit union, if applicable.

Framework of the Mentoring Relationship

This section will assess the credit union's strategy to execute the mentoring relationship. Responses should explain how the mentoring relationship will be formed, the roles of each credit union, and the staff/resources dedicated to the project.

Narrative Guidance:

- Explain how the mentoring relationship will be formed between the two credit unions.
- Describe the role of each credit union and the structure of the relationship. Explain how the project activities will be conducted.
- Specify the roles of key staff at both the mentee and mentor credit unions. Explain how each person is well-suited for the project.

Scoring Framework

The reviewers will use the scoring framework below to score each narrative area (Statement of Need, Capability of the Mentor Credit Union, and Framework of the Mentoring Relationship). Applications can receive a maximum score of 15.

Strong (4 – 5 points)



- The credit union has provided overwhelming evidence throughout the narrative section that demonstrates all initiative objects are met. Responses are outstandingly clear, well-articulated, and appropriate. The supporting materials are of the highest quality, highly relevant, and lead to a deeper understanding of the project.

Good (2 – 3 points)

- The credit union has provided sufficient evidence throughout the narrative section that demonstrates the basic initiative objects are met. Responses are generally clear and appropriate but not consistently well-expressed. The support materials are of average quality and relevance.

Weak (1 point)

- The credit union has provided very limited evidence throughout the narrative section that demonstrates initiative objects are met. Responses lack detail and are difficult to understand. The support materials are insufficient and/or of poor quality.

Eligible Expenses

Funds may only be used for expenses directly related to facilitating a new mentoring relationship. The following non-exhaustive list includes examples of eligible funding uses:

- Consulting services provided or arranged by the mentor credit union's executive officers. Consulting deliverables may include solutions for: fintech, lending, process and performance improvement, technology, and strategy.
- Reasonable travel expenses to the site of the mentor or mentee.
- Training provided or arranged by the mentor credit union for the benefit of the mentee. Training topics may include strategic planning, budgeting, marketing, compliance, product/service development, accounting, and computer/IT.
- Production or procurement of educational materials, such as guides or handbooks.
- Staff salary expense associated with training staff, board, or volunteers of the mentee.
- Operational expenses associated with the structure of a collaborative arrangement for the benefit of the mentee credit union and its minority members. The collaborative arrangement should help the mentee credit union



unlock opportunities to manage expenses and meet regulatory requirements that require specialized expertise.

This list is not exhaustive. Proposed project expenses should be included and justified in the Project Budget. Please submit any questions regarding the eligibility of expenses to CUREAPPS@ncua.gov prior to the expense being incurred.

Underserved Outreach

Purpose

The Underserved Outreach initiative is designed to help credit unions implement innovative outreach strategies to increase access to financial products and services in underserved communities. The goal of this initiative is for credit unions to improve the financial health of individuals in underserved communities by closing the wealth gap, increasing equity, and expanding economic inclusion.

Initiative Characteristics

- The credit union must propose a new activity. A credit union cannot receive funding for a project for which it has previously received an Underserved Outreach award.
- The project period is 12 months.
- The maximum grant amount is \$50,000.

Eligible Projects

Credit unions must address the challenges faced by underserved communities by offering financial products, services, and programs through at least one of the following projects to qualify for this initiative:

- New or expanded outreach efforts, such as developing partnerships with other organizations to assist the needs of low-wealth persons and households.
- New or expanded financial education programs, such as providing small business or workforce training for underserved individuals interested in starting and growing a business.



- New or expanded financial products or services, such as developing and implementing a new product or program tailored to underserved groups, like first-time homeowner program.

Selection Process

Step 1: Application Intake

The NCUA will review each application to determine if the credit union meets the eligibility requirements. In addition to the requirements set forth under General Eligibility and Administrative Requirements, credit unions must have a CAMEL Composite rating of 1, 2, or 3 AND a Management component rating of 1 or 2. Applications that do not meet these requirements will not proceed to Step 2.

Step 2: Compliance Review

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or audit reports if deemed necessary by a reviewer. The NCUA will review previous awards made in this initiative to ensure the applicant is not applying for the same project for which it received an award in the past. Some applications may not proceed to Step 3, depending on the results of the compliance review.

Step 3: Project Objective Review

The NCUA will use information from the Underserved Outreach application to determine if the credit union's project goals and objectives align with the intent of the initiative. Multiple reviewers will evaluate each eligible application using the [Analysis Framework](#) on page 19. All applications will proceed to Step 4.

Step 4: Application Ranking Order

Each reviewer will score the application using the [Scoring Framework](#) on page 21. Each application will be given a total score to determine the application ranking order. All applications will proceed to Step 5.

Step 5: Grant Amount Determination

The NCUA will determine the recommended grant amount for each application based on various factors, such as the request amount, project expenses as described in the budget, and funding availability. The agency will distribute funds for these approved applications until the funds are exhausted.



Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Project Activity** – Select a project activity from the list of eligible projects for which the credit union plans to use the grant (more than one selection is permitted).
- **Request Amount** – The amount the credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount. **Awards will not exceed \$50,000.**
- **Project Executive Summary** – Provide an executive summary of the project activity selected by the credit union. This section should discuss how the proposed project will benefit the members of the credit union and community. (minimum of 500 characters and a limit of 2,000 characters)
- **Underserved Population** – Identify the underserved population the credit union plans to target. The list of choices includes:
 - Communities affected by the COVID-19 pandemic;
 - Disadvantaged minority communities;
 - Elderly people or senior citizens;
 - Millennials (or Generation Y) and Digital Natives (or Generation Z);
 - Newly naturalized citizens;
 - People with disabilities;
 - Unbanked or underbanked households; and/or
 - Veterans and active-duty military.



If the group you plan to target is not listed, select “Other” in the application.

- **Narratives for Relevant Information** – The narrative section of the application is divided into the following categories: Importance to the Underserved, Project Implementation Plan, and Impact and Opportunity. Provide a detailed response to relevant questions and information requests. Refer to the [Analysis Framework](#) for guidance on completing the narrative.
- **Project Budget** – An outline of the project activities and related costs. Budgets should provide an overview of the costs associated with the project. Be sure to describe the activity and how it will affect the success of the project. Applicants should use the budget to support the project as described in the narrative sections above. See the [CDRLF Grant Budget Example](#) on page 24.
- **Project Impact** – Identify two to five ways in which the credit union will be able to determine the impact of the project. Impact will be measured by **outputs** (activities, products, or services to be delivered) and **outcomes** (expected benefits or other positive changes). Outputs should be easily identifiable and measurable. Outcomes should link the outputs to the objective of the project.
- **Additional Supplemental Documentation (Optional)** – Credit unions can submit additional documents which support the narrative. They may not use this space to upload additional narrative.

Analysis Framework

The reviewers will evaluate each application using a point scale based on the following selection criteria: Needs of the Underserved, Business Outreach and Collaboration Strategy, and Impact and Opportunity.

A description of each selection criteria and its corresponding narrative guidance is listed below. Credit unions must thoroughly support each criterion in the application with responses to the narrative guidance.

Needs of the Underserved

The credit union’s ability to identify, understand, and describe the financial challenges of the underserved population it plans to help.

Narrative Guidance:

- Describe the economic challenges of the underserved population. Provide data to support your case.



- Discuss why these challenges matter to your credit union and how it affects the community.
- Describe the impact the proposed project will have on the underserved population.

Project Implementation Plan

The credit union's ability to explain how the project will directly benefit the underserved population described in the Needs of the Underserved narrative.

The credit union's ability to explicitly articulate a clear plan and strategy that aligns with the project and increases the underserved population's access to financial services and products.

The credit union's ability to identify the associated challenges and potential risks of its strategy and to articulate a mitigation plan.

Narrative Guidance for Project Implementation Plan:

- Explain how your project meets the needs of the underserved population.
- Describe the credit union's strategy for implementing the selected project(s).
- Support your credit union's ability to successfully implement the proposed project. Identify any current financial services and products your credit union already offers or past successes in serving the underserved population.
- Identify and explain any needs to create new policies and procedures or modify existing ones.
- Identify and describe any potential risks associated with your project. Explain how your credit union plans to mitigate the risks.

Impact and Opportunity

The credit union's ability to identify, understand, and describe how the project will affect the underserved population and improve their economic opportunities.

Narrative Guidance:

- Discuss the significance of your project activity and how it will benefit the



underserved.

- Explain how your project activity will improve economic opportunities and circumstances for the underserved population.
- Identify and discuss how your credit union will define and determine the success of the project. These deliverables should correspond to the Project Impact discussed on pages 18 and 19.

Scoring Framework

The reviewers will use the scoring framework below to score each narrative area (Needs of the Underserved, Project Implementation Plan, and Impact and Opportunity). Applications can receive a maximum score of 75.

Exceptional (22 – 25 points)

- The credit union has provided overwhelming evidence throughout the narrative section that clearly demonstrates the initiative objects have been met. The applicant clearly communicates how the proposed project will benefit the underserved community. Responses are outstandingly clear, well-articulated, and appropriate. The supporting materials are of the highest quality, highly relevant, and lead to a deeper understanding of the project.

Strong (19 – 21 points)

- The credit union has provided clear evidence throughout the narrative section that demonstrates the initiative objects have been met. The applicant clearly communicates how the proposed project will benefit the underserved community. Responses are clear, well-articulated, and appropriate. The supporting materials are of high quality, suitably relevant, and lead to a better understanding of the project.

Good (16 – 18 points)

- The credit union has provided sufficient evidence throughout the narrative section that demonstrates the initiative objects have been met. The applicant communicates how the proposed project will benefit the underserved community. Responses are generally clear and appropriate but not consistently well-expressed. The supporting materials are of average quality and relevance.



Fair (13 – 15 points)

- The credit union has provided limited evidence throughout the application that demonstrates the initiative objects have been met. The applicant somewhat communicates how the proposed project will benefit the underserved community. Responses are appropriate but with limited detail. The supporting materials are limited and/or inconsistent in quality.

Weak (1 – 12 points)

- The credit union has provided very limited evidence throughout the narrative section that demonstrates the initiative objects have been met. The applicant does not communicate how the proposed project will benefit the underserved community. Responses lack detail and are difficult to understand. The supporting materials are insufficient and/or of poor quality.

Eligible Expenses

The following are a list of eligible expenses for the allowable projects:

- Demographic studies.
- Consultant services in developing an outreach strategy and marketing plan targeted to the identified underserved population.
- Expenses associated with developing marketing materials in other languages targeted to the identified underserved population.
- Other (credit unions will be asked to describe the expense in the budget).

This list is not exhaustive. Proposed project expenses should be included and justified in the Project Budget. Reimbursement of expenses will be based on the eligibility of expenses incurred during the performance period. Please submit any questions regarding the eligibility of expenses to CUREAPPS@ncua.gov prior to the expense being incurred.

General Expense Guidelines

All credit unions must adhere to the following general expense guidelines, unless told otherwise by the NCUA in writing. These guidelines apply to each grant initiative:

- For expenses not described in this document, the CDRLF follows the cost principles in [2 C.F.R. part 200 subpart E](#).



- Expenses eligible for reimbursement must be incurred after the grant application is approved and before the grant commitment expires unless the NCUA, in writing, notifies the credit union otherwise.
- All expenses must be directly related to the specific grant initiative that was approved. Changes to an initiative will not be allowed, and any expenses not related to the approved initiative will be denied.
- If a credit union is unsure about the eligible expenses associated with the project, seek clarification from the NCUA in writing prior to incurring the expenses. This helps avoid issues at the time of a reimbursement request submission. Inquiries can be submitted by email to CUREAPPS@ncua.gov.
- The credit union must provide evidence that the proposed project was successfully completed to receive reimbursement. This may include invoices, certifications, or other documents. Additional post-award guidance will be provided to awardees.
- The NCUA will only reimburse expenses up to the total grant limit for the initiative.
- Applicants are reminded to perform a due diligence review prior to entering into any arrangement with a third party. The [NCUA Letter to Credit Unions 01-CU-20](#) regarding “Due Diligence Over Third Party Service Providers” provides guidance to credit unions. Third-party vendor agreements submitted must include the services or products provided and the associated costs. Contractor fees that are not substantiated in writing in a partnership/contractor’s agreement will not be reimbursed.
- Invoices from outside parties must be billed to and paid by the credit union.
- Reimbursements will be made to the awardee credit union only. Payments to credit union officials and personnel will not be made.

Ineligible Expenses

The following expenses are ineligible and will not be reimbursed by the NCUA.

- The following represent conflicts of interest and are ineligible uses of grant funds:
 - Employees and board members may not receive compensation from hired consultants, partners, or vendors.
 - Contracts, agreements, or internships given to credit union employees and board members or their relatives are prohibited.
- The following miscellaneous operational expenses are ineligible uses of grant funds:



- Indirect costs.
- Custodial services.
- Food and refreshments.
- Matching Funds, such as the matching portion of an Individual Development Account program.
- Monthly and annual maintenance costs for technical support.
- Insurance costs.
- Prepaid expenses, such as expenses the credit union has paid prior to receiving grant approval.
- Promotional items, such as gifts, giveaways, souvenirs, and gift cards.
- Recurring operational expenses, such as rent, utilities, annual financial audits, depreciation, funding for the allowance for loan losses, and office supplies.
- The following non-operational expenses are ineligible uses of grant funds:
 - NCUA or other government agency employee expenses.
 - Projects/Contracts based on covered relationships with NCUA employee(s).

CDRLF Grant Project Budget Example

The Project Budget specifies the resources required to carry out the proposed project. Project activities must drive the budget and the project narrative must be reflected in the budget. The Project Budget should be clear, well-organized, and easy to understand.

The budget narrative is the justification of how and/or why a line item helps to meet the project goals. Credit unions should explain the details and show the calculations used to arrive at the numbers (quotes and proposals from vendors are also acceptable). The budget narrative should validate all expenses as reasonable and appropriate for the project.

The goal of the budget narrative is to help the NCUA reviewers understand the scope of the credit union's project. The budget narrative should address the largest categories of expense and revenue in the project budget.

Be realistic. Significant over- and underestimating suggests that the credit union may not understand the scope of the project.

The following is an example for a project budget under the Digital Services and Cybersecurity initiative. This example is purposely generic. The credit union should choose to elaborate accordingly.



Project Activity	Total Estimated Project Cost	Portion Covered by CDRLF Grant	Budget Narrative
Remote Deposit Capture	\$6,000	\$6,000	This system will allow credit union members to deposit funds without physically accessing the branch.
Marketing	\$3,000	\$1,000	Expenses related to advertising the new services
Project Total	\$9,000	\$7,000	

The Project Budget will be used to determine the final award amount. Any ineligible expenses will result in a reduction from the requested amount. The NCUA has the right to reject an application in which ineligible activities make up a significant part of the project.

Terms and Conditions

All credit unions are required to certify the following terms and conditions in the NCUA’s grants management system prior to submitting their applications:

- The Applicant is a low-income-designated credit union, as defined in §701.34 of the NCUA’s Regulations.
- Applicant shall comply with United States Office of Management and Budget, [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).
- Applicants are required to have an audit conducted if they hold \$750,000 or more in federal awards during a fiscal year as per the [Single Audit Requirements for Federal Awards](#). Applicants that hold less than \$750,000 in federal awards are exempt from this requirement.
 - For example, if a credit union uses a \$250,000 loan from the NCUA’s CDRLF and a \$500,000 grant from the Community Development Financial Institutions Fund—thereby totaling \$750,000 in federal awards during the same fiscal year—then the credit union must have an audit conducted.
- Applicant is responsible for the efficient and effective administration of the federal award through application of sound management practices. Applicant assumes the responsibility for administering federal funds in a manner consistent



with underlying agreements, program objectives, and the term and conditions of the federal award.

- No employee, contractor, consultant or vendor has participated substantially for this grant-funded activity, nor otherwise benefited directly or indirectly from the grant, who, to its knowledge (assuming reasonable diligence), has a “covered relationship” with an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a reimbursement of permitted expenses thereunder.
- An employee, contractor, consultant or vendor of the Applicant would have such a “covered relationship” if he or she were either: a member of the household of an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a reimbursement thereunder; or a relative of such an NCUA employee with whom he or she has a close personal relationship. 5 C.F.R. 2635.502(b)(1)(ii).
- Applicant must disclose in writing to the NCUA any potential conflict of interest in accordance with applicable federal awarding agency policy.
- Per 2 C.F.R 200.113, Applicant must disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award.
- The Applicant conducts its activities such that no person is excluded from participation in, is denied the benefits of, or is subject to discrimination on the basis of race, color, national origin, sex, age or disability in the distribution of services and/or benefits provided under this grant program. The credit union agrees to provide evidence of its compliance as required by the NCUA. Furthermore, credit unions should ensure compliance with Title VI of the Civil Rights Act of 1964.
- If a credit union enters into commitments for a project before the grant decision is made, the credit union will be obligated to pay project expenses from its own funds should the grant not be approved; if the grant is approved, the credit union may be responsible for a portion of the expenses due prior to the grant approval date.
- Requests to reallocate or change approved project(s) and/or requests for an extension to the deadline must be submitted in writing prior to the original deadline and approved by the NCUA prior to Applicant incurring expenses.
- The Applicant is aware that the NCUA will correspond with the credit union regarding this application by email (utilizing the email provided in this application).
- Applicant hereby acknowledges that the NCUA reserves full discretion to deny reimbursement under this grant in the event the NCUA determines the Applicant is, or previously was, either in breach of any condition or limitation in the grant



guidelines, or in breach of the “covered relationship” restriction set forth above.

- Information included in Outcome Summary or Success Stories is considered by the NCUA to be Research Data and is governed by 2 C.F.R. § 200.315 and may be made publicly available.
- Applicant is aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject Applicant to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730, and 3801-3812.
- Applicant is aware recipients and subrecipients are prohibited from obligating or expending loan or grant funds to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system in accordance with Public Law 115-232, section 889 and 2 C.F.R. 200.216.

Regulatory Guidance

Credit unions are expected to follow the Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. part 200. The CDRLF has been updated to comply with the recent revisions to this regulation. These updates are reflected in program documents, such as the Notice of Funding Opportunity, application guideline, and post-award guideline. For more information, contact us at CUREAPPS@ncua.gov. The Uniform Administrative Requirements can be found in their entirety in the [Electronic Code of Federal Regulations](#).

Post-Award Requirements

All credit union awardees are responsible for the timely and complete submission of the post-grant award activities. This includes, but it is not limited to, signing the grant agreement, submitting a project status update, and completing a reimbursement request.

Grant Agreement:

The grant agreement formalizes the relationship between the NCUA and the credit union and explains the responsibilities and expectations of both parties. Each credit union must complete and accept the terms of the agreement within the specified timeframe. Failure to complete the agreement within the specified timeframe will result in the grant being withdrawn from the credit union.



Project Status Update:

The NCUA will notify credit unions that are required to submit a status update by email. This will include the deadline to complete it. Status updates are a deliverable for some grants and should be completed whether work has occurred on your project or not. Not submitting a complete progress report by the deadline defined in your grant agreement will result in any subsequent reimbursement request being delayed or denied. Status updates should reflect implementation activities for the duration of the project thus far.

Reimbursement Request:

The final post-grant award activity is the reimbursement request. All NCUA grants are reimbursements. Credit unions must use their own funds for the approved project according to the terms and conditions of the grant agreement, then request a reimbursement for the eligible expenses incurred. In general, each reimbursement request requires credit unions to provide an outcome summary, evidence of the successful completion of the project, proof of payment and purchase documents, and certification the grant funds were used accordingly. The specific requirements for each initiative may be subject to change but will be outlined in the post award guidance provided by the NCUA to grant awardees.

Helpful Resources

The NCUA's Office of Credit Union Resources and Expansion (CURE) has a variety of other services and resources available for credit unions. We offer a customer service approach to credit unions seeking regulatory and resource assistance in their development and expansion efforts. Services and resources CURE offers include:

- [Grants and low-interest loans](#) for low-income designated credit unions.
- Help with Community Development Financial Institution certification, including access to the [streamlined CDFI certification application](#).
- A [Learning Management Service](#) that delivers online training for credit unions at no cost. Available training topics include governance, new products and services, and how to improve operations. We will be adding training on field of membership, charter changes, and share insurance.
- A program to preserve and grow [minority depository institutions](#).

For more information, refer to our [website](#).



Contact Information

If you need to get in touch with someone regarding the CDRLF program, send your request by e-mail to CUREAPPS@ncua.gov. Please allow up to 72 hours for a response. Below is the contact information for other service areas of CURE.

- Chartering: NewFCU@ncua.gov
- Field of Membership Expansion: DCAMail@ncua.gov
- CDFI Certification: CURECDFI@ncua.gov
- Learning: CURELMS@ncua.gov
- For all other inquiries: CUREMail@ncua.gov
- Contact us by Phone: 703.518.6610