



**NCUA**  
National Credit Union Administration

# 2023 Community Development Revolving Loan Fund Grant Round Application Guidelines

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## CDRLF Objective

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The Community Development Revolving Loan Fund (CDRLF) provides funding to help eligible credit unions provide affordable financial services to their members and to stimulate economic activities in their communities. The National Credit Union Administration (NCUA) administers the CDRLF, which is funded by congressional appropriations.

The NCUA makes technical assistance grants to eligible credit unions for a variety of initiatives approved by the NCUA Board, including, but not limited to: expanding outreach to underserved populations, improving digital services and cybersecurity, staff training, and capacity-building programs.

The 2023 CDRLF Grant Round will provide approximately \$3.1 million to eligible credit unions through five grant initiatives: Training, Digital Services and Cybersecurity, Consumer Financial Protection, Minority Depository Institution Capacity Building, and Underserved Outreach. These initiatives will provide resources to address challenges facing credit unions and their members, particularly members of modest means.

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

Details about the purpose, types of eligible projects, and application information for each initiative are in the [Grant Initiatives section](#).

## CDRLF Updates

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In 2023, the NCUA is updating the CDRLF process to better serve credit unions and their members. The following outlined changes apply to all initiatives under this guideline.

### Eligibility

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**Minority Depository Institutions** – Credit unions that do not have a low-income designation but are designated as a Minority Depository Institution (MDI) are eligible to participate in the 2023 CDRLF grant round. See [General Eligibility and Administrative Requirements](#) for more information.

**Initiative-Specific Eligibility** – To direct funds towards credit unions most in need, certain initiatives have additional eligibility criteria, such as caps on the asset size of credit unions to qualify for an award. See [Grant Initiatives](#) for more information.



## **Pre-Award Costs**

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The grant performance period for all initiatives begins upon approval of the grant and lasts 12 months; the agency anticipates the performance period will run from October 1, 2023, through September 30, 2024. Credit unions that began their project prior to notification of award approval can request payment for costs incurred prior to the performance period start date as long as the costs were incurred after April 1, 2023. The credit union will be obligated to pay project expenses from its own funds should the grant not be approved.

All dates are subject to change. The formal performance period will be stated in the Grant Agreement.

## **Payments and Reimbursements**

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For awards of \$15,000 and greater, credit unions may request reimbursements for costs incurred while the project is ongoing. Reimbursement requests can be submitted no more frequently than quarterly.

Credit unions with less than \$25 million in assets are permitted to request an advance on their grant funds up to 25 percent of the total award amount at any given time. Credit unions will have 90 days to expend the funds once received.

See [Post-Award Requirements](#) for more information.

## **Critical Dates<sup>1</sup>**

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**Immediately** – Complete the annual registration for the System of Award Management (SAM); this SAM registration is **required** to apply for a grant and **may take longer than four weeks to complete**. Register online at [www.sam.gov](http://www.sam.gov). More details about SAM are available in the [General Eligibility and Administrative Requirements](#) section.

**May 1, 2023** – The grant round will open at 9 a.m. Eastern. Applications will be available electronically through the [NCUA's Grants Management System](#).

**June 23, 2023** – This is the last day to contact the NCUA with inquiries regarding the grant round. All questions should be submitted by email to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov).

**June 30, 2023** – The grant round closes at 11:59 p.m. Eastern.

**September 30, 2023** – The NCUA will notify applicants and announce awards by email

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<sup>1</sup> Dates are subject to change.





from [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov) and through an official NCUA press release.

## General Eligibility and Administrative Requirements

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This section contains general eligibility and administrative requirements applicable to all applicants. Initiative-specific eligibility requirements are stated under each initiative in the Grant Initiatives section.

Applicants must complete the following two steps before registering in the [NCUA's Grants Management System](#) to submit an application. **The system will not recognize credit unions that have not completed both steps.**

### Step 1: Low-Income Designation or MDI Certification

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A credit union applying for CDRLF funding must have a [low-income designation](#) or be certified as a [minority depository institution \(MDI\)](#) under the NCUA's regulations and policies at the time of submitting the application.<sup>2</sup>

Credit unions with questions about the low-income designation may contact the NCUA's Office of Credit Union Resources and Expansion at [dcamail@ncua.gov](mailto:dcamail@ncua.gov). Questions about the MDI designation or the NCUA's [MDI Preservation Program](#) should be sent to [curemdi@ncua.gov](mailto:curemdi@ncua.gov).

### Step 2: System for Award Management

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A credit union applying for a CDRLF grant must have an active account with the System for Award Management (SAM), a web-based, government-wide system 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 [unique entity identifier number \(UEI\)](#) are required to apply for a CDRLF grant. Credit unions receive a UEI upon registration.

Credit unions with an existing SAM registration must recertify and maintain an active status annually. SAM users can register or recertify their account by following the [instructions for registration](#).

Credit unions must authorize their entity's non-sensitive information to be displayed in SAM public search results. The NCUA will be unable to verify their account without

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<sup>2</sup> See § 701.34 and § 741.204.



this authorization.

There is no charge for the SAM registration and recertification process.

## Grant Initiatives

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### Training

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#### Overview

The Training initiative focuses on strengthening credit unions through succession planning and professional development.

**The project period is 12 months. The maximum grant amount is \$5,000.**

Applicants can select from the following eligible activities:

- **Continuity and Succession Planning** – Develop a management succession plan or create a career-track strategy for entry- or mid-level career positions. Enroll a board member, credit union executive, or employee in training courses to enhance leadership skills.
- **Staff Development** – Enroll an employee in training courses to enhance operational knowledge of credit unions.

#### Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated previously, applicants must have \$100 million or less in assets and a CAMELS Composite Rating of 1, 2, 3, or 4.

#### Required Application Information and Materials

Applicants must provide the following information, and the NCUA may request additional information and materials:

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Request Amount** – State the amount your credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount. Round to the nearest hundred dollars.
- **Project Activity** – Select the project activity from the list of approved eligible





activities for which the credit union plans to use the grant (credit unions may select more than one).

- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Project Narrative** – Explain the project the credit union intends to complete. The narrative should include:
  - A description of the areas the credit union lacks in staff knowledge, skills, and abilities and/or insufficient plans for operations and continuity or succession planning for leadership positions.
  - An outline detailing how the grant funds will be used to address these deficiencies. For example, list the training courses employees will complete.
  - The expected outcome(s) of the project, including any deliverables, and how the project has addressed the deficiencies cited. Describe how the project metrics selected in the Project Impact support the successful outcome of the project. For example, training a loan officer on stronger underwriting practices may lead to an increase in the size of the credit union’s loan portfolio.
- **Project Impact** – Identify two metrics to measure the success of the project. For each metric, enter the current level (benchmark) and the expected level (goal) anticipated by the end of the project. These benchmarks should support the expected outcomes described in the narrative. See the [Performance Measurement section](#) for additional information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.
- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).
- **Additional Supplemental Documentation (Optional)** – Submit additional documents, such as quotes from vendors, to support the project but do not use this space to upload additional narrative.

## Initiative-Specific Expenses

Below are examples of eligible expenses for Training initiative projects:

- Consultant fees related to the development and implementation of continuity



and/or succession planning.

- Enrollment fees for relevant career development courses or conferences.
- Travel and lodging fees associated with attendance at relevant career development courses.
  - Travel and lodging expenses, if needed, must be in line with federal rates, as listed on [GSA's website](#).
  - Travel and lodging expenses may not exceed 25 percent of the federal share of the total project costs (for example: \$1,250 of a \$5,000 award).

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](mailto:CUREAPPS@ncua.gov) prior to the expense being incurred.

## Digital Services and Cybersecurity

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### Overview

The Digital Services and Cybersecurity initiative provides funds to enhance the protection of the credit union and its members against potential cyberattacks; to increase the access of low-income and underserved communities to safe and secure digital financial products and services; and to acquire software and equipment needed to support a remote work posture or product and service delivery.

**The project period is 12 months. The maximum grant amount is \$10,000.**

Applicants can select from the following eligible activities:

- **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** – Activities include the purchase of equipment that supports remote work. Examples include secure scanners, laptops, and other peripherals.
- **Strengthening Cybersecurity** – Activities include cybersecurity training for board members and employees, procurement of software and hardware required for cybersecurity upgrades, contract for external security services, business continuity, development or implementation of an incident response plan, vulnerability scans, or information technology auditing and testing. Testing may include IT general controls testing, social engineering testing, and/or penetration



testing to verify the effective implementation of security controls.

## Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated previously, applicants must have \$250 million or less in assets and a CAMELS Composite Rating of 1, 2, 3, or 4.

## Required Application Information and Materials

Applicants must provide the following information, and the NCUA may request additional information and materials, as necessary.

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Request Amount** – State the amount your credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount. Round to the nearest hundred dollars.
- **Project Activity** – Select the project activity from the list of approved activities for which the credit union plans to use the grant (credit unions may select more than one).
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Project Narrative** – Explain the project the credit union intends to complete. The narrative should include:
  - A description of the credit union’s current digital services and cybersecurity capacity, highlighting any deficiencies or demands for services from members.
  - An outline detailing how the grant funds will be used to address these deficiencies. For example, describe the measures that will be taken to improve the credit union’s cybersecurity.
  - The expected outcome(s) of the project, including any deliverables, and how the project has addressed the deficiencies cited. Describe how the project metrics selected in the Project Impact support the successful outcome of the project. For example, implementation of a mobile loan application would lead to an increase in the credit unions loan portfolio.
- **Project Impact** – Identify two metrics to measure the success of the project. For each metric, enter the current level (benchmark) and the expected level (goal)



anticipated by the end of the project. These benchmarks should support the expected outcomes described in the narrative. See the [Performance Measurement section](#) for more information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.

- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).
- **Additional Supplemental Documentation (Optional)** – Submit additional documents, such as quotes from vendors, to support the project but do not use this space to upload additional narrative.

## Initiative-Specific Expenses

Below are examples of eligible expenses for Digital Services and Cybersecurity initiative projects:

- Implementation (project setup, service, and startup costs) and/or enhancement fees.
- Costs of equipment and software required for the completion of the project.
- Consulting fees.
- Marketing expenses associated with the project. Marketing expenses cannot exceed 25 percent of the federal share of the total project costs (\$2,500 of a \$10,000 award).
- Costs associated with training employees to manage 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](mailto:CUREAPPS@ncua.gov) prior to the expense being incurred.

## Consumer Financial Protection

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### Overview

This initiative provides credit unions with resources to better understand and comply with consumer financial protection laws and regulations.

**The project period is 12 months. The maximum grant amount is \$10,000.**

Applicants can select from the following eligible activities:



- **Training** – Cover expenses related to training staff in consumer financial protection issues.
- **Improving Consumer Finance Protection** – Reviewing a credit union’s products and services to ensure compliance with consumer protection laws and regulations. Where appropriate, resources would assist with recommended corrective actions, such as tools to assist in strengthening compliance management systems, including developing and implementing policies, procedures, and systems.

## Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated previously, applicants must have a CAMELS Composite Rating of 1, 2, 3, or 4.

## 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).
- **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. Round to the nearest hundred dollars.
- **Project Activity** – Identify the area or type of guidance needed by the mentee (more than one is acceptable).
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Project Narrative** – Explain the project the credit union intends to complete. The narrative should outline:
  - A description of the credit union’s consumer financial protection deficiencies.
  - An outline detailing how the grant funds will be used to address these deficiencies. For example, what steps will the credit union take to improve its consumer financial protection practices.
  - The expected outcome(s) of the project, including any deliverables, and how the project has addressed the deficiencies cited above. Describe how



the project metrics selected in the Project Impact support the successful outcome of the project.

- **Project Impact** – Identify two metrics to measure the success of the project. For each metric, enter the current level (benchmark) and the expected level (goal) anticipated by the end of the project. These benchmarks should support the expected outcomes described in the narrative. See the [Performance Measurement section](#) for additional information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.
- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).
- **Additional Supplemental Documentation (Optional)** – Submit additional documents, such as quotes from vendors, to support the project but do not use this space to upload additional narrative.

## Initiative-Specific Expenses

Below are examples of eligible expenses for the Consumer Financial Protection initiative projects:

- Enrollment fees for relevant consumer financial protection training.
- Travel and lodging fees associated with attendance at relevant career development courses.
  - Travel and lodging expenses, if needed, must be in line with federal rates, as listed on [GSA's website](#).
  - Travel and lodging expenses may not exceed 25 percent of the federal share of the total project costs (for example: \$2,500 of a \$10,000 award).
- Hiring resources, such as consultants, to train staff on the consumer financial protection laws and regulations.
- Conducting audit/review of credit unions products and services, and policies to ensure compliance with consumer financial protection laws and regulations.

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](mailto:CUREAPPS@ncua.gov) prior to the expense being incurred.





## MDI Capacity Building

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### Overview

The MDI Capacity Building provides funding to preserve MDI credit unions and increase their ability to thrive and serve minority populations. This grant may be used for eligible expenses associated with activities that include training, implementing digital banking capabilities, responding to audit and regulatory failures, and member outreach.

**The project period is 12 months. The maximum grant amount is \$50,000.**

Applicants can select from the following eligible activities:

- **Training** – Cover expenses related to tuition, travel expenses, and/or fees to attend third-party training/conferences.
- **Mentoring** – Technical assistance provided by another credit union, such as training, consulting, and other associated activities. The mentor credit union must invoice the awardee for the expenses related to the services provided. This includes staff salaries, travel, and other expenses incurred while serving as a mentor to the awardee.
- **Implementation of New Products and Services** – New financial products and services that will improve efficiencies, deliver a better customer experience, or increase awareness of those products and services in an underserved or unbanked community.
- **Compliance with Audit and Regulatory Oversight** – Resolve pending administrative actions which could result in an audit finding, violation of regulations, a merger, or failure if not resolved.
- **Resource Expansion** – Activities related to increasing the credit union’s ability to obtain financial resources, such as Community Development Financial Institution (CDFI) certification and grant writing.
- **Outreach** – Research, marketing, and outreach supporting the underserved or unbanked minority communities and growing the credit union. Eligible uses can include operations, technology, and outreach costs associated with expanding these economic resiliency efforts in minority communities.

### Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated



previously, applicants must be designated as an MDI and have a CAMELS Composite Rating of 1, 2, 3, or 4.

## 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).
- **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. Round to the nearest hundred dollars.
- **Project Activity** – Identify the area or type of guidance needed by the mentee (more than one is acceptable).
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Statement of Need** – This section will assess the applicant’s need to build capacity and the challenges or problems being addressed. Describe the credit union’s weaknesses, challenges facing the credit union, and other issues that the grant project is proposed to address.
- **Project Implementation Plan** – Explain the credit union’s strategy for implementing the selected project(s).
  - Identify the steps to be taken in the implementation of this project. Describe the activities that will take place and how each activity will address the challenges described in the Statement of Need narrative.
  - Identify and describe any potential risks associated with your project. Explain how your credit union plans to mitigate the risks.
- **Impact and Outcome** – Explain the credit union’s ability to identify, understand, and describe how the project will improve the credit union’s capability to serve its members.
  - Discuss the significance of the credit union’s project and how it will benefit the underserved and community served by the credit union.
  - Describe how the project metrics selected in the Project Impact support the successful outcome of the project.



- Identify and discuss any deliverables that will be produced.
- Describe how the project metrics selected in the Project Impact support the successful outcome of the project.
- **Project Impact** – Identify two metrics to measure the success of the project. For each metric, enter the current level (benchmark) and the expected level (goal) anticipated by the end of the project. See the [Performance Measurement section](#) for additional information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.
- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).
- **Additional Supplemental Documentation (Optional)** – Submit additional documents, such as quotes from vendors, to support the project but do not use this space to upload additional narrative.

## Initiative-Specific Expenses

Examples of eligible expenses for the MDI Capacity Building initiative include:

- Consulting services provided or arranged by the mentor credit union’s executive officers. Consulting deliverables may include solutions for financial technology (fintech), lending, process and performance improvement, technology, and strategy.
- Travel and lodging fees associated with face-to-face meetings between the mentor and mentee.
  - Travel and lodging expenses, if needed, must be in line with federal rates, as listed on [GSA’s website](#).
  - Travel and lodging expenses may not exceed 25 percent of the federal share of the total project costs (\$12,500 of a \$50,000 award).
- Marketing of new products and services.
- Production or procurement of educational materials, such as guides or handbooks.
- Staff salary expense associated with training staff, board, or volunteers of the mentee.



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](mailto:CUREAPPS@ncua.gov) prior to the expense being incurred.

## Underserved Outreach

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### Overview

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

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.**

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

- **New or Expanded Outreach Efforts** – Developing outreach and marketing programs to assist the needs of low-wealth persons and households.
  - Translation of credit union materials into the native languages of underserved populations.
  - Partnerships with community groups.
  - Expansion into new geographic areas or fields of membership.
- **New or Expanded Financial Education Programs** – Providing financial education and counseling services to underserved individuals.
  - Innovative ways to provide credit counseling, debt and budget management, and housing counseling.
- **New or Expanded Financial Products or Services** – Developing and implementing a new product or program strategy to bring the unbanked and underbanked into the financial mainstream.
  - Introducing or expanding a loan product to meet the needs of the credit union's membership.



- Implementing innovative products, services, or policies that positively impact underserved and underbanked populations.

## Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated previously, applicants must have a CAMELS Composite Rating of 1, 2, or 3 and a CAMELS Management Component Rating of 1 or 2. This ensures the applicant has the capacity to successfully complete the project and meet the objectives of the Underserved Outreach initiative.

## Required Application Information and Materials

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

- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **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. Round to the nearest hundred dollars.
- **Project Activity** – Select a project activity from the list of eligible activities for which the credit union plans to use the grant (credit unions may select more than one).
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Underserved Population** – Identify the underserved population the credit union plans to target. The list of choices, which may contain certain age groups, includes: populations affected by the COVID-19 pandemic; minority communities; newly naturalized citizens; refugees; people with disabilities; unbanked or underbanked households; and veterans and active-duty military. If the group you plan to target is not listed, select “Other” in the application.
- **Needs of the Underserved** – Demonstrate the credit union’s ability to identify, understand, and describe the financial challenges of the underserved population it plans to help.
  - Describe the economic challenges of the underserved population. Provide data to support your case.
  - Discuss how these challenges affect the community, and why it matters



to your credit union.

- Explain how the project will directly benefit the underserved population described in the Needs of the Underserved narrative.
- **Project Implementation Plan** – 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 need 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 Outcomes** – Explain the credit union’s ability to identify, understand, and describe how the project will affect the underserved population and improve their economic opportunities.
  - 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 any deliverables that will be produced.
  - Describe how the project metrics selected in the Project Impact support the successful outcome of the project.
- **Project Impact** – Identify two metrics to measure the success of the project. For each metric, enter the current level (benchmark) and the expected level (goal) anticipated by the end of the project. These benchmarks should support the expected outcomes described in the narrative. See the [Performance Measurement section](#) for additional information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.
- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).





- **Additional Supplemental Documentation (Optional)** – Submit additional documents to support the project but do not use this space to upload additional narrative.

## Eligible Expenses

The following are examples of eligible expenses for Underserved Outreach initiative projects:

- Procurement, development, or production of educational materials.
- Expenses associated with the development or expansion of financial products or services.
- 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](mailto:CUREAPPS@ncua.gov) prior to the expense being incurred.

## Performance Measurement

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Applicants must select two of the following performance metrics to measure the success of their project. The application must include a projection for the end of the performance period, September 30, 2024. If the grant is approved, the credit union will be asked to enter a benchmark of the metric as of the time of application approval.

- **Asset Growth (\$)** – The increase in the credit union’s assets because of the project.
- **Loan Growth (%)** – An increase in the number or dollar amount of loans in the credit union’s portfolio because of the project.
- **Members Served** – The number of members served by the new or expanded product or service because of the project.



- **Membership Growth** – The increase in the number of members because of the project.
- **Custom Metric** – If the metrics provided are not applicable to the project, a custom metric can be created. This metric must be quantitative for measurement and reporting.

While some project activities can be directly linked to a performance goal, other activities may achieve these goals indirectly. Applicants must explain how the grant will help the credit union meet the selected metrics and accomplish the greater goals of the project. See the narrative requirements for the initiative selected.

Be realistic in determining your performance metrics and goals as they should be attainable by the end of the performance period.

## CDRLF Grant Project Budget Example

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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 why a line item helps to meet the project goals. Applicants 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 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.

The total estimated project cost includes all costs associated with the project. This may exceed the award amount and include costs that are covered by the credit union.

The portion covered by the CDRLF grant is the portion of the total estimated project costs that will be covered by the award funds. This may cover all estimated project costs but cannot exceed the requested amount.

Be realistic. Significant over- and underestimating suggest 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	Budget Narrative	Total Estimated Project Cost	Portion Covered by CDRLF Grant
Implementation of Mobile/Online Banking Features	This system will allow credit union members to deposit funds without physically accessing the branch.	\$8,000	\$8,000
Strengthen Cybersecurity	Vulnerability testing and IT Audit.	\$5,000	\$2,000
<b>Project Total</b>		<b>\$13,000</b>	<b>\$10,000</b>

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 expenses covered by the CDRLF grant.

## General Expense Guidelines

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All credit unions must adhere to the cost principles in [2 C.F.R. part 200 subpart E](#), including the following general expense guidelines.

Expenses eligible for reimbursement must be incurred after April 1, 2023, and before the grant commitment expires unless the NCUA, in writing, notifies the credit union otherwise.

These guidelines apply to all grant initiatives:

- All expenses must be directly related to the specific approved grant initiative. 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 payment request submission. Inquiries can be submitted by email to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov).
- The credit union must provide evidence that the proposed project was successfully completed in order to receive reimbursement. This may include invoices, certifications, or other documents. Additional post-award guidance will be provided to awardees.
- The NCUA will not pay for expenses that exceed the total grant award amount.
- 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. Expenses paid by credit union officials and/or personnel will not be reimbursed by the NCUA.
- Reimbursements will be made to the awardee credit union only. Payments to credit union officials and personnel will not be made.

## **Expenses Not Allowed**

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

- Expenses that create conflicts of interest are as follows:
  - 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 not allocable uses of grant funds:
  - Indirect costs.
  - Custodial services.



- Food, alcohol, 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.
- 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 not allocable uses of grant funds:
  - NCUA or other government agency employee expenses.
  - Projects/contracts based on covered relationships with NCUA employee(s).

## Application Review Process

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Applications are reviewed to ensure all eligibility requirements are met and scored to determine whether a project should be approved. Eligible applicants can receive a total of 100 points based on analysis described in the following steps. Award determinations are made based on eligibility, total application score, and the amount funding available.

Please read carefully as eligibility and scoring requirements are subject to change from previous CDRLF grant rounds.

Applicants will have the opportunity to contact the NCUA to discuss the final status of their application once award decisions have been made.

### Step 1: Program Eligibility

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The NCUA will review each application to ensure that the General Eligibility and Administrative Requirements are met. In addition, the following CAMELS rating and asset requirements apply:

Initiative	CAMELS Requirement	Asset Size
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Training	Composite Rating of 1, 2, 3, or 4.	Maximum asset size of \$100,000,000
Digital Services & Cybersecurity	Composite Rating of 1, 2, 3 or 4.	Maximum asset size of \$250,000,000
Consumer Financial Protection	Composite Rating of 1, 2, 3, or 4.	No asset requirement.
MDI Capacity Building	Composite Rating of 1, 2, 3, or 4.	No asset requirement.
Underserved Outreach	Composite Rating of 1, 2, or 3. Management Rating of 1 or 2.	No asset requirement.

Applicants that do not meet the eligibility requirements will not proceed to Step 2.

## Step 2: Program Priority Scoring

Eligible applicants will receive a score based on the rubric outlined below. The factors of this score reflect the NCUA's priority in reaching credit unions most in need of CDRLF funding.

Factor	Condition	Score
Asset Size (Asset size eligibility will vary by initiative.)	<\$2M	30
	\$2M to <\$10M	25
	\$10M to <\$50M	20
	\$50M to <\$100M	15
	\$100M to <\$200M	10
	\$200M to <\$450M	5
	≥\$450M	0
Previous Participation in the CDRLF	The applicant has never applied for a CDRLF grant or loan.	5
	The applicant has not received a CDRLF grant	3





	or loan in the past five years.	
	The applicant has received a CDRLF award (grant or loan) in the past five years.	0

Applications that do not receive at least ten points will not proceed to Step 3.

## **Step 3: Project Objective, Budget, and Compliance Review**

The application narratives, budget request, performance metrics, and any supplemental information will be evaluated to determine how well the project will meet the program objectives of the selected initiative.

### **Project Objective Score**

The application will receive a score based on how well each of the following topics are addressed in the narrative, budget, and any supplemental documentation provided.

<b>Objective Area</b>	<b>Description</b>	<b>Score</b>
CDRLF Program Objective	The project, as described in the narrative, meets the objectives of the initiative for which the credit union has applied.	1–5
Credit Union Need	The applicant’s narrative describes the needs of the credit union and/or underserved population.	1–5
	The application includes statistics and/or supplemental documentation demonstrating the needs of the credit union and/or underserved population.	1–5
	The needs of the credit union and/or underserved population can be addressed by the proposed project.	1–5
Project Implementation	The narrative contains a plan to implement the project	1–5
	The applicant anticipates completing the project within the grant performance period.	1–5



	The applicant identifies risks associated with the project and presents mitigation strategies.	1-5
Project Impact	The applicant demonstrates the project's impact aligns with the program objectives and the objectives of the selected initiative.	1-5
	Performance metrics are quantifiable and can clearly determine the success of the project.	1-5
	The performance metrics are applicable to the project and are supported.	1-5

## Budget Score

The NCUA will score the project budget based on how the proposed use of funds supports the project activities. The NCUA may also reduce the award amount based on ineligible expenses listed in the application.

Budget Area	Description	Score
Project Objective	The applicant clearly understands the expenses required to successfully complete the project.	1-5
Implementation Plan	The project budget supports the applicant's plan to implement the project.	1-5
Allowable Costs	<p>The expenses included in the budget are eligible per the expense guidelines in this document and 2 C.F.R. 200.</p> <p>Note: The NCUA will reduce the award amount if any budget items are not allowable for the subject grant initiative. If the amount of ineligible expenses exceeds 25 percent of the amount requested, the application will be denied.</p>	1-5

## Compliance Score

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, which may affect an applicant's score. Points may be deducted from the Project Objective score based on past CDRLF program performance.



Severity	Description	Score
No Compliance Issues on Previous Awards	The applicant has no compliance issues with previous CDRLF grant and loan awards.	0
Open Award	The applicant has a current CDRLF award (excluding Urgent Need grants or CDRLF loans) for which the performance period has not concluded, and the project is not complete.	-5
Minor Compliance Issue	The current application includes project activities for which the applicant had previously received funding, such as overdue reports or failure to meet performance objectives on previous awards.	-10
Major Compliance Issues	<p>The applicant has a history of unresponsiveness to the requests of CDRLF staff.</p> <p>The applicant is behind in CDRLF loan repayments.</p> <p>A previous award was terminated for noncompliance with the terms and conditions of the award.</p> <p>The applicant has two or more Minor Compliance Issues with previous CDRLF grants or loans.</p> <p>Note: A major compliance issue may eliminate an applicant from eligibility to receive an award.</p>	-20

All applications that have not been eliminated due to major compliance issues or failure to meet the project objective will proceed to Step 4.

## Step 4: Application Ranking Order

The NCUA will combine the applicant’s Program Priority, Project Objective, Budget, and Compliance scores. Applications are sorted by initiative and ranked in descending order based on each applicant’s total score. In the case of a tie, asset size will serve as



the tiebreaker, with the credit union with smallest assets ranking higher. All applications will advance to Step 5.

## **Step 5: Grant Amount Determination**

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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 to applications based on the final ranking until the allocation for each initiative is exhausted.

## **Terms and Conditions**

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Every applicant must certify it meets and agrees to the following terms and conditions, prior to submitting an application:

- Applicant is a low-income-designated credit union, as defined in Section 701.34 of the NCUA’s Rules and Regulations and/or a designated Minority Depository Institution credit union.
- 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. 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 (CDFI) Fund, 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 payment 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: (1) 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 payment thereunder; or (2) 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 (including pregnancy, sexual orientation, or gender identity), 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 request payment for expenses incurred as of the publication date of the notice of funding opportunity associated with this funding round.
- Requests to reallocate or change approved project(s) and/or request 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 address provided in this application.
- Applicant hereby acknowledges that the NCUA reserves full discretion to deny payment 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 use 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.
- Applicants receiving payment in advance must maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability.

## Regulatory Requirements

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Credit unions are agreeing 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](mailto:CUREAPPS@ncua.gov). The Uniform Administrative Requirements can be found in their entirety in the [Electronic Code of Federal Regulations](#).

## Post-Award Requirements

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All credit union awardees are responsible for the timely and complete submission of the post-grant award activities. Post-Award requirements are described below. Awardees will receive post-award guidelines with greater detail of the post-award process.

## Grant Agreement

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The Grant Agreement includes important award information, such as the award amount, performance period dates, and the approved project budget.

At the time of award, you will be required to provide the current status for each performance metric chosen in the application as a benchmark. These metrics will be tracked through subsequent reporting requirements.

The credit union accepts the terms of the award and formally accepts the CDRLF grant. Failure to do so may result in the grant being withdrawn from the credit union.

## **Payment and Performance Report**

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Each payment request requires credit unions to provide an outcome summary, reporting on performance metrics, evidence of the successful completion of the project, and certification the grant funds were used accordingly.

Generally, 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 upon the conclusion of the project. For awards of \$15,000 and greater, credit unions may request partial reimbursements throughout the performance period, though no more frequently than quarterly.

Credit unions with assets below \$25 million may request payment in advance of incurring project costs. Advances will not exceed 25 percent of the award amount at any given time. Awardees must expend advanced funds within 90 days of receipt.

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.

## **Extension Request**

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Credit unions may request an extension to the grant expiration date if they need additional time to complete the project. The request must include the progress to date and justify the need for additional time. Grant extensions must be submitted no less than 10 days prior to the current grant expiration date. Performance periods will not be extended 18 months beyond the original grant expiration date.

## **Helpful Resources**

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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 eligible credit unions.
- A [Learning Management Service](#) that delivers online training for credit unions at no cost.
- A program to preserve and grow [minority depository institutions](#).

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

## Contact Information

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If you need to contact the NCUA regarding the CDRLF program, send your request by e-mail to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov). Please allow up to 72 hours for a response. Below is the contact information for other service areas.

- Chartering: [NewFCU@ncua.gov](mailto:NewFCU@ncua.gov)
- Field of Membership Expansion: [DCAMail@ncua.gov](mailto:DCAMail@ncua.gov)
- Learning: [CURELMS@ncua.gov](mailto:CURELMS@ncua.gov)
- Minority Depository Institution Preservation: [CUREMDI@ncua.gov](mailto:CUREMDI@ncua.gov)
- For all other inquiries: [CUREMail@ncua.gov](mailto:CUREMail@ncua.gov)
- Contact us by Phone: (703) 518-6610