



2022 Community Development Revolving Loan Fund Grant Round Application Guidelines



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Program Objective

The Community Development Revolving Loan Fund (CDRLF) provides funding to help low-income-designated credit unions provide affordable financial services to their members 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: expanding outreach to underserved populations, improving digital services and cybersecurity, staff training, and mentoring programs.

The goals of the 2022 CDRLF Grant Round are as follows:

1. Expand the technological and operational capacity of credit unions serving underserved populations;
2. Increase economic inclusion by providing low-income and underbanked people access to safe, affordable financial products and services; and
3. Encourage credit union innovation that will improve the financial health of underserved individuals.

The 2022 CDRLF Grant Round will provide approximately \$1.545 million to eligible credit unions through four grant initiatives: Training, Digital Services and Cybersecurity, Small Low-Income Credit Union Mentoring, and Underserved Outreach. These initiatives will provide resources to address racial, socio-economic, and technological challenges facing credit unions and their members, particularly members of modest means.



Initiative	Activities/Resources Supported	Maximum Award Amount
Training	Strengthen leadership skills of management and credit union officials through formal training. Establish a succession or continuity plan. Increase technical and operational capacity through formal employee training.	\$5,000
Digital Services and Cybersecurity	Implement a digital solution that increases members' access to financial products and services. Acquire technology that allows credit union employees to work remotely. Ensure the security of the credit unions' financial systems.	\$10,000
Small LICU Mentoring	Small credit unions working with mentors to address operational weaknesses, to develop products and services to improve members' financial stability, and to promote growth and expansion.	\$25,000
Underserved Outreach	Expand access to financial products and services in underserved populations. Improve financial literacy levels and personal finance skills of low-income populations. Expand outreach efforts to assist the needs of low-income persons and households.	\$50,000

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 is in the [2022 Grant Initiatives section](#).



Critical Dates¹

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. More details about SAM are available in the General Eligibility and Administrative Requirements section below.

May 2, 2022 – The grant round will open at 9 a.m. Eastern. Applications will be available electronically through the [NCUA's Grants Management System](#).

June 17, 2022 – Last day to contact the NCUA with inquiries regarding the grant round. All questions should be submitted by email to CUREAPPS@ncua.gov.

June 24, 2022 – The grant round closes at 11:59 p.m. Eastern.

August 31, 2022 – 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.

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

Step 1: Low-Income Designation

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

Step 2: System for Award Management

A credit union applying for a CDRLF grant must have an active account with the System for Award Management, a web-based, government-wide system that collects,

¹ Dates are subject to change.

² See § 701.34 and § 741.204.



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 registration with SAM must recertify and maintain an active status annually. There is no charge for the SAM registration and recertification process. 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 this authorization.

2022 Grant Initiatives

Training

Overview

The Training initiative focuses on strengthening credit unions through succession planning, leadership development, and staff education 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-level or mid-career positions.
- **Leadership Training** – 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.

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).



- **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).
- **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.
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place. The project must take place during the performance period (September 1, 2022 to August 31, 2023). The NCUA will not reimburse expenses incurred prior to the award announcement.
- **Project Narrative** – Briefly describe the project and the impact you expect it will have on the credit union and its members. Explain how the selected activities will achieve the Project Impact described below, and how those goals align with the CDRLF’s program objectives.
- **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)** – Credit unions can submit additional documents to support the project but may 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.
- 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 prior to the expense being incurred.

Digital Services and Cybersecurity

Overview

The Digital Services and Cybersecurity initiative provides funds to enhance protection of the credit union and its members against cyberattack, 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 purchase of equipment that supports remote work. Examples include secure scanners, laptops, and other peripherals.
- **Strengthening Cybersecurity** – Activities include cybersecurity training for employees, procurement of software and hardware required for cybersecurity upgrades, development or implementation of an incident response plan, vulnerability scans, or IT 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.

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).



- **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).
- **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.
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place. The project must take place during the performance period (September 1, 2022 to August 31, 2023). The NCUA will not reimburse expenses incurred prior to the award announcement.
- **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. Explain how the selected activities will help the credit union achieve the Project Impact described below.
- **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 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)** – Credit unions can submit additional documents to support the project but may 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 may not exceed 25 percent of the federal share of the total project costs (\$1,250 of a \$5,000 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 prior to the expense being incurred.

Small LICU Mentoring

Overview

The purpose of the Small LICU Mentoring initiative is to encourage partnerships between strong and experienced credit unions and small low-income designated credit unions to provide guidance and 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. Only eligible credit unions that will be the mentee are eligible for funding under this initiative. 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.

The award is structured as a relationship between two credit unions, the mentee and mentor.³ The mentee credit union is responsible for submitting the grant application.

The project period is 12 months. The maximum grant amount is \$25,000.

Mentees and their mentors must commit to participating in training and technical assistance from the NCUA throughout the project period.

Applicants can select from the following eligible activities:

- **Credit union growth and expansion** – Expanding the mentee credit union's impact on the underserved community, such as increasing membership numbers, the size of the loan portfolio, or introducing a new program or service.
- **Improved management and operations** – Mentoring the credit union's leadership to improve mentee operations, develop new policy and procedure documents, or address exam and audit findings.

³ See [MDI Mentoring Cohort: Guidance on Selecting A Mentor](#).



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 (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.
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place. The project must take place during the performance period (September 1, 2022 to August 31, 2023). The NCUA will not reimburse expenses that are incurred prior to the award announcement.
- **Information about the Mentor Credit Union** – Provide information about the mentor credit union, such as the name, charter or certificate number, location, and contact information.
- **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, in particular, the community. Explain how the selected activities will help the credit union achieve the Project Impact described below.
- **Statement of Need** – This section will assess the mentee credit union’s need for a mentoring relationship and the challenges or problems being addressed. Clearly describe the credit union’s weaknesses, challenges facing the credit union, and other issues that the mentorship is proposed to address.
- **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.
 - 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.
 - 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.
- **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.
- **Contractual Agreement** – As part of its application to the NCUA, the mentee must include a signed contract with its mentor. The agreement must include a statement from the mentor to the mentee and to the NCUA that the mentor is engaging in the mentor/mentee relationship for purposes unrelated to acquiring the mentee in a merger.
- **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)** – Credit unions can submit additional documents to support the project but may not use this space to upload additional narrative.

Initiative-Specific Expenses

Below are examples of eligible expenses for the Small LICU Mentoring initiative projects:

- 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.

- 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 (\$6,250 of a \$25,000 award).
- Training provided or arranged by the mentor credit union for the benefit of the mentee.
- 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 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

Overview

The Underserved Outreach initiative is designed to help credit unions implement innovative outreach strategies to increase access to financial products and services in underserved populations. The goal of this initiative is for credit unions to improve 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 un/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.

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).
- **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).
- **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.
- **Estimated Project Start and End Dates** – Enter the dates in which the project



will take place. The project must take place during the performance period (September 1, 2022 to August 31, 2023). The NCUA will not reimburse expenses incurred prior to the award announcement.

- **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, disadvantaged minority communities, 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.
- **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. Explain how the selected activities will help the credit union achieve the Project Impact described below.
- **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,
- **Project Implementation Plan** – Describe how the project will directly benefit the underserved population described in the Needs of the Underserved narrative.
 - Explain how your project meets the needs of the underserved population defined in your narrative.
 - 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 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. 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** – Budgets are outlines of the project activities and related costs and 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.
- **Additional Supplemental Documentation (Optional)** – Credit unions can submit additional documents to support the project but may 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 prior to the expense being incurred.

Performance Measurement

Applicants must select two of the performance metrics below to measure the success of their project. The application must include a benchmark of the metric as of March 31, 2022, as well as projections for end of the project (August 31, 2023).

- Asset Growth (\$) – The increase in the credit union’s assets as a result of the project.
- Loan Growth (#) – The project has led to an increase in the number of loans in the credit union’s portfolio.
- Loan Growth (\$) – The project led to an increase in the volume of the credit union’s loan portfolio.
- Members Served – The number of members served by the new or expanded product or service as a result of the project.
- Membership Growth (#) – The increase in membership as a result of the project.
- Other – Briefly describe what the metric measures and how the data will be collected.

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.

Application Review Process

Step 1: Program Eligibility

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

Initiative	CAMEL/S Requirement
Training	Composite Rating of 1, 2, or 3.
Digital Services & Cybersecurity	Composite Rating of 1, 2, or 3.
Small LICU Mentoring	Mentee (Applicant): Composite Rating of 1, 2, 3, or 4. Mentor: Composite Rating of 1, 2, or 3. No component ratings of 4 or 5.
Underserved Outreach	Composite Rating of 1, 2, or 3. Management Rating of 1 or 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	<\$2M	30
	\$2M to <\$10M	25
	\$10M to <\$50M	20
	\$50M to <\$100M	15



	\$100M to <\$500M	10
	>\$500M	5
Rural Service Area	The applicant serves a rural field of membership as of March 31, 2022.	15
	The applicant does not serve a rural field of membership as of March 31, 2022.	0
Previous Participation in the CDRLF	The applicant has not received a CDRLF award in the past.	5
	The applicant has received a CDRLF award (grant or loan) in the past.	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

Determination	Description	Score
Strong	The applicant clearly demonstrates that the project will meet the CDRLF's program objectives. The narrative shows that the applicant has a plan to carry out the project and understands how the project will benefit the underserved population.	21-30
	The project budget strongly supports the grant request.	
	The project is supported by strong, applicable, and practical performance metrics.	
Good	The applicant demonstrates that the project will meet the CDRLF's program objectives. The narrative shows that the applicant has a plan to	11-20



	<p>carry out the project.</p> <p>The project budget supports the grant request.</p> <p>The project is supported by applicable and practical performance metrics.</p>	
Average	<p>The applicant demonstrates that the project will meet the CDRLF’s program objectives. The narrative contains a plan to implement the project but does not contain specific details.</p> <p>The project budget somewhat supports the grant request.</p> <p>The performance metrics are applicable to the project but are not strongly supported.</p>	5-10
Weak	<p>The applicant does not demonstrate that the project will meet the CDRLF’s program objectives.</p> <p>The project budget does not support the grant request and/or a significant amount of budgeted expenses are ineligible.</p> <p>The performance metrics are not applicable to the project and are not supported.</p>	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.

Determination	Description	Score
Good	<p>The applicant clearly understands the expenses required to successfully complete the project. The budget is clearly justified.</p>	15-20
Average	<p>The applicant understands the expenses required to successfully complete the project. The</p>	8-14



	justification for each line item is unclear.	
Weak	The applicant does not demonstrate an understanding of the expenses required to successfully complete the project. The budget justification is vague.	1-7

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 CDRLF previous grant and loan awards.	0
Open Award	The applicant has a current CDRLF award (excluding Urgent Need grants or 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.	-10



<p>Compliance Issues</p>	<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>-20</p> <p>A major compliance issue may eliminate an applicant from eligibility to receive an award.</p>
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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 the 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

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.

General Expense Guidelines

All credit unions must adhere to the cost principles in [2 C.F.R. part 200 subpart E](#), including the following general expense guidelines, unless told otherwise by the NCUA in writing. These guidelines apply to all grant initiatives.

Expenses eligible for reimbursement must be incurred after the grant award is announced 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.

Expenses Not Allowed

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

- The following represent conflicts of interest:
 - 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.
 - 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 not allocable 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 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 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	\$8,000	\$8,000	This system will allow credit union members to deposit funds without physically accessing the branch.
Marketing	\$3,000	\$2,000	Expenses related to advertising the new services
Project Total	\$11,000	\$10,000	

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 [12 CFR § 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 expend \$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 the applicant’s 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. See, e.g., [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. Grantees must comply 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



is responsible for the expenses incurred 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 it 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 the 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](#).

Regulatory Guidance

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. 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. Post-award requirements are described below. Awardees will receive post-award guidelines with greater detail of the post-award process.

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 award within the specified timeframe. Failure to do so may result in the grant being withdrawn from the credit union.

Extension Request

Credit unions may request an extension to the grant expiration date if they are unable to complete the project within the original performance period. 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.

Reimbursement Request

The final post-grant award activity is the reimbursement request. All NCUA grants are reimbursements. In general, each reimbursement 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.

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. For awards of \$15,000 and greater, credit unions may request partial reimbursements, no more frequently than quarterly.

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 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.
- 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

If you need to contact the NCUA 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.

- Chartering: NewFCU@ncua.gov
- Field of Membership Expansion: DCAMail@ncua.gov
- Learning: CURELMS@ncua.gov
- Minority Depository Institution Preservation: CUREMDI@ncua.gov
- For all other inquiries: CUREMail@ncua.gov
- Contact us by Phone: 703.518.6610