



CDFI Capacity Building and Growth Grant Program

2024 Letter of Inquiry (LOI)

Please review **Overview** on page 2, and if applying for

A. Monetary Grant see pages 3-7 (Blue headers), and/or

B. Technical Expertise Grant see pages 8-11 (Green headers)

Overview

The Federal Home Loan Bank of Dallas (FHLB Dallas or Bank) Capacity Building and Growth Grant Program will provide grants to Community Development Financial Institution (CDFI) Loan Funds to enhance their ability to support the needs of the communities they serve. CDFI Loan Funds with a focus on affordable housing, small business lending, and community economic development will be ideal candidates for this grant program. CDFI Loan Funds may apply for ‘**Monetary Grants**’ or ‘**Technical Expertise Grants**’.

Eligibility Requirements

Institutions eligible for grants under this program are **CDFI Loan Funds** that are:

- Members of FHLB Dallas, or sponsored by a member institution;
- Located in FHLB Dallas district (i.e., Arkansas, Louisiana, Mississippi, New Mexico, and Texas);
- Certified as a CDFI by the United States Treasury’s CDFI Fund;
- Focused on affordable housing, small business lending or community economic development; and
- Able to provide financial statements, audited if available

Types of Grants

Please review and complete the ‘**Monetary Grants**’ or ‘**Technical Expertise Grants**’ portion of this form, as applicable.

A. Monetary Grants (Pages 3-7)

Monetary grants may be used for a variety of purposes including, for example, operational or technology improvements, leadership or expertise development, and developing new sources of income. In evaluating grant applications, the Bank will give significant weight to the expected impact of the planned actions that would be facilitated by the grant. Other considerations include, but are not limited to, the CDFI Loan Fund’s capacity to execute the planned project or initiative, alignment of the project or initiative with the Bank’s mission, and the expected governance and oversight of the project or initiative.

B. Technical Expertise Grants (Pages 8-11)

Technical expertise grants may be used to build upon or augment a CDFI Loan Fund’s capacity in the areas of (i) communication and marketing strategy or (ii) small-scale automation. Technical expertise grants are limited to \$50,000 (time and materials). Such grants may leverage the skills of FHLB Dallas staff or external resources to a limited degree. The Bank will conduct a feasibility review of technical expertise grant submissions to determine whether the Bank’s resources can provide the appropriate level of support requested and result in a commensurate level of impact. This review process will, in most cases, require additional dialogue between the Bank and CDFI Loan Fund grant applicant to define the scope and requirements of the associated project or initiative. The Bank reserves the right not to award any such grants based on the results of its review of LOI submissions.

The Bank will accept LOIs for both grant types from members through 5 p.m. (Central Time) on April 17, 2024.

A. Monetary Grants

Monetary grants may be used for a variety of purposes including, for example, operational or technology improvements, leadership or expertise development, and developing new sources of income. In evaluating grant applications, the Bank will give significant weight to the expected impact of the planned actions that would be facilitated by the grant. Other considerations include, but are not limited to, the CDFI Loan Fund's capacity to execute the planned project or initiative, alignment of the project or initiative with the Bank's mission, and the expected governance and oversight of the project or initiative.

Grant funds may not be used for general operating expenses, litigation, support of existing programs (unless there is a significant change in focus or strategy), conferences, publications, media/audiovisual productions, or financial deficits.

CDFI Loan Funds that are current FHLB Dallas members may apply for grants from \$50,000 - \$500,000. CDFI Loan Funds that are not current FHLB Dallas members may apply for grants from \$50,000 to \$100,000.

CDFI Loan Funds should apply for a monetary grant using the 2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Monetary Grant. Only one LOI may be submitted by a CDFI Loan Fund for a monetary grant. CDFI Loan Funds that are not current FHLB Dallas members must submit a Letter of Inquiry (LOI) through a current FHLB Dallas member. FHLB Dallas members submitting LOIs on behalf of CDFI Loan Funds make no representations regarding the CDFI Loan Fund or LOI.

Key Dates for Monetary Grants

- **April 17, 2024 – Letter of Inquiry (LOI)¹ submission deadline**
- **April 18, 2024 – May 16, 2024 – FHLB Dallas review of LOI submissions**
- **May 17, 2024 – FHLB Dallas extends invitations to select CDFI Loan Fund applicants to submit Formal Proposals.²**
- **June 28, 2024 – Formal Proposal² submission deadline (for those CDFI Loan Funds invited to submit formal proposals only)**
- **June 29, 2024 – August 14, 2024 – FHLB Dallas review of Formal Proposal submissions**
- **August 15, 2024 – FHLB Dallas awards monetary grants^{3,4,5}**

Please note the above dates are approximate and may be changed by the Bank at any time.

1. Letter of Inquiry (LOI) Submissions

CDFI Loan Funds that are current FHLB Dallas members may submit LOIs directly to FHLB Dallas. CDFI Loan Funds that are not FHLB Dallas members must have a current FHLB Dallas member (regardless of institution type) submit the LOI on their behalf. LOIs for monetary grants must be submitted to capacitygrants@fhlb.com by 5 p.m. (Central Time) on April 17th.

2. Formal Proposal Submissions

Following its review of the LOI submissions, FHLB Dallas will invite some monetary grant applicants to submit formal proposals, the format for which will be provided by FHLB Dallas. Formal proposals offer the applicant the opportunity to provide greater detail regarding CDFI Loan Fund itself and the proposed use of the grant funds. The Bank's evaluation of formal proposals will consider, among other things, the CDFI Loan Fund's alignment with the FHLB Dallas mission and its capacity to execute the proposed actions, with a significant emphasis on the potential for impact. The award of any grant will be at the sole discretion of the Bank.

3. Disbursement of Grant Funds

Funds awarded to a CDFI Loan Fund will be disbursed to that CDFI Loan Fund if it is a current member of the Bank. Funds awarded to a nonmember CDFI Loan Fund will be disbursed to the sponsoring member institution on behalf of CDFI Loan Fund.

4. Funds Use Certification and Impact Reporting

Monetary grant recipients will be required to provide any funds use certifications and impact reporting requested by the Bank.

5. Fair Lending

Grant funds awarded under the Capacity Building and Growth Grant Program must be used in compliance with all applicable fair lending laws.

2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Monetary Grant

Name of CDFI Loan Fund: _____

Address: _____

Contact Person: _____

Telephone: _____ Email: _____

- FHLB Dallas Member (Y/N): _____ (Note: If “No” then Letter of Inquiry must be submitted by sponsoring FHLB Dallas member institution, see box below)
- Certified CDFI (Y/N): _____
- Is a focus of your organization the financing/creation of the following
 - Affordable housing? (Y/N): _____
 - Small business lending? (Y/N): _____
 - Community economic development? (Y/N): _____
- Is your institution willing to provide audited financial statements, upon request? (Y/N, if “No” please elaborate):

- Are there any legal actions pending against the applicant? If yes, provide the facts and circumstances?

For a CDFI Loan Fund that is not a current FHLB member:

Sponsoring FHLB Dallas Member Institution Information

Name of Member: _____

Member Contact Person: _____

Telephone: _____ **Email:** _____

2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Monetary Grant

Instructions: Please respond to each of the following questions. Your Letter of Inquiry should be limited to the space available and a **maximum of two pages**.

1. What are the primary goals and objectives of the project, initiative or other planned actions that will be associated with the FHLB Dallas Capacity Building and Growth Grant?

-
2. What is the need that you are filling and what is your proposed solution?

-
3. Describe the targeted population(s) or organizational improvement(s) that will be addressed by the grant.
-

4. How do you plan to bring a diversity, equity and inclusion lens to the project, initiative or other planned actions?

-
5. What are the expected outcomes of your effort, and how will you measure success?

-
6. How would a Capacity Building and Growth Grant enhance or support your ability to achieve success?

-
7. Within the program limitations, what size grant (note: a size range would be appropriate) would best support your ability to achieve success with the project, initiative or other planned actions?

The Bank will accept LOIs from members through 5 p.m. (Central Time) on April 17, 2024.

Please email the completed LOI as a PDF attachment to capacitygrants@fhfb.com. Files sent as a link to an external site (e.g. Dropbox, ShareFile, Google Drive, etc.) will not be accepted. LOIs from non-member CDFI Loan Funds must be emailed from the sponsoring member institution.

For more information or to confirm receipt of the LOI, please contact the Community Investment Department at 800.362.2944.

Note: If you are requesting a 'Monetary Grant', the 'Technical Expertise Grant' portion that follows can remain blank. If you are requesting both grant types, please complete both portions. Applicants may apply for one of each grant type.

B. Technical Expertise Grants

Technical expertise grants may be used to build upon or augment a CDFI Loan Fund's capacity in the areas of (i) communication and marketing strategy or (ii) small-scale automation. Technical expertise grants are limited to \$50,000 (time and materials). Such grants may leverage the skills of FHLB Dallas staff or external resources to a limited degree. The Bank will conduct a feasibility review of technical expertise grant submissions to determine whether the Bank's resources can provide the appropriate level of support requested and result in a commensurate level of impact. This review process will, in most cases, require additional dialogue between the Bank and CDFI Loan Fund grant applicant to define the scope and requirements of the associated project or initiative. The Bank reserves the right not to award any such grants based on the results of its review of LOI submissions.

CDFI Loan Funds should apply for a technical expertise grant using the [2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Technical Expertise Grant](#). Only one LOI may be submitted by a CDFI Loan Fund for a technical expertise grant.

Key Dates for Technical Expertise Grants

- **April 17, 2024 – Letter of Inquiry (LOI)¹ submission deadline**
- **April 18, 2024 – May 16, 2024 – FHLB Dallas reviews LOI submissions and conducts interviews²**
- **May 17, 2024 – FHLB Dallas awards technical expertise grants^{3,4}**

Please note that the above dates are approximate and may be changed by the Bank at any time.

1. Letter of Inquiry (LOI) Submissions

CDFI Loan Funds that are current FHLB Dallas members may submit LOIs directly to FHLB Dallas. CDFI Loan Funds that are not FHLB Dallas members must have a current FHLB Dallas member (regardless of institution type) submit the LOI on their behalf. LOIs for technical expertise grants must be submitted to capacitygrants@fhlb.com by 5 p.m. (Central Time) on April 17th.

2. Interview Process

Following its initial review of the LOI submissions, FHLB Dallas will conduct clarifying due diligence interviews with applicants. The intent of these interviews will be to a.) Understand the purpose, requirements, and scope of the human effort required, b.) Define expectations, c.) Collaborate on potential solutions. After interviews, the Bank will assess applications to determine which applications may receive technical expertise grants.

3. Funds Use Certification and Impact Reporting

Technical expertise grant recipients will be required to provide any funds use certifications and impact reporting requested by the Bank.

4. Fair Lending

Grant funds awarded under the Capacity Building and Growth Grant Program must be used in compliance with all applicable fair lending laws.

2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Technical Expertise Grant

Name of CDFI Loan Fund: _____

Address: _____

Contact Person: _____

Telephone: _____ Email: _____

- FHLB Dallas Member (Y/N): _____ (Note: If “No” then Letter of Inquiry must be submitted by sponsoring FHLB Dallas member institution, see below)
- Certified CDFI (Y/N): _____
- Is a focus of your organization the financing/creation of
 - Affordable housing? (Y/N): _____
 - Small business lending? (Y/N): _____
 - Community economic development? (Y/N): _____
- Is your institution willing to provide audited financial statements, upon request? (Y/N, if “No” please elaborate):

- Are there any legal actions pending against the applicant? If yes, provide the facts and circumstances?

- FHLB Technical Expertise Area of Support Needed (*check at least one*):

_____ Marketing/Communications

_____ Small-scale automation

For a CDFI Loan Fund that is not a current FHLB member:

Sponsoring FHLB Dallas Member Institution Information

Name of Member: _____

Member Contact Person: _____

Telephone: _____ **Email:** _____

2024 CDFI Capacity Building and Growth Grant Letter of Inquiry – Technical Expertise Grant

Instructions: Please respond to each of the following questions. Your Letter of Inquiry should be limited to the space available and a **maximum of two pages**.

1. What are the primary goals and objectives of the project, initiative or other planned actions that will be associated with the FHLB Dallas Capacity Building and Growth Technical Expertise Grant?

-
2. What is the need that you are filling and what is your proposed solution?

-
3. Describe the targeted population(s) or organizational improvement(s) that will be addressed by the grant.

4. What are the expected outcomes of your effort, and how will you measure success?

5. How can the technical resources of FHLB Dallas support or enhance your ability to achieve success?

The Bank will accept LOIs from members through 5 p.m. (Central Time) on April 17, 2024.

Please email the completed LOI as a PDF attachment to capacitygrants@fhlb.com. Files sent as a link to an external site (e.g. Dropbox, ShareFile, Google Drive, etc.) will not be accepted.

For more information or to confirm receipt of the LOI, please contact the Community Investment Department at 800.362.2944.

Note: If you are requesting a ‘*Technical Expertise Grant*’, the ‘*Monetary Grant*’ portion can remain blank. If you are requesting both grant types, please complete both portions. Applicants may apply for one of each grant type.