

# MICHIGAN COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION FUND PROGRAM GUIDELINES

## Program Overview

The Community Development Financial Institution Fund Program (“CDFI Fund”) is a grant program that was funded in the fiscal year 2024 budget ([page 252](#)) and will deploy \$19 million for the purpose of promoting community economic revitalization and community development through community financial institutions. Administered by the Michigan Economic Development Corporation, this program provides capital to qualified Community Development Financial Institutions (“CDFI”) for the purpose of increasing available capital for financial products and financial services, technical assistance, and administration and operations.

## Eligible Applicants

Community Development Financial Institutions that meet all of the following criteria are eligible to apply:

- Is an entity that meets the eligibility requirements described in 12 CFR 1805.200;
- Is certified as a community development financial institution that meets the eligibility requirements under 12 CFR 1805.201 by the community development financial institutions fund established under section 104 of the community development banking and institutions act of 1994, 12 USC 4703;
- Maintains one or more physical offices in Michigan;
- Employs two or more individuals at a physical office in Michigan, including employees of an affiliate of the community development financial institution that provides services to the community development financial institution; and
- Is a Michigan CDFI, or a multistate CDFI as defined as a Community Development Financial Institution that satisfies the statutory requirements outlined in the CDFI Fund legislation.

## Use of Funds

Grant awards must be used in accordance with the following requirements:

- At least 80% of the grant award will be used for financial products and financial services
- No more than 10% of the grant award will be used for technical assistance activities described in 12 CFR 1805.303
- No more than 10% of the grant award will be used for administration and operations
- The entire award must be expended within the state of Michigan
- Funds may be used for activities described in 12 CFR 1805.301
- Funds must be disbursed by the recipient within 3 years after the date the recipient receives the grant award.

## Award Structures and Funding

Recipients are broken up into two different categories – CDFIs that are Depository Institutions, and CDFIs that are not Depository Institutions. An applicant may not apply for both.

Community Development Financial Institutions may receive award amounts based on the following parameters:

For non-Depository Institutions:

- Up to \$127,000 if the CDFI made qualifying commitments in an amount that averaged less than \$1,000,000 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant under the CDFI Incentive Program is submitted.
- Up to \$380,000 if the CDFI made qualifying commitments in an amount that averaged from between \$1,000,000 to \$3,999,999.99 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant under the CDFI Incentive Program is submitted.
- Up to \$633,000 if the CDFI made qualifying commitments in an amount that averaged from \$4,000,000 to \$5,999,999.99 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant under the CDFI Incentive Program is submitted.
- Up to \$887,000 if the CDFI made qualifying commitments in an amount that averaged from \$6,000,000.00 to \$9,999,999.00 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant under the CDFI Incentive Program is submitted.
- Up to \$1,013,333 if the CDFI made qualifying commitments in an amount that averaged at least \$10,000,000 per applicant fiscal year during the 3 fiscal years preceding the fiscal year in which an application for a grant under the CDFI Incentive Program is submitted.

For Depository Institutions ("D.I."):

- Up to \$253,000 if the D.I. has total net assets of less than \$500,000,000.00
- Up to \$380,000 if the D.I. has total net assets of between \$500,000,000 to \$999,999,999.99
- Up to \$507,000 if the D.I. has total net assets of between \$1,000,000,000 to \$1,999,999,999.99
- Up to \$633,000 if the D.I. has total net assets of \$2,000,000,000 or more.

Multistate CDFIs:

- A grant to a multistate CDFI that is not a Depository Institution may not exceed \$633,000.

Award amounts may be proportionally reduced based on the availability of funds.

### **Timelines**

The MEDC will begin accepting applications on Tuesday, October 31, 2023, and the application window will be open until November 30, 2023. All applications will be reviewed after the application window closes in order to determine funding formulas for each applicant and allow for the proportional reduction of a grant award based on the availability of funds.

The MEDC shall approve or deny a grant application within 49 days after receipt of an administratively complete application as determined by the MEDC. The MEDC may deny a grant application for the following reasons:

- The applicant does not satisfy all of the requirements for eligibility pursuant to [cite statute];
- There is insufficient funding available to pay the grant amount requested; and/or
- The applicant is not in compliance with applicable requirements under the community development banking and institutions act of 1994, 12 USC 4701 to 4719.

If the MEDC denies an application, the applicant may provide additional information to the MEDC within 7 days after the notice of denial. The MEDC shall review and reconsider the application and additional information within 28 days.

Upon approval of an application, the MEDC and the applicant shall enter into a written grant agreement that includes terms and conditions consistent with the statutory requirements, these guidelines, and the required periodic reporting of data to the MEDC and the Michigan legislature.

### Grant Disbursement

In order to receive funds, your company must be registered in the State of Michigan SIGMA Vendor Self Service (VSS) system.

To create or claim your VSS account go to [www.michigan.gov/VSSLogin](http://www.michigan.gov/VSSLogin).

If your company **is not** yet an existing vendor with the MEDC, Michigan Strategic Fund, or the State of Michigan, follow the directions for [SOM VSS User Guide for New Vendors](#), which can be found under the Forms and Reference Documents section.

If your company **is** an existing vendor with the MEDC, Michigan Strategic Fund, or the State of Michigan, follow the directions for [SOM VSS User Guide for Existing Vendors](#), which can be found under the Forms and Reference Documents section.

Per MEDC policy, your company must also be registered to receive **EFT payments**. To update EFT information in the State of Michigan SIGMA Vendor Self Service (VSS) system:

1. Access SIGMA VSS at [www.michigan.gov/VSSLogin](http://www.michigan.gov/VSSLogin).
2. On the VSS Home Page, enter your User ID and Password.
3. Select **Login**. Your Account Summary page will display.
4. Under the Account Information tab, click the **Business Info** subtab, and click the **Update** button.
5. Scroll down to the “EFT Information” section.
6. Enter your ABA number (this number is identical to your Routing Number) in the ABA Number field.
7. Select the **Account Type** from the drop-down list and enter your Account Number. Leave the Routing ID Number field blank.
8. Click **Save Changes** when you are done updating your account.
9. A “Thank You” message will appear, select **Next**. The My Business Information page displays.

The bank has 7 business days to verify your account information before the State can send payments directly to your account.

If your project qualifies for this program, make sure to register in SIGMA as soon as possible. In your application submission email, include the following information from your SIGMA vendor account:

- Name of Registered Entity
- Name of Account Receiving EFT
- Name of Financial Institution

- Last four digits of Account
- Vendor/Customer Number

**Reporting**

Reporting will be done on an annual basis.