

General Guidelines for the Technical Assistance Program For Credit Unions

Program Purpose

The Community Development Revolving Loan Fund Program (CDRLP) was established to support credit union serving low-income communities. Low-interest loans/deposits are made available to assist these credit unions in delivering financial services to their members and improve their long-term growth and stability. The interest generated from the loans, as well as any funds appropriated by Congress specifically for this purpose, is used to provide technical assistance grants to credit unions. These grants are provided to improve the quality of services to members and make more efficient the operations of low-income credit unions.

To Participate

Federal credit unions must have a current low-income designation from the National Credit Union Administration (NCUA) regional director for their region. The Low-income designation is defined in Part 701.34 of the NCUA Rules and Regulations.

State credit unions must have a current low-income designation from their state supervisory authority (SSA) with NCUA concurrence.

Low-income student credit unions are not eligible to participate in the Technical Assistance Program.

Allowable Amounts

Because of the limited funding available, as well as the large number of potential applicants, technical assistance will generally not exceed \$5,000.00. Our goal is to grant technical assistance to those credit unions where funding will have the most positive impact on the efforts of credit union to better serve their field of membership.

Funding Cycle

Credit Unions may submit applications throughout the year. We encourage credit unions to give careful consideration to their request. Past receipt of technical assistance grants will influence the funding of new grant requests since the intent of the program is to "...gain maximum economic impact on as many participating credit unions as possible.

Funding Priorities

The Office of Credit Union Development (OCUD) will not fund technical assistance requests where the credit union has contracted with or procured the service or equipment prior to obtaining approval of the technical assistance request.

Technical assistance requests will be based on the following priorities:

- 1) **Urgent Operational Objectives** – OCUD will provide first priority to those requests for assistance to ensure the continued operations of a credit union that has taken the necessary action to address issues of concern but need financial assistance to facilitate further improvements.
 - a. Examples of such assistance include, but are not limited to, the conducting of an audit, updating records, and collecting on delinquent loans.
 - i. OCUD will expeditiously consider these requests, ensuring consideration for fully funding the request that is well supported in identifying the urgent operational objectives.
- 2) **Short – and Mid- Term Development Objectives** – OCUD will view this activity as one needed to further expand the capability of the credit union officials and staff to better serve their member base.
 - a. Examples of these activities include, but are not limited to, staff and officer training, strategic planning, consulting for new products and services, and computer hardware and software.
 - i. OCUD, in determining the amount of the request to fund, will base its decision on available funds budgeted for mid-term development objectives and the justification provided by the credit union concerning the expected impact the assistance will have on the credit union and its field of membership.
- 3) **Long-Term Development Objectives** – OCUD views this assistance that may result in long-term benefits to the credit union and/or the community it serves.
 - a. An example of this activity is the Student Intern Program.
 - i. OCUD will provide limited funding for these programs. Funding will generally augment assistance provided from other sources.

Evaluation Criteria

Grants will be made to credit unions for purposes, (1) that result in increased services to members, or (2) improve the long-term financial health and stability of the credit union. Grants are generally not provided for recurring operational expenses. (e.g. salaries, rent office occupancy, office supplies)

After prioritizing the requests based on funding priorities listed above, the OCUD will determine the appropriateness of the request, basing its decision on:

- 1) Funding availability from the CDRLF.
- 2) Capability of credit union management and staff.
 - a. Management and staff should demonstrate an ability to implement the requested service or improve operations through the purchase of equipment.
 - i. OCUD will review recent supervision history to determine management and staff capability.
- 3) Condition of the credit union.
 - a. The financial and operational conditions of the credit union need to reflect the likelihood of ongoing viability.
- 4) Prior activity of the credit union with the CDRLF program.
 - a. OCUD will consider prior activity to determine whether the credit union has effectively used prior of assistance provided and whether further assistance is warranted.
- 5) Ability to self-fund the activity where funding is requested.
 - a. Due to limited funding and an effort to gain maximum impact on as many participating credit unions, OCUD will limit assistance to those credit unions reflecting ability to self-fund unless the credit union demonstrates extenuating circumstances, such as unforeseen loan losses that will impact current earnings.
- 6) Need for services to improve financial condition and/or member service.
 - a. OCUD will determine whether the application adequately supports the objectives stated by the credit union.

The OCUD will provide the credit union applicant with justification for its decision.

If the review of the credit union's application discloses incomplete or missing information, OCUD will defer action and request that the credit union provide the needed information. The deferral action will be for 30 calendar days. If the credit union does not provide the supporting information requested within the 30-day period, OCUD will issue a denial notice to the credit union.