



NMTC Coalition Annual Conference

NMTC Compliance Update

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Overview



1. NMTC Compliance FAQs.
2. AMIS Compliance Reporting Functionality.
3. CDE Certification Updates.
4. Compliance Initiatives.

Compliance FAQs – Last Updated March 2019



- Clarifying the definition of “affordable housing” and alternatives to documenting buyer income requirements.

In the event that an Allocatee cannot document that a buyer meets the stated “38 percent or less Debt-To-Income Ratio” the Allocatee must be able to substantiate that the purchase price of the home does not exceed 95 percent of the median purchase price for the area as used in the HOME Investment Partnership Program.
- Clarifying language on repaying third party lenders (unaffiliated with the QEI provider) using QLICI proceeds.

Compliance FAQs



- Clarifying guidance on small dollar QLICIs.
CDEs can satisfy the innovative investments requirement if:
 - (1) The QALICB has not received a QLICI in any amount within the past 24 months; or
 - (2) The QALICB has received QLICIs within the past 24 months which when combined with the CDE's QLICI will not exceed the applicable maximum small dollar investment limit for the initial QLICI.
- Clarified changes to a designated Controlling Entity can be made on a case by case basis.

QEI Reporting



At the end of May 2018, the CDFI Fund transitioned Qualified Equity Investment (QEI) reporting from Allocation Tracking System (ATS), into the Awards Management Information System (AMIS) environment.

- System is fully operational and all historical migrated to AMIS.
- Basic functionality of ATS maintained in AMIS but requires clarifying information on investors.

QEI Reporting Enhancements Include:



- Identifying and differentiating between a “tax credit investor” and a “leverage lender”.
- Capturing the “investment amount” for all listed investors.
- Capturing the price paid for the tax credit for individual QEIs.
- Identifying the “type” of leverage lender and “source” of the leverage.
- Identifying the “type” of tax credit investor.
- Capturing the “amount of public subsidy” used in the QEI.

Entering QEI Investor Data



Investor Detail

[Edit](#) [Sharing](#) [Delete](#)

▼ Investor Summary

Investor Name	Sample Investment Fund A	Address Line 1	123 Main
Investor Type	Investment Fund	Address Line 2	
TIN	123456789	City	Anytown
Phone	(202) 123-1234	State	DE
Email	test@test.com	Zip Code	12345

▼ Financial Summary

Investment Amount	\$10.50	Form of QEI	Stock
		Credit Price	\$82.00
		Anticipated Rate of Return %	5.00%

▼ Other Relevant Information

Tier 1 Parent QEI	QEI00012910	Is this an Affiliated Entity?	<input type="checkbox"/>
Investor Status	Pass-Through Entity	Is this a New Investor?	<input type="checkbox"/>

▼ Leverage Information

Leverage Amount	\$7.50	Amount of Public Subsidy	\$0.00
Leverage Lender Type	Third-party not related to or affiliated with the CDE, NMTC Investor, or the QALICB	Source of Leverage	Other loan that does not fit one of the definitions above

▼ Equity Information

Equity Amount	\$3.00	Equity Investor Type	Third Party (Third-party not related to or affiliated with the CDE, NMTC Investor, or the QALICB)
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[Edit](#) [Sharing](#) [Delete](#)

Next Tier Investor

[New Investor](#)

Action	Investor Name	Investment Amount	Tier	TIN
Edit Del	Equity Investor A	\$3.00	2	222222222
Edit Del	Leverage Lender B	\$7.50	2	333333333

QLICI Reporting Via AMIS



CIIS integration into AMIS was completed in September 2018. All compliance reporting can now be completed via AMIS:

- Submission of Institution Level Report
 - New feature(s): selection of fiscal year reporting period, auto-population of some tables based on TLR.
- Submission of Transaction Level Report
 - New feature(s): selection of fiscal year reporting period, annual updates of select data points only, improved “Loan Source and Disbursements” data entry, and the syncing of impact data based on Multi-CDE data.
- Reporting the dissolution of sub-CDEs
- Submission of audited financial statements (across all programs)

QEI Closeout Report



- Submission of the QEI Closeout Report
 - Based on QEI 7th Anniversary not status of QLICIs.
 - May need to use estimates if QLICI haven't exited.
 - Formal waiver for any outstanding pre-FY2017 reports to be formalized.
 - CDEs would be required to submit any outstanding FY2017 QEI Closeout Reports via AMIS when notified.

Reporting Pitfalls....QEIs & Disbursements



QEI Edit
QEI00013004

QEI Edit Save Save & New Cancel

QEI detail

QEI Name	QEI00013004	AMIS QEI Identifier	18QEI00013004
Associated Allocation	NMTCAward-001197	ATS QEI Identifier	
Sub-CDE		Finalize	<input checked="" type="checkbox"/>
Date QEI was Logged	6/13/2019 [8/12/2019]	Finalize Date	6/13/2019
Date of Original QEI	6/13/2019 [8/12/2019]	Amount	500,000.00
Is this a NRE-QEI?	<input type="checkbox"/>	Total Debt	250,000.00
Funds Retained		Total Equity	250,000.00

Affiliate or Subsidiary

Consolidated Tax Return

Organization EIN

Organization Name

Disbursement Report

FCOS	\$0.00	Loan Source Amount Total	\$0.00
Loan Purchases	\$0.00	Term (in months)	<input type="text"/>
Operations	0.00		
Loan Loss Reserves	<input type="text"/>		
Reserve for Additional Investments	0.00		
Deposits in CDFI's	0.00		

Save Save & New Cancel

Loan Source and Disbursements

New Loan Source and Disbursements

No records to display

Improved “Loan Source and Disbursements” Input



Loan Source and Disbursements Edit

Save Save and New Cancel



Error: Disbursement Amount: Sum of Disbursement Amounts from each Unique Disbursement ID cannot exceed the TLR Loan amount

Information

Disbursement ID

TLR Note

Disbursement Amount

Revolving Loan

Error: Sum of Disbursement Amounts from each Unique Disbursement ID cannot exceed the TLR Loan amount

Disbursement Date [8/12/2019]

Last Certified Date

Source Information

QEI

QEI Amount

Source Amount

Cumulative Total Source Amounts for QEI

Save Save and New Cancel

Submission of Audited Financial Statements



Financial Statement Audits [New Financial Statement Audit](#)

No records to display

A-133 Audit Reports [New A-133 Audit Report](#)

No records to display

Home **Organizations** Allocations Contacts Service Requests App Launcher Awards Reporting Schedule Multi-CDE Projects TLR Projects TLR

Financial Statement Audit Edit [New Financial Statement Audit](#)

Financial Statement Audit Edit [Save](#) [Save & New](#) [Cancel](#)

Information

Organization Name

Fiscal Year

CCME Review Summary

Report Receipt

Financial and Audit Report Information

Upload Financial Statement (FS) Audit?

FS Audit Report Type of Finding

Does the FS Audit include A-133 Audit?

Will you submit an A-133 Audit this FYE?

Anticipate having Material Weaknesses

Material Weaknesses resolved by FYE

IF FS Audit not submitted, why not

Describe why FS Audit not completed

Date to be completed and submitted

If "Other" please describe

Upload Auditor Correction Confirmation

[Save](#) [Save & New](#) [Cancel](#)

CDE Certification



The CDFI Fund implemented a new CDE certification application in AMIS in October 2018.

- Updated application materials provides step-by-step instructions: <https://www.cdfifund.gov/programs-training/certification/cde/Pages/apply-step.aspx#step1>
- All information is submitted electronically.
- Service Area Modifications request are now submitted via AMIS.

CDE Certification...Tips



- Users should verify the composition of the listed Advisory and/or Governing Board members when submitting applications.
- Users should confirm the accuracy of the listed Service Area when submitting applications.
- For newly certified CDEs - certification notification letters are accessible in AMIS
- Expect up to a 90 day review process - there is not an “expedited” process.

Impact of CDFI Certification of CDE Certification



A CDE's designation will last for the life of the organization, provided the CDE continues to comply with the NMTC Program requirements.

- An entity that is a certified CDFI will be deemed to automatically meet the requirements for CDE certification. Once certified, the CDE's certification is no longer dependent on its CDFI certification, but rather is dependent on continuously meeting the qualifications for certification as a CDE.

If a CDFI is decertified for failure to demonstrate that it meets the criteria of legal entity, primary mission, and/or accountability, and upon the determination by CDFI Fund staff that the failure affects the entity's ability to meet corresponding criteria required for its CDE certification:

- the CDFI Fund will notify the CDE of that determination and
- provide a period of 60 days to submit a new application for CDE certification.

Compliance Initiatives...



- Renewal of Paperwork Reduction Act notice for the CDE Certification Application and the Allocation & QEI Data collection.
- Cross training of Compliance Team
 - Increase staff dedicated to NMTC compliance.
 - Establishing compliance “Portfolio Manager” by organization
- Cleanup of historical TLR Data
- Set the stage for Desk Reviews and Site Visits
 - Develop risk rating methodology and criteria for selecting candidates.
- Improve transparency