



OFN Membership Application

IMPORTANT:

Use this paper copy to prepare your responses before you go online to complete the survey. You *must* complete the survey online at www.opportunityfinance.net/membershipapplication. Paper submissions will not be accepted.

Opportunity Finance Network (OFN) is the leading Membership network of community development financial institutions (CDFIs). OFN welcomes all CDFIs that are committed to performance to apply for Membership. Our standards for Membership are different and generally higher than the CDFI Fund's requirements for CDFI certification. Not all OFN Members are CDFI Fund-certified and not all CDFI Fund-certified CDFIs qualify to be OFN Members.

OFN Membership is open to CDFIs that meet OFN's Membership Principles and Eligibility Requirements, and that strive to meet OFN's Performance Expectations.

Instructions

Before completing the OFN Membership Application, please review OFN's Membership Principles, Eligibility Requirements, and Performance Expectations at www.opportunityfinance.net/membership. Then complete the online application by filling in the requested data and uploading the requested documents. *The Membership application must be completed online. OFN will not accept hard copies of the application.*

Please contact our Membership Department at membership@opportunityfinance.net if you have any questions about OFN Membership or the Membership application.

During our review of the application, OFN may contact you for additional information. OFN will make every effort to notify you of its decision within one month of receipt of your application. We may exceed the one-month target if your application is particularly complex or if it arrives during a period of heavy workload such as the weeks leading up to the OFN Annual Conference.

If your CDFI is accepted as a Member, OFN will send you an Annual Member Survey to complete. Once you complete the Annual Member Survey, OFN will confirm your Membership and send you an OFN Membership packet and annual dues invoice. **Please do not send a check with your application.** Your dues will be pro-rated according to the month that you are approved for Membership. Annual dues may be paid in a single payment, bi-annual installments, or quarterly installments.

The annual dues structure for 2011 is as follows:

CDFI Asset Size	Annual Dues
Less than \$2 million	\$250
\$2 million to less than \$5 million	\$500
\$5 million to less than \$15 million	\$1,000
\$15 million or more	\$1,500



OFN's dues structure is changing on January 1, 2012. CDFIs that submit a complete application before January 1, 2012 will receive a one-year grace period before the new dues go into effect. For CDFIs that submit a complete application on or after January 1, 2012, the new dues structure will take effect immediately. The new dues structure is:

CDFI Asset Size	Annual Dues
Less than \$2 million	\$250
\$2 million to less than \$5 million	\$750
\$5 million to less than \$10 million	\$1,000
\$10 million to less than \$20 million	\$1,500
\$20 million to less than \$50 million	\$2,000
\$50 million to less than \$100 million	\$2,500
\$100 million or more	\$3,000

OFN reserves the right to deny Membership to applicants that, at OFN's sole discretion, do not demonstrate a commitment to performance.



OFN Membership Application

I. Background Information

Contact Information

Organization Name:

Website:

EIN:

NCUA Charter or FDIC Certificate Number (if applicable):

Address 1:

Address 2:

City:

State:

Zip:

Phone:

Contact Name:

Title :

E-mail Address:

Fax:

Year Organization Was Incorporated:

Year Organization Began Financing:

Type of CDFI (check all that apply)

- Loan Fund
- Bank
- Credit Union
- Equity Fund
- CDFI Intermediary (provides financing to other CDFIs)
- Not a CDFI (Membership is open to CDFIs only. If your organization is not a CDFI, please consider becoming an OFN Ally. Visit www.opportunityfinance.net/allies)

Types of Financing Provided (check all that apply)

- Business (fixed asset and working capital)
- Commercial Real Estate
- Community Services/Facilities
- Consumer
- Housing to Individuals (homeownership and home improvement)
- Housing to Organizations (pre-development, acquisition, construction, renovation, working capital, mortgages)
- Intermediary (provide financing to other CDFIs)
- Microenterprise
- Other (please specify):

Primary Type of Financing Provided (check one)

- Business (fixed asset and working capital)
- Commercial Real Estate
- Community Services/Facilities
- Consumer
- Housing to Individuals (homeownership and home improvement)
- Housing to Organizations (pre-development, acquisition, construction, renovation, working capital, mortgages)
- Intermediary (provide financing to other CDFIs)
- Microenterprise
- Other (please specify):

Organization's Previous and Current Relationships with OFN (select all that apply)

- Staff have attended the OFN Annual Conference
- Staff have attended an OFN Regional Meeting
- Staff have supported OFN Policy Efforts
- CARS™ Rated
- Received OFN Consulting/Training
- Former OFN Member
- Former OFN Ally
- Other (please specify):

What is the primary reason your CDFI wants to become an OFN Member?

Response:

Please provide a brief (50 words) narrative summary of your organization.

Response:

II. Eligibility Requirements

Check the box for each true statement. If you cannot check all boxes, your CDFI is not eligible to be an OFN Member. If you believe there are extenuating circumstances and that OFN should consider your CDFI for Membership in spite of not meeting all of the Eligibility Requirements, please contact OFN's Membership Department at membership@opportunityfinance.net.

My CDFI:

- Has a primary mission of community development and strives to have a positive impact on low income, low-wealth, and other disadvantaged people and communities. If my CDFI is part of or controlled by another corporation(s), that corporation also has a primary mission of community development.
- Serves primarily low-income, low-wealth, or other disadvantaged people or communities.
- Has an active lending and/or investing history of two or more years. *If your organization has been lending for two years or more and has fewer than five loans or investments outstanding please contact the OFN Membership Department at membership@opportunityfinance.net prior to submitting an application.*
- Is a non-governmental entity.
- Is primarily a financing institution that provides affordable, responsible financial products and may also provide financial services.
- Pro-actively manages the risks in its portfolio and has appropriate loan and risk management policies and procedures in place to manage effectively the risks of its financing activities.
- Has positive net assets (equity) and, for nonprofit loan funds, positive unrestricted net assets.
- Has completed at least one annual financial audit. (For credit unions without audited financials, the NCUA 5300 report is acceptable.)
- Affirms its support for OFN's mission of leading CDFIs and their partners to ensure that low-income, low-wealth, and other disadvantaged people and communities have access to affordable, responsible financial products and services.
- Commits to participating in OFN's required Member data collection initiatives and making a good faith effort to actively participate in OFN peer learning activities.

III. Performance Data

Once OFN confirms that an applicant meets all of the Eligibility Criteria, we consider the extent to which the applicant meets the Performance Expectations.

A CDFI is not required to meet all of the Performance Expectations to be approved for Membership. CDFIs that are working toward meeting the expectations, that have business models that preclude them from meeting the expectations, or that have extenuating circumstances that cause them to fall short of the expectations *may* be approved for Membership. OFN also takes into consideration external factors affecting the CDFI industry as a whole, such as the performance of the economy and the financial markets, when assessing a CDFI against the Performance Expectations.

Please complete the following table for your three most recently completed fiscal years (or two years if you have not been in operation for three years). **Enter responses from earliest to most recent audit period.** Use audited figures if available. Refer to the definitions at the end of this document.

Some indicators do not apply to all CDFI types (banks, credit unions, loan funds, equity funds). The table indicates which CDFI types must complete each indicator.

If your CDFI is CARS™ rated, you need only complete the table for the years since your last CARS™ full analysis or annual review.

	CDFI Type	FY__	FY__	FY__
Mission & Impact				
% Clients or End Beneficiaries that are Low-income, Low-wealth and Otherwise Disadvantaged	All			
% Clients Racial/Ethnic Minority	All			
% Staff Racial/Ethnic Minority	All			
% Board Racial/Ethnic Minority	All			
Finance-led Strategy				
Total Assets (\$)				
Assets Available for Financing Activities (\$)	Banks, Credit Unions, Loan Funds			
Assets Available for Financing (%)		Calculation	Calculation	Calculation
Loans Outstanding \$	All			
Equity Investments Outstanding \$	All			
Loans and Investments Outstanding \$		Calculation	Calculation	Calculation

Total Capital Available for Financing (\$)	Banks, Credit Unions Loan Funds			
Capital Under Management \$	Equity Funds			
Deployment Ratio (%)		Calculation	Calculation	Calculation
On-balance Sheet Financing Closed (\$)	All			
Off-balance Sheet Financing Closed (\$)	All			
Commitment to Performance				
Surplus (Deficit) from Operations (\$)	Banks, Credit Unions, Loan Funds			
Months of Operating Cash on Hand	Banks, Credit Unions, Loan Funds			
Net Assets/Equity (\$)	All			
Unrestricted Net Assets (\$)	Loan Funds			
Net Worth Ratio (%)	Credit Unions			
Tier-one Capital Ratio (%)	Banks			
Loan Loss Reserve \$	Banks, Credit Unions, Loan Funds			
Number of Equity Funds Managed	Equity Funds			
On-Balance Sheet Portfolio Performance				
Delinquency \$ (31-60 days)	Banks, Loan Funds			
Delinquency \$ (61-90 days)	Banks, Loan Funds			
Delinquency \$ (91 + days)	Banks, Loan Funds			
Delinquency \$ (2-6 months)	Credit Unions			
Delinquency \$ (6-12 months)	Credit Unions			
Delinquency \$ (12+ months)	Credit Unions			
Net Charge-offs \$	Banks, Credit Unions, Loan Funds			
Nonaccruals \$ (not included in delinquencies, if applicable).	Banks, Loan Funds			

Off-Balance Sheet Portfolio Performance

(Please only include **loans not on your balance sheet for which your CDFI tracks delinquencies**. This section includes all loans that are **not** consolidated on your CDFI's balance sheet but for which your CDFI retains recourse and tracks delinquencies (e.g., NMTC loans, loans sold).

Off-balance Sheet Financing Outstanding with Recourse (\$)	All			
Delinquency \$ (31-60 days)	Banks, Loan Funds			
Delinquency \$ (61-90 days)	Banks, Loan Funds			
Delinquency \$ (91 + days)	Banks, Loan Funds			
Delinquency \$ (2-6 months)	Credit Unions			
Delinquency \$ (6-12 months)	Credit Unions			
Delinquency \$ (12+ months)	Credit Unions			
Net Charge-offs \$	Banks, Credit Unions, Loan Funds			

My CDFI:

has not had a loss of borrowed funds. If your CDFI has had a loss of borrowed funds, please provide the year and amount, and briefly explain the circumstances:

IV. OFN's Performance Expectations

OFN's Performance Expectations are listed in the table below. For each Performance Expectation that your CDFI does not meet, please provide a brief explanation and include any actions you are taking to improve.

Performance Expectation	Bank	Credit Union	Loan Fund	Equity Fund
Mission & Impact				
Accountable to the community(ies) or population(s) it serves through some degree of Board control by community or target population members (either voting or representation), or through some other means.	✓	✓	✓	✓
More than 75% of clients or end beneficiaries are low-income, low-wealth, or otherwise disadvantaged.	✓	✓	✓	✓
Tracks impact on low-income, low-wealth, and other disadvantaged people and communities.	✓	✓	✓	✓
Board of Directors and staff reflect the diversity of the communities they serve.	✓	✓	✓	✓
Finance-led Strategy				
Percent of assets (net of property and including cash available for financing activities) available for financing activities (i.e., loans, equity investments, guarantees, loan purchases, and off-balance sheet activities with recourse or some form of contingent liability).	60% or more	60% or more	60% or more	NA
Deployment rate (3-year average of \$ loans and equity investments outstanding / \$ financing capital).	55% or more	55% or more	60% or more	55% or more of first fund
Commitment to Performance				
The CDFI has not had a loss of borrowed funds.	✓	✓	✓	✓
Has had net positive operating results (change in equity) in at least two of the past three years.	Net positive change in equity	Net positive change in equity	Net positive operating results	NA

Has not had an operating loss of more than 10% of unrestricted net assets (equity) in the last two years.	Not more than 10% loss of equity	Not more than 10% loss of equity	Not more than 10% loss of unrestricted net assets	NA
Has more than three months of operating cash on hand.	✓	✓	✓	NA
Has a net assets (tier one capital, net worth) ratio commensurate with its risk profile.	4% or more (tier one capital)	6% or more (net worth)	15% or more (net assets)	NA
Has portfolio at risk (3-year average 90 + day delinquency rate) commensurate with its risk profile.	Non-current loan rate: less than 8%	12 months + delinquency rate: less than 8%	Primarily business: less than 10% All others: less than 8%	NA
Has net charge-offs (3-year average) commensurate with its risk profile.	Less than 3%	Less than 3%	Primarily business: less than 7% Primarily micro-enterprise: less than 11% All others: less than 3%	NA

For each Performance Expectation that your CDFI does not meet, please provide a brief explanation and include any actions you are taking to improve.

V. Document Submission

Please submit the following documents. If your CDFI is CARS™ rated, you need *only* submit documents if they have been updated since your last CARS™ analysis or annual review.

- Mission Statement
- Parent's Mission Statement, if applicable. If your CDFI is part of, or controlled by a larger organization, provide the mission statement of the parent organization.
- For-profit Statement. If your CDFI is for-profit, provide a statement explaining how you balance commitment to community with commitment to shareholders.
- Articles of Incorporation
- Bylaws
- Organizational Chart
- Board List with Affiliations
- A brief statement (one paragraph) explaining how your CDFI is accountable to the community(ies) or population(s) it serves. This may be through some degree of Board control by community or target population Members (either voting or representation), or through some other means.
- Staff List with Titles, Emails, and Phone Numbers
- Sample Impact Tracking Report or a List of Impact Indicators You Collect
- Loan Policies (including risk management policies)
- Financial Statements. Please submit your most recent three years' audited financial statements and most recent interim financial statements. If your CDFI has fewer than three years of financial statements, submit all available audits (minimum of one). If your CDFI is a credit union and does not have audited financial statements, you may provide your NCUA Statements of Financial Condition (5300 reports).
- Most Recent Audit Management Letter
- Most Recent Quarterly Investor Report (Equity Funds only)

I hereby affirm the statements that I have made in this application and will notify OFN of any material changes that would affect these statements and this application for Membership within two business days of occurrence.

Definitions

Assets Available for Financing Activities – Financing outstanding in loans, investments, guarantees as well as cash available for lending and investing.

Capital Under Management – Equity Funds Only. The amount of capital available to an equity fund management team for equity investments. Includes off-balance sheet amounts.

Deployment Ratio – Loans & equity investments outstanding divided by total capital available for lending and investing.

Low-Income –Has an annual income, adjusted for family size, of not more than: (1) for metropolitan areas, 80% of the area median family income; and (2) for non-metropolitan areas, the greater of (i) 80% of the area median family income, or (ii) 80% of the statewide non-metropolitan area median family income.

Low-Wealth –Households that are asset poor and lack the financial resources to help them through income disruptions or financial emergencies. Whereas even high income level households can fall into the definition of low wealth, those households most apt to have low wealth include low-income households, minorities, young adults, single parent households, and those with disabilities. (Source: National Credit Union Foundation)

Net Asset/Equity Ratio – Net assets (equity for for-profits) divided by total assets.

Net Worth Ratio – Credit unions only. Retained earnings divided by total assets.

Tier 1 Capital Ratio – Banks only. Tier 1 capital divided by total assets.

Other Disadvantaged People and Communities – An identifiable group of individuals that lack adequate access to affordable, responsible financial products and services, and that have historically been denied credit. (Source: CDFI Fund Other Targeted Populations).

Financial Products and Services –Includes financing, savings products and asset-building resources, transaction services, and reliable information and advice about financial decisions.

Surplus (Deficit) from Operations – A total of operating revenues minus operating expenses. This is usually the change in unrestricted net assets with unrealized gains and losses removed from the calculation (for nonprofits).

Transaction Services – Transaction services are those which enable people to manage ongoing cash flow needs, access funds, and transfer funds to/from friends, family members, businesses, retailers, etc. Financial products and services that enable such transactions include checking accounts, prepaid card accounts, debit cards, personal checks, check cashing, direct deposit, bill pay, money orders, money transfers, remittances, ACH payments, wire transfers, overdraft coverage, and automatic funds transfers. (Source: Center for Financial Services Innovation).