



Billing Code 4810-70-P

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

ACTION: Notice and request for information.

SUMMARY: The Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury, requests comments from the public regarding a proposed CDFI Prize Competition to be administered by the CDFI Fund in Fiscal Year (FY) 2016. The proposed FY 2016 CDFI Prize Competition will reward selected applicants with monetary prizes for proposing innovative ideas and approaches to increasing CDFI investment and access to capital in underserved rural areas. The CDFI Fund expects that, through the proposed competition, it will award no less than \$1,000,000 of FY 2016 appropriated funds, through the prize competition authority granted by the America COMPETES Reauthorization Act of 2010 (15 U.S.C. 3719) (the Act). The CDFI Fund expects to publish detailed information regarding the FY 2016 CDFI Prize Competition, including information on how to apply to be considered for prizes to be awarded through the competition, through www.challenge.gov, on or about June 1, 2016. Capitalized terms found in this notice are defined in the regulations that govern the CDFI Program, at 12 CFR 1805.104.

DATES: Written comments must be received by 11:59 pm May 25, 2016 to be assured of consideration.

ADDRESSES: Submit your comments via email to William Girardo, Portfolio Manager, CDFI Fund, at CDFIchallenge@cdfi.treas.gov.

FOR FURTHER INFORMATION CONTACT: William Girardo, Portfolio Manager, CDFI Fund, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, (202) 653-0383 (not a toll-free

number). Other information regarding the CDFI Fund and its programs may be obtained through the CDFI Fund's website at <http://www.cdfifund.gov>.

SUPPLEMENTARY INFORMATION:

Section 3719(d) of the Act states that Federal agencies must “consult widely both within and outside the Federal Government” when selecting topics for prize competitions. The topic of the proposed FY 2016 CDFI Prize Competition is to stimulate innovation that will build capacity to expand CDFI investments in underserved rural areas, particularly those that are characterized by persistent poverty. As required by the Act, the proposed FY 2016 CDFI Prize Competition will award innovative proposals that (i) identify and promote new ideas and practices, thereby facilitating their implementation by CDFIs that serve rural Target Markets, and/or (ii) create value during and after the competition by encouraging contestants -- and CDFIs that serve rural Target Markets -- to change their behavior or develop new skills that may have beneficial effects during and after the competition. Please note that the purpose of the proposed prize competition is to stimulate and reward innovative ideas: since the proposed prize competition is not a grant or contract program, the prize funds are to reward ideas and proposals, and not for their implementation or the costs of their implementation.

In addition to seeking feedback on this proposed prize competition topic, the CDFI Fund seeks feedback from the public through this Request for Information (RFI) regarding a variety of questions on the proposed FY 2016 CDFI Prize Competition, including proposed eligibility and submission requirements, and evaluation criteria.

I. Request for Information

The CDFI Fund is seeking public comment through this RFI regarding certain aspects of the proposed FY 2016 CDFI Prize Competition, including the proposed topic. In

particular, we are interested in responses to the questions listed in the Section V, Key Questions. We also seek any additional information beyond these questions that members of the public believe would assist in the implementation of the proposed FY 2016 CDFI Prize Competition.

The CDFI Fund has scheduled a conference call for May 19, 2016, at 12:00 pm EDT, to provide an additional opportunity for public input on the proposed FY 2016 CDFI Prize Competition. Please see the CDFI Fund's website for additional information on how to register to participate in the call.

Please note that the CDFI Fund is not accepting applications for the proposed FY 2016 CDFI Prize Competition at this time. This RFI only seeks public responses to the questions posed herein. The CDFI Fund will publish detailed information regarding the FY 2016 CDFI Prize Competition, including information on how to apply to be considered for prizes to be awarded through the competition, through www.challenge.gov on or about June 1, 2016.

II. Proposed FY 2016 Prize Competition: Overview

As stated above, the CDFI Fund proposes that the topic of the proposed FY 2016 Prize Competition is to stimulate innovation that will build capacity to expand CDFI investments in underserved rural areas, particularly those that are characterized by persistent poverty. For purposes of this RFI, an area that is characterized by "persistent poverty" is defined as any county that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000, and 2010 decennial censuses. Rural areas, especially those that are persistently poor, often lack access to capital and financial services that are the lifeblood of a vibrant

economy. For purposes of this RFI, a “rural area” is defined as a county or counties that are considered non-Metropolitan Areas under the CDFI Program’s regulations (12 CFR 1805.104(ff)).

Through the proposed FY 2016 CDFI Prize Competition, the CDFI Fund expects to select approximately four winners that will each receive a total of approximately \$250,000. See Section III for proposed timeline and disbursement information.

III. Proposed Eligibility, Application Requirements, and Timeline

Proposed Eligibility: An applicant for the proposed FY 2016 CDFI Prize Competition will be: (i) a certified CDFI (as defined in 12 CFR 1805.104(h) and 1805.200) that serves a Target Market that comprises a rural area; (ii) a collaboration of certified CDFIs that serve Target Markets that comprise rural areas; (iii) an institution that has partnered with a certified CDFI that serves a Target Market that comprises a rural area; or (iv) a collaboration of certified CDFIs that serve Target Market(s) that comprise rural areas. The CDFI Fund expects that preference will be given to applicants that serve Target Markets that comprise rural areas that are characterized by persistent poverty.

Proposed Application Requirements: To be considered for an award through the proposed FY 2016 CDFI Prize Competition, the CDFI Fund expects that it will require applicants to submit an application of not more than 10 pages that describes:

- A. The Target Market(s) addressed through the proposal;
- B. A description of the problem(s) creating barriers to accessing capital in Target Market(s) that comprise rural areas (and, if applicable, that are characterized by persistent poverty);

C. A narrative description that includes:

1. An innovative idea or strategy for solving the problem(s) described above;
2. If the idea or strategy has not yet been implemented, expected (within one year) short-term outcomes and expected long-term outcomes (within five years);
3. If the idea or strategy has been implemented, achieved outcomes, if applicable;

D. An explanation of any partnerships (and partnership documentation) that have been or will be created to increase capacity and expand investments in the Target Market(s), including the roles of each partner;

Proposed Timeline (dates are approximate and should not be relied upon):

Publication of notice announcing the opening of the FY 2016 CDFI Prize

Competition: June 1, 2016

Application deadline: July 1, 2016

Selection of prize winners: September 2016

Award disbursement: no later than September 30, 2016

Milestone payment (if applicable): no later than June 30, 2017

Proposed Disbursements and Reports: As currently proposed, an award payment of at least 50 percent of the total prize will be disbursed to each winner by September 30, 2016. For ideas or strategies that have already been implemented, the award payment will be for 100 percent of the total prize. For ideas or strategies that have not yet been implemented, a first milestone payment of the remaining prize amount would be disbursed no later than June 20, 2017, upon submittal of a report evaluating

the outcomes through the prize winner's efforts to implement the proposed idea or strategy.

Capacity-building Purposes: For the purposes of furthering its CDFI capacity-building initiative and disseminating best practices across the country, the CDFI Fund, in its sole discretion will release to the public applications, supporting documentation, reports, and any related information that describes the proposals and successful strategies that applicants and award winners have taken and will take to expand CDFI investments in underserved rural areas. Notwithstanding the CDFI Fund's intention to publicly disseminate the proposals and the winning applications, please note that intellectual property submitted to the proposed prize competition will remain with the applicants and the award winners.

IV. Proposed Judges; Proposed Evaluation Criteria

The CDFI Fund expects that the judges for the proposed FY 2016 CDFI Prize Competition will include staff of the CDFI Fund, the Department of the Treasury, and other Federal government agencies, as well as certain members of the public who are qualified and experienced in community and economic development in rural areas.

The experience of proposed judges will be reviewed to determine whether there are any conflicts of interest with applicants.

The CDFI Fund is considering whether application evaluation criteria will include, but not be limited to, the following:

- A. The depth of need for investment capital and the lack of access to such capital within the Target Market;

- B. The potential to leverage private, public, and philanthropic capital, including matching funds, if any, for the prize purse;
 - C. Alignment of the proposed capacity building plan with the expertise of the applicant;
 - D. If applicable, the complementarity of the proposed partnership(s) and the potential it holds for building scale and/or deepening the capacity of CDFIs;
 - E. The degree of innovation applied to resolving the problem; and
 - F. The proposed design of the evaluation and the likelihood that it has yielded or will yield meaningful insights into the effectiveness of the solution.
- V. Questions for Public Comment: Through this RFI, the CDFI Fund invites comments and responses to the following questions regarding the above-described proposed FY 2016 CDFI Prize Competition:
- A. Is the proposed topic of the proposed FY 2016 CDFI Prize Competition appropriate and clearly stated?
 - B. Has the CDFI Fund adequately described the goals, structure and submission requirements for the proposed FY 2016 CDFI Prize Competition?
 - C. Do you feel that the proposed FY 2016 CDFI Prize Competition will encourage innovative approaches, which might not surface otherwise, to build the capacity of CDFIs to invest in underserved rural areas, including those that are characterized by persistent poverty?
 - D. As proposed, would the prize(s) enable new partnerships to increase access to capital in underserved rural areas?

- E. Are the proposed prize amounts (approximately \$250,000 per award) appropriate?
Are there other incentives, in addition to the proposed monetary prize, such as convening the winners to share best practices that might be valuable to include as part of the proposed prize competition?
- F. Are the proposed application requirements sufficient in detail for the scope of the proposed prize?
- G. Are the proposed proposal evaluation criteria appropriate and sufficient in detail for this prize?
- H. Do you feel that the proposed timeline and milestones are appropriate?
- I. Do you have any further suggestions on how to improve the topic, eligibility and submission requirements, and evaluation criteria for the proposed FY 2016 CDFI Prize Competition?
- J. Please indicate if your organization has interest in competing in the proposed FY 2016 CDFI Prize Competition, if it is convened. If not, why not?

AUTHORITY: 12 USC 4701 et seq.; 15 USC 3719; 12 CFR 1805

Mary Ann Donovan,

Director, Community Development Financial Institutions Fund

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