



Mr. Greg Bischak  
Financial Strategies and Research  
Program Manager  
Community Development Financial Institutions Fund  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Re: Comments on CIIS Annual Reports

June 23, 2017

Dear Mr. Bischak,

FUND Consulting is a women-owned consulting firm that has worked with over 300 CDFIs since its founding in 2000. Since its inception, FUND Consulting's team has assisted over 200 CDFIs with CDFI Compliance reporting. With insight from this direct work, FUND Consulting respectfully submits the following comments on the CDFI Program Annual Report and CIIS System.

FUND Consulting appreciates the CIIS System's Excel upload function, which greatly reduces the time burden associated with populating the Transaction Level Report (TLR). Some CDFIs have loan portfolios with thousands of transactions, making this function essential in allowing CDFIs to report on each of their transactions in a time-efficient manner. The planned integration of CDFI Annual Reports into AMIS is also a welcome change, as reducing the number of electronic systems that organizations must access for CDFI Compliance reporting could reduce potential confusion and reporting burden. In regards to this integration, FUND Consulting recommends the CDFI Fund consider the following:

- Consolidating technical support for the CDFI Annual Reports under AMIS's Service Request function would serve to minimize confusion and facilitate CDFIs reporting potential issues. FUND Consulting recommends that a uniform procedure is established for answering AMIS Service Requests, as Service Requests sometimes go unanswered or are answered inconsistently, leading to confusion among awardees.
- Should the CDFI Annual Reports housed under AMIS include the TLR, FUND Consulting recommends that the Excel upload function also be incorporated into AMIS, so that organizations will not need to manually populate these data points, which would greatly increase the time burden of completing the CDFI Annual Reports.
- Should the CDFI Annual Reports housed under AMIS include the Institution Level Report (ILR), it is recommended the Financial Data entered under the Organizational Profile in



AMIS automatically populate pertinent information in the ILR, which would reduce the time burden of completing the CDFI Annual Reports.

Additionally, when making updates to the CDFI Annual Reports, FUND Consulting recommends that changes be announced and implemented well ahead of Compliance report submission deadlines. At times, system updates have only been announced a few weeks ahead of a compliance deadline. For CDFIs with limited resources, this increases awardee burden and can also cause confusion that may lead to inconsistencies in the data submitted. Additionally, many CDFIs have specialized software in place to assist in the preparation of the TLR, and allowing sufficient lead time for these software systems to be updated in order to adhere to new guidelines will help to minimize the time and cost burdens for CDFIs in submitting Annual Reports.

FUND Consulting has several additional recommendations for ways to enhance the quality, utility, and clarity of the information to be collected, minimize the burden of collecting information, and ensure that information collected has practical utility:

- For measures of impact such as “jobs created” and “square footage of real estate developed,” consider prescribing specific methodologies for “rules of thumb” used in the absence of specific data, so that when these figures are estimated they are standardized from organization to organization.
- Align terms and definitions across the CDFI Fund’s program applications and Annual Reports to ensure consistency in data collected and reduce awardee confusion. As an example, the FY2015 CIIS Glossary defines “Microenterprise” as “Financing to for-profit or non-profit enterprise that has five or fewer employees (including the proprietor) and in an amount no more than \$50,000 for the purpose of expansion, working capital, equipment purchase or rental, or commercial real estate development or improvement.” Meanwhile, the CDFI Fund Glossary Version 1.0 does not define “Microenterprise” but instead defines “Microfinance Loan” as “A Loan having a total obligation that is less than \$50,000 towards a business purpose.”
- Consider using the CIMS3 mapping system to geocode address data contained in the TLR and automating comparison against the CDFI’s Investment Area so that organizations are not required to spend added time geocoding their loan portfolio to make this determination.
- Give awardees an overview of the data collected during CDFI Annual Reports, and in particular the TLR, at the time the Assistance Agreement is signed, so that awardees are aware of the time burden associated with reporting on their awards and can prepare their internal systems in advance of reporting deadlines.
- Consider reevaluating the practical utility of collecting some data points such as “Principal Balance Outstanding,” “Amortization Type,” “Points,” and “Number of Times Refinanced,”



which may have limited usefulness in evaluating awardee impact and performance. Doing so would reduce awardee burden of collecting information.

- Currently, the CDFI Fund collects general OTP information on the end-user in the TLR, however the utility of such information is unclear as information on which specific OTP the end-user represents is not required. Consider updating the information required to ensure the effectiveness and utility of the data the CDFI Fund is collecting.
- Consider consolidating the number of data points related to job creation. Currently, the TLR requires input for number of jobs at the time of the transaction and as of reporting period end as well as projected and actual business and construction jobs created. These could be consolidated to a single data point: number of jobs created, which is the data point most often and consistently used to measure business impact.
- Consider allowing awardees to report on their loan portfolio by loan category, rather than requiring data for each specific transaction, similar to how regulated institutions report on their consumer lending portfolio in the ILR. The utility of reporting on each transaction is not currently clear and significantly increases awardees' time burden. Further, the distinction of regulated institutions reporting on each non-consumer transaction and unregulated entities reporting on all transactions in their portfolio for the TLR is unclear and greatly increases the time burden of Compliance reporting for awardees with a high volume of transactions to report.
- The ILR currently requires some information in the format of tables, which require information to be uploaded row by row. Examples include the Investment Capital Table and the Contributed Operating Revenue Table. When updating the system, consider allowing an Excel upload option for these fields.
- For development services reporting required within the ILR, the instructions currently indicate that Total Clients Served should only count each client once, even if they participated in more than one class or one-on-one session. Many CDFIs track financial education classes attendance on a class by class basis and an individual may attend classes on multiple topics. It can be burdensome for CDFIs to cross reference attendee lists across class types and counting individuals only once likely undercounts the development assistance provided to individuals that participate in multiple classes or access different technical assistance types.

Thank you for the opportunity to provide comments on the CDFI Program Annual Report and CIIS System. Please feel free to contact us at 773-281-8845 should you wish to further discuss any of the above comments.

Sincerely,



A handwritten signature in black ink, appearing to read "Manjima Bose", with a long, sweeping horizontal stroke at the end.

Manjima Bose  
Partner

A handwritten signature in black ink, appearing to read "Jennifer Weitzel", with a stylized, cursive-like script.

Jennifer Weitzel  
Managing Consultant

and the FUND Consulting Team