

**Agreement for Minority Financial Institutions
Participation in the Bank Deposit Financial Assistance Program**

The Department of Energy's (DOE) Bank Deposit Financial Assistance Program (BDFAP) was developed for the purpose of strengthening and expanding the Nation's minority and women-owned small business enterprises. In keeping with the intent of the program and to lend support to minority and women-owned small business enterprises, the Department purchases Certificates of Deposits (CDs) from those minority financial institutions which desire to participate in the program. The institutions in turn use the principal obtained from purchase of the CDs by DOE to provide development loans to minority and women-owned small business enterprises. We believe the opportunity for full participation in our Nation's free market enterprises system by minority and women-owned small business enterprises is essential for a strong national economy.

As a condition of participation in the BDFAP, the Minority Financial Institution (MFI) fully agrees to comply with the intent of the program, the instructions provided by the Administrative Financial Institutions (AFIs), which serve as "trustees" for the Depositor, and the terms set forth below. In this agreement the term "Depositor" refers to the U.S. Department of Energy and the term "Regulatory Agency" refers to the Federal Deposit Insurance Corporation (FDIC) or to their legally constituted successor insurance administrators.

The MFI herein agrees to the following:

- (1) Upon acceptance of funds, the MFI will have the capability to allow the Depositor to electronically debit an account of the MFI through the Federal Reserve Bank's Automated Clearinghouse (ACH) system. The ACH System will be used by the Depositor to collect the interest on the MFI's CDs, as specified in item 2 below.
- (2) The MFI will pay interest on initial or rollover deposits received from the AFI at the 6 month Treasury bill rate prevailing at the time of the corresponding initial or rollover deposit until the date the funds are collected by the Depositor through the ACH system. The interest will be computed on the day of maturity of the investment, based on 30 days in a month, 360 days in a year (i.e. $\text{Face} \times \text{Rate} \times 180/360 \text{ days}$).

- (3) The MFI will be responsible for ensuring the Depositor has accurate account information available to collect the interest earned on CDs through the ACH system. Failure of the MFI to fulfill this requirement may result in a delay in collection of the interest by the Depositor. This condition will result in an interest assessment to the MFI at the rate stated in item 2, on the amount of interest that should have been received by the Depositor through the ACH system from the designated date of maturity to the actual date of payment to the Depositor.
- (4) The MFI will acknowledge receipt of deposit in writing to the AFI no later than two (2) business days following date of receipt by providing a safekeeping receipt to the AFI. The safekeeping receipt must include: CD title, CD amount, interest rate, issue date, maturity date, and the interest due at maturity.
- (5) The provisions of this Agreement shall continue in effect until termination of the MFI's participation in the BDFAP. In the case of voluntary withdrawal by the MFI, the MFI shall notify the AFI and the Depositor of its intended withdrawal at least one (1) week prior to the maturity of the deposits. Interest on deposit will continue to accrue until the next semiannual maturity date, at which time the deposit shall be remitted to the AFI by electronic funds transfer and interest will be collected through the ACH System. In the event of involuntary withdrawal (i.e., withdrawal action initiated by the AFI or Depositor due to extenuating circumstances such as, but not limited to, loss of or withdrawal from, Regulatory Agency insurance coverage, the insolvency or receivership of an MFI or requirements of the Depositor), the principal and interest accrued to the date of transfer shall be remitted, pursuant to instructions, including a transfer date, issued by the AFI. Failure of an MFI to immediately remit the principal and accrued interest to the AFI in accordance with AFI's instructions will result in an interest assessment from the instructed date of transfer of the deposit to the actual date of receipt by the AFI.
- (6) The MFI shall notify the AFI and the Depositor upon loss of eligibility for participation in the BDFAP within one (1) week of official notification from Regulatory Agency.

- (7) The MFI will not accept any funds in excess of applicable Regulatory Agency Insurance coverage and agrees to be liable to the Depositor for any losses that may result from the acceptance of funds in excess of such insurance coverage.
- (8) The MFI shall maintain records that, at a minimum, contain copies of this Agreement, CDs and specific amounts on deposit, interest rate being earned, term to maturity, withdrawals and interest earned, and dates these transactions occurred. The MFI shall furnish the AFI or Depositor with such information on each account which the AFI or Depositor may from time to time require. The Depositor and the AFI shall, for the purpose of securing such information, have access to and the right to examine relevant books, documents, papers, or records of the MFI from the date the MFI commences participation in the BDFAP to a period of six (6) years from the date the MFI ceases to participate in the BDFAP.
- (9) The MFI shall follow written instructions issued by the Depositor or the AFI concerning procedural matters not covered by this Agreement.
- (10) In the case of funds withdrawn by the Depositor prior to maturity due to extenuating circumstances, such as the loss of or withdrawal by an AFI from the BDFAP for reasons as described in term 5 above, no penalty will be assessed by the MFI.
- (11) MFIs are required to provide, at a minimum of one (1) loan, every year to a minority small business, educational institution or organizations with a focus on energy-related projects or activities. Failure to do so may result in the forfeiture or ineligibility of new CDs.
- (12) The MFI shall provide the Department of Energy, an annual report by December 31 of current fiscal year to include: (1) number of loans and each loan amount, (2) description of type of activity/project funds will be used for, and (3) organization identity (educational institution, small business or energy related project or activity).

- (13) MFIs shall submit an annual SF-3144, Certification Form for Admissions, to the Department of Treasury by October 31, of current fiscal year. MFIs must provide the Department of Energy a copy of the letter received from Treasury certifying the institution as minority-owned. Failure to provide a copy of the letter to DOE by December 1, of current fiscal year, may result in the removal of the MFI from the BDFAP.

This agreement has been executed on this _____ day of _____, _____.

MFI Name _____
(Please print)

Official's Name _____
(Please print Official authorized to execute contract on behalf of MFI)

Title _____
(Please print)

Signature _____
(Official authorized to execute contract on behalf of the MFI)

U.S. Department of Energy _____ Date _____
(Program Officer)