

geted populations, to demonstrate that the applicant—

- (A) has a record of success in serving investment areas or targeted populations; and
- (B) will expand its operations into a new investment area or to serve a new targeted population, offer more products or services, or increase the volume of its current business; and

(6) to include such other information as the Fund deems appropriate.

**(c) Preapplication outreach program**

The Fund shall provide an outreach program to identify and provide information to potential applicants and may provide technical assistance to potential applicants, but shall not assist in the preparation of any application.

(Pub. L. 103-325, title I, § 105, Sept. 23, 1994, 108 Stat. 2170.)

**§ 4705. Community partnerships**

**(a) Application**

An application for assistance may be filed jointly by a community development financial institution and a community partner to carry out a community partnership.

**(b) Application requirements**

The Fund shall require a community partnership application—

- (1) to meet the minimum requirements established for community development financial institutions under section 4704(b) of this title, except that the criteria specified in paragraphs (1) and (2)(A) of section 4704(b) of this title shall not apply to the community partner;
- (2) to describe how each coapplicant will participate in carrying out the community partnership and how the partnership will enhance activities serving the investment area or targeted population; and
- (3) to demonstrate that the community partnership activities are consistent with the strategic plan submitted by the community development financial institution coapplicant.

**(c) Selection criteria**

The Fund shall consider a community partnership application based on—

- (1) the community development financial institution coapplicant—
  - (A) meeting the minimum selection criteria described in section 4704 of this title; and
  - (B) satisfying the selection criteria of section 4706 of this title;
- (2) the extent to which the community partner coapplicant will participate in carrying out the partnership;
- (3) the extent to which the community partnership will enhance the likelihood of success of the community development financial institution coapplicant's strategic plan; and
- (4) the extent to which service to the investment area or targeted population will be better performed by a partnership as opposed to the individual community development financial institution coapplicant.

**(d) Limitation on distribution of assistance**

Assistance provided upon approval of an application under this section shall be distributed only to the community development financial institution coapplicant, and shall not be used to fund any activities carried out directly by the community partner or an affiliate or subsidiary thereof.

**(e) Other requirements and limitations**

All other requirements and limitations imposed by this subchapter on a community development financial institution assisted under this subchapter shall apply (in the manner that the Fund determines to be appropriate) to assistance provided to carry out community partnerships. The Fund may establish additional guidelines and restrictions on the use of Federal funds to carry out community partnerships.

(Pub. L. 103-325, title I, § 106, Sept. 23, 1994, 108 Stat. 2171.)

**§ 4706. Selection of institutions**

**(a) Selection criteria**

Except as provided in section 4712 of this title, the Fund shall, in its sole discretion, select community development financial institution applicants meeting the requirements of section 4704 of this title for assistance based on—

- (1) the likelihood of success of the applicant in meeting the goals of its comprehensive strategic plan;
- (2) the experience and background of the management team;
- (3) the extent of need for equity investments, loans, and development services within the investment areas or targeted populations;
- (4) the extent of economic distress within the investment areas or the extent of need within the targeted populations, as those factors are measured by objective criteria;
- (5) the extent to which the applicant will concentrate its activities on serving its investment areas or targeted populations;
- (6) the amount of firm commitments to meet or exceed the matching requirements and the likely success of the plan for raising the balance of the match;
- (7) the extent to which the matching funds are derived from private sources;
- (8) the extent to which the proposed activities will expand economic opportunities within the investment areas or the targeted populations;
- (9) whether the applicant is, or will become, an insured community development financial institution;
- (10) the extent of support from the investment areas or targeted populations;
- (11) the extent to which the applicant is, or will be, community-owned or community-governed;
- (12) the extent to which the applicant will increase its resources through coordination with other institutions or participation in a secondary market;
- (13) in the case of an applicant with a prior history of serving investment areas or targeted populations, the extent of success in serving them; and