

INVESTMENT CONNECTION

Community Development Investment & Lending Partnership

FEDERAL RESERVE BANK OF RICHMOND

Richmond | Baltimore | Charlotte

FAQs

Investment Connection leverages the Richmond Fed's convening power to provide community development organizations that support low- and moderate-income populations in Maryland, Washington, D.C., and parts of Virginia (Northern, Southside, Central and the Hampton Roads region) an opportunity to present Community Reinvestment Act (CRA) proposals to bankers, CDFIs, foundations and other funding entities for potential financial support.

A select number of proposals submitted to the Richmond Fed's online database now through May 1 will be highlighted for review by multiple potential funders.

This year, in light of the global COVID-19 pandemic, projects focused on immediate needs, such as emergency housing, food provision, digital access and workforce services, will be given particular consideration. If you are submitting a proposal related to COVID-19 response, please be sure to check the disaster recovery box in the application portal.

Q: How are organizations identified?

A: Organizations will learn about the opportunity to submit proposals via the Bank's broad and direct marketing campaign and referrals from other umbrella organizations. The Bank will work through our programming, established networks and contacts to communicate to potential applicants about Investment Connection opportunities and this year's May 1, 2020, deadline.

Q: What are the focus areas for proposals?

A: Federal regulations define specific categories of CRA-eligible community development purposes. Eligible proposals must fit one or more of these categories:

- Affordable housing
- Economic and workforce development

- Financial access and empowerment
- Small business and small farm technical assistance and development
- Community facilities and services (including financial education and capability, charter schools, community centers and day care facilities)
- Neighborhood revitalization and stabilization in low- to moderate-income geographies, distressed or underserved non-metro middle-income areas, or designated disaster areas

Q: Can multiple applications be submitted as long as they are not for the same type of project?

A: Yes. An organization can submit multiple applications as long as they are for different Community Reinvestment Act (CRA) purposes.

Q: Is there a minimum or maximum dollar amount that Investment Connection mandates for proposal submissions?

A: There is no minimum or maximum dollar amount required.

Q: Since applications remain in the portal “indefinitely until funded,” can organizations update an existing application or request?

A: Yes. Please submit requests to update your funding proposals to Rich.InvestmentConnection@rich.frb.org.

Q: How will the application process be impacted by the COVID-19 pandemic?

A: Any application submitted that primarily benefits low- and moderate-income populations will receive consideration, particularly those that are in response to the global pandemic. Selected proposals will be invited to pitch their funding proposals to an audience of funders. These pitch sessions will be held through a virtual platform. Be sure to get your applications in by May 1.

Q: Are proposals statewide-eligible?

A: In Maryland and Washington, D.C., yes. In Virginia, statewide proposals will be considered as long as 50 percent or more of the initiative will benefit low- and moderate-income communities and small businesses in Northern, Southside, Central and Hampton Roads regions in Virginia.

Q: Can you please define the Northern Virginia region?

A: In light of COVID-19, there is some flexibility in what we define as Northern Virginia. Please submit your proposal for consideration.

Q: Do you accept 990s?

A: No, we do not accept 990s as part of our application process. Please refer to the application instructions to learn what information is required.

Q: Are there Virginia funders for the program? If not, when do you expect to see funding in Virginia?

A: All potential Virginia funders, including banks, have been invited to participate in the Investment Connection program and to access proposals submitted through the grantee portal. In addition, they are invited to participate in virtual pitch sessions once the application portal closes. The funders portal does not close.

Q: Do you have to be a state member bank in order to participate?

A: You don't need to be a state member bank to participate. All banks and other financial institutions (CDFIs, credit unions, foundations) are invited to participate.

Q: What if a participating bank is regulated and reviewed by the FDIC or OCC for CRA compliance and not the Federal Reserve System?

A: All banks, regardless of regulator, are welcome to participate. The Federal Reserve Bank of Richmond's Consumer Affairs examiners are using the uniform definitions, standards and criteria for weighing the CRA eligibility of the proposals that apply to the examiners at the other federal regulatory agencies. However, the final determination of a proposal's eligibility to receive CRA credit is made by the examiners of the specific regulatory agency performing a review at the time of the bank's examination.

Q: Are CDFIs eligible?

A: Yes, CDFIs are eligible to submit proposals and also serve as funders.

Q: Are CDFI bank deposits an eligible investment?

A: Yes. Bank investments in CDFI loan pools are eligible, as well as bank lines of credit for CDFI activities.

Q: If an organization has a relationship with a bank and the bank is one of the funders, is the organization eligible?

A: A prior existing or ongoing relationship with a bank would not be a disqualifying factor. It is likely that almost all of the organizations seeking to submit proposals would have an existing or prior relationship with at least one bank or more in the Maryland/D.C. area, whether that bank(s) is participating or not.

Q: What is the Richmond Fed's role?

A: Specific to Investment Connection, the Bank is the convener and facilitator of an outcome-driven initiative to share information about community development needs in the areas we've designated. The Federal Reserve Bank of Richmond is not a grant-making entity. The purpose of the Investment Connection program is to facilitate education, information sharing and potential opportunities related to the CRA.

Overall, the Federal Reserve Bank of Richmond's Community Development role is to foster an understanding of economic issues and community development tools to strengthen low- and moderate-income communities across the Fifth District. One of our primary avenues for accomplishing this is through sharing data-supported community investment strategies that promote economic mobility, improve access to credit and information, and support innovations that lead to economic growth.

Q: How much grant funding was awarded in the most recent fiscal year through this process?

A: Investment Connection is a new Richmond Fed program and applications remain under consideration. The program launched in fall 2019 in two areas of the Fifth District – Maryland and Washington, D.C. – and has expanded to Virginia in 2020. Both new and existing proposals are viable for funding.

Have additional questions? Email us at Rich.InvestmentConnection@rich.frb.org.

*The Federal Reserve Bank of Richmond does not endorse or make any representations as to the propriety or suitability of the funding entities, organizations, investments or programs associated with Investment Connection. Organizations should perform their own due diligence before engaging in any transactions with these entities to ensure that any such transactions meet their organization's objectives.