



BANK ENTERPRISE AWARDS

FIL-33-2003
May 14, 2003

TO: CHIEF EXECUTIVE OFFICER (also of interest to Compliance Officer)
SUBJECT: Bank Enterprise Awards Are Being Offered to Eligible FDIC-Insured Institutions Making Grants, Investments and Deposits in and Loans to Community Development Financial Institutions

Summary: *The Community Development Financial Institutions Fund is offering monetary incentives through its Bank Enterprise Award Program to certain eligible FDIC-insured institutions that comply with the program's requirements and submit an application for consideration. Applications are due on July 23, 2003.*

The Community Development Financial Institutions (CDFI) Fund will award \$18 million this year in financial incentives through its Bank Enterprise Award (BEA) Program to certain eligible FDIC-insured institutions that comply with the program's requirements and submit an application for consideration. The CDFI Fund is a program administered by the Department of the Treasury that was created by Congress to expand the availability of credit, investment capital and financial services in distressed urban and rural communities. Applications for the BEA Awards will be accepted through July 23, 2003 .

Since the revisions to the Community Reinvestment Act (CRA) regulations in 1995, the federal banking agencies have promoted investments, grants, deposits in and loans to Community Development Financial Institutions by recognizing these activities as having a community development purpose and giving them special consideration during CRA evaluations. CDFIs are institutions that are certified by the CDFI Fund and include community development banks, credit unions, loan funds, venture capital funds and microenterprise loan funds, among others.

In addition to CRA consideration as community development activities, investments in and loans to a CDFI may make an FDIC-insured institution eligible for monetary incentives under the BEA Program. The program complements the community development activities of traditional banks and thrifts by providing financial incentives to expand investments in CDFIs and to increase lending, investment and services activities within economically distressed communities. The BEA Program provides awards to eligible institutions based on a prioritized ranking of the type of investment or activity, with equity investments and deposits receiving primary consideration. Awards are provided on an annual basis, and eligible institutions must comply with the requirements of the program and submit an application for consideration. Every eligible institution is not guaranteed an award. Further information about the BEA Program is available on the CDFI Fund's Web site at http://www.cdfifund.gov/what_we_do/programs.asp.

For more information concerning whether a CDFI-related activity qualifies for CRA consideration, contact your FDIC Community Affairs Officer on the attached list.

For your reference, FDIC Financial Institution Letters may be accessed from the FDIC's Web site at <http://www.fdic.gov/news/news/financial/2003/index.html>.

Michael J. Zamorski
Director

Attachment: [FDIC Community Affairs Officers](#)
Distribution: FDIC-Insured Institutions

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NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or (703) 562-2200).