



NEXTawards

for Opportunity Finance

In partnership with

The Wachovia Wells Fargo Foundation &
the John D. and Catherine T. MacArthur Foundation

2011 Application Guidelines



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The Wachovia Wells Fargo NEXT Awards

Each year from 2007–2011, two of the nation’s most promising CDFIs will receive a major one-time financial award that combines unrestricted grant dollars and flexible, long-term, unsecured below-market loans (program-related investments, or “PRIs”). Four CDFIs also will receive grants and national recognition for their excellence in Advocacy, Community Impact, Financing, and Innovation.

Award	Eligibility
One \$5,000,000 3%, ten year loan plus \$500,000 unrestricted grant	Outstanding, high-potential CDFIs with over \$50 million in capital dedicated to lending or investing
One \$2,500,000 3%, ten year loan plus \$250,000 unrestricted grant	Outstanding, high-potential CDFIs with \$10 – \$50 million in capital dedicated to lending or investing
Four \$25,000 unrestricted grants	CDFIs that have demonstrated excellence in Advocacy, Community Impact, Financing, or Innovation.

Successful candidates for the **Wachovia Wells Fargo NEXT Awards** will be premier CDFIs with a history of outstanding accomplishment, a bold and compelling vision, extraordinary future potential for growth, innovation and impact, and a high degree of readiness to successfully accept, use, and leverage a large, flexible investment.



Application Materials for the \$5.5 Million and \$2.75 Million Wachovia Wells Fargo NEXT Awards

2011 Timeline

Date	Action	Description
March 16, 2011	APPLICATION AND GUIDELINES POSTED	Application and guidelines posted on the Wachovia Wells Fargo NEXT Awards Web site.
March 16 – April 29, 2011	APPLICATION PERIOD	Applications and supporting documents can be uploaded at the Wachovia Wells Fargo NEXT Awards Web site. All applications must be submitted online. Hard copy applications will not be accepted. The cutoff for submitting an application for the 2011 Wachovia Wells Fargo NEXT Awards is 5:00 p.m. Eastern Daylight Time on April 29, 2011 . Applications will not be accepted after this deadline.
May 2 – September 7, 2011	EVALUATION PERIOD	<i>Applicants</i> are screened for eligibility based on the requirements detailed below. <i>Eligible Applicants</i> are evaluated against the selection criteria for the 2011 Wachovia Wells Fargo NEXT Awards detailed below. These criteria will be used to identify applicants that demonstrate the most extraordinary promise, a strong track record and an exciting vision for the potential use of a major investment made by the Wachovia Wells Fargo NEXT Awards . The applicant pool will be narrowed to a group of semi-finalists. All applicants will be notified in June via e-mail as to whether they are semi-finalists. The applicant pool will be further narrowed to a group of four finalists. Organizations selected as finalists will be notified by the end of July 2011. Detailed instructions for the next phase of the selection process will also be provided at that time.
September 7, 2011	SELECTION COMMITTEE MEETING	<i>Finalists</i> meet with the Wachovia Wells Fargo NEXT Awards Selection Committee in Chicago on Wednesday September 7, 2011 . The Selection Committee includes senior executives from The Wachovia Wells Fargo Foundation and MacArthur Foundation as well as highly regarded CDFI leaders and experts in banking, social policy, philanthropy, economics, organizational development, and technology. The Selection Committee will determine the awardees.



2011 Timeline (continued)

Date	Action	Description
Prior to the Celebration Event	NOTIFICATION	<i>\$5.5 and \$2.75 million recipients</i> of the 2011 Wachovia Wells Fargo NEXT Awards will be notified prior to the Celebration Event at the annual Opportunity Finance Network conference in Minneapolis, Minnesota. The <i>\$25,000 recipients</i> of the 2011 Wachovia Wells Fargo NEXT Awards will <u>not</u> be notified prior to the Celebration Event.
Nov. 15, 2011	CELEBRATION EVENT	All Semi-Finalists, Finalists, and Awardees will be recognized at an evening Celebration Event at the annual Opportunity Finance Network conference in Minneapolis, Minnesota.

Conditions of the Award

Applicants should note that, in addition to all standard requirements in OFN's loan agreement, recipients of the **Wachovia Wells Fargo NEXT Awards** will be required to submit an annual budget, use of funds schedule, and a narrative progress report.

Eligibility to Apply

To apply for the 2011 **Wachovia Wells Fargo NEXT Awards**, organizations must satisfy each of the nine conditions specified in the chart on the next page.

Interested applicants should carefully review all of the eligibility requirements for the **Wachovia Wells Fargo NEXT Awards**, listed on page 5. For more information on the CDFI Fund or Opportunity Finance Network, please visit www.cdfifund.gov or www.opportunityfinance.net.

The standard for definitions and measures used to determine eligibility are drawn from the CDFI Assessment and Ratings System™ (CARST™). For more detailed information about CARST™, please visit www.carsratingsystem.net.

2011 Eligibility Requirements

<p>1. Charitable Purpose</p>	<p>Is a US tax-exempt organization with a current 501(c)(3) determination letter from the Internal Revenue Service. If your organization does not have this tax status, it may be eligible if it is a U.S. Treasury CDFI Fund certified CDFI. (NOTE: CDFI Fund certification does not automatically guarantee eligibility. If the organization is not a 501(c)(3), OFN may request additional information during the application review process to determine whether the activities that would be supported by the Wachovia Wells Fargo NEXT Award comply with relevant government rules and regulations for charitable giving.)</p>
<p>2. Community Development Mission & Impact</p>	<p>Has a primary mission of community development and strives to have a positive impact on low-income, low-wealth, and other disadvantaged people and communities. If the institution is part of, or controlled by, another corporation(s), the other corporation(s) must also have a primary mission of community development.</p>
<p>3. Finance-based Strategy</p>	<p>Is a private non-governmental financial intermediary that uses financing as an integral part of its community development strategy.</p>
<p>4. Five Years of Experience</p>	<p>Has been providing loans or making investments to achieve a community development mission for at least five years.</p>
<p>5. Audited Financial Statements</p>	<p>Has audited financial statements for at least three years. Please note that credit unions <i>cannot</i> substitute NCUA Statements of Financial Condition (5300 report) for audited financial statements.</p>
<p>6. Discipline and Performance</p>	<p>Is currently in compliance with all financial covenants, reporting requirements and performance obligations stipulated by public, private, and philanthropic providers of capital and grant support.</p>
<p>7. Current Plan</p>	<p>Is operating under a business plan or strategic plan that was written or updated within the last five years. Has demonstrated financial and programmatic performance in line with that plan.</p>
<p>8. Capital Dedicated to Lending/ Investing for the \$2.75 Million Wachovia Wells Fargo NEXT Award</p>	<p>Between \$10–50 million in debt and/or equity dedicated to lending and/or investing. See Glossary of Financial terms for more information on Capital Dedicated to Lending/Investing.</p>
<p>9. Capital Dedicated to Lending/ Investing for the \$5.5 Million Wachovia Wells Fargo NEXT Award</p>	<p>Over \$50 million in debt and/or equity dedicated to lending and/or investing. See Glossary of Financial Terms for more information on Capital Dedicated to Lending/Investing.</p>

IMPORTANT NOTES: An organization does *not* have to be a Member of the Opportunity Finance Network to be eligible to apply.

The **Wachovia Wells Fargo NEXT Awards** selection process will incorporate CARSTM Ratings, if available.



Selection Criteria

Successful candidates will be premier CDFIs with a history of outstanding accomplishment, a bold and compelling vision, extraordinary future potential for growth, innovation, and impact, and a high degree of readiness to successfully accept, use, and leverage a large, flexible investment from the **Wachovia Wells Fargo NEXT Awards**.

Eligible applicants will be evaluated according to the six criteria below.

1. Vision

A bold and compelling vision for the organization's future, the impact it aims to achieve and the strategy it will pursue to realize its goals. The vision should be grounded in a strong grasp of internal and external challenges and reflect realistic assumptions about the likelihood of success.

2. Use of Funds

A compelling use of funds that demonstrates the organization is ready to use a **Wachovia Wells Fargo NEXT Award** to propel the organization forward on its next trajectory of growth and significantly enhance the organization's ability to achieve its vision in ways that otherwise would not be possible.

3. Leadership

An exceptional management team in place to articulate and execute a well-conceived strategy that is aligned clearly with the organization's vision, mission, core values, goals, systems, skills, products, and activities.

4. Innovation

An organizational environment and management approach that actively cultivates innovation by providing resources and opportunities for risk-taking, creativity, networking, and continual learning and adaptation.

5. Financial Strength and Performance

Exceptional financial strength, superior risk management, talented, dedicated staff, and a sound business model that positions the organization for sustained growth, innovation, and success. Staff, systems, financial resources, and strategy that position the organization to withstand shocks and changes in environment and the loss of any particular person, program, or resource.

6. Impact and Policy

A solid track record of meaningful impact over an extended period relative to the organization's mission and its peers. This will include the delivery of distinctive, measurable results within the organization's target markets. A demonstrated commitment and capacity to drive positive, systemic change that helps bring more people and places into the economic mainstream and to extend the organization's impact and reach beyond direct service to its target market. A commitment to influencing policies that benefit disadvantaged people and communities.



How to Apply

Applications must be submitted electronically through the **Wachovia Wells Fargo NEXT Awards** Web site at www.nextawards.org. *Hard copy documents will not be accepted.*

The final deadline to submit an application for the 2011 Wachovia Wells Fargo NEXT Awards is 5:00 p.m. Eastern Daylight Time on Friday, April 29, 2011. The Web site's online application function will become inactive after this deadline.

Potential applicants must complete an online Eligibility Questionnaire that will determine if they are eligible to apply. Please see Eligibility to Apply section on page 4.

Applicants whose responses to the Eligibility Questionnaire meet the 2011 **Wachovia Wells Fargo NEXT Awards** eligibility requirements will be prompted to begin the online application. **Required formats and maximum word counts for these items are specified in the 2011 Application Checklist on page 8.** Please note that incomplete applications will not be considered and word count limits will be strictly enforced. Applications that exceed word count limits will not be considered.

CONFIDENTIALITY: Opportunity Finance Network will to the best of its ability, ensure the confidentiality of all application materials. Materials submitted in connection with the 2011 **Wachovia Wells Fargo NEXT Awards** will be reviewed by the Opportunity Finance Network staff, and members of the Selection Committee, as necessary and appropriate. Selection Committee members will be requested to execute a Non-Disclosure Letter before reviewing materials submitted to them. No material will be disclosed to any other third party except with written authorization from the Opportunity Finance Network. All material provided to members of the Selection Committee will be clearly marked as confidential or proprietary.

DISCLAIMER: OFN reserves the right to reject any and all applications, and no applicant has any rights to any award unless and until granted in writing and applicant complies with all terms and conditions of the **Wachovia Wells Fargo NEXT Awards** program.



Application Guidelines

The following is a complete list of the materials you will need to submit an application for the 2011 **Wachovia Wells Fargo NEXT Awards**. For CARSTTM rated organizations, the current CARSTTM Rating and CARSTTM report will cover much of the required information.

Details on the information required for each of the items listed below may be found in the Application Guidelines section that follows:

2011 Application Checklist

*All items except #1 Organizational Information must be uploaded. The Organizational Information section is an online questionnaire.

Items 1 – 4: Required for all applicants

1. Organizational Information: Online questionnaire
2. **Wachovia Wells Fargo NEXT Awards** Statement: Word document; Max. 3,000 words
3. Current Business or Strategic Plan: PDF format preferred; No max. length
4. Latest Interim Financial Statements: PDF format preferred; No max. length

Items 5 – 12: Required for all applicants without a CARSTTM Rating.**

**If you have a CARSTTM Rating, then for each item only submit an update if material changes have occurred since the last CARSTTM report or you have additional information to report on that topic.

5. A) Financial Strength and Performance Statement, and B) Impact and Policy Statement: Word document; Combined max. 5,000 words
6. Three Years of Audited Financial Statements: PDF format; No max. length
7. Corporate Entity Chart: PDF format preferred; No max. length
8. Mission Statement(s): PDF format preferred; No max. length
9. Organizational Chart: PDF format preferred; No max. length
10. Key Staff: PDF format preferred; No max. length
11. Board of Directors: PDF format preferred; No max. length
12. IRS Tax-Exempt Determination Letter(s) or CDFI Fund proof of certification: PDF format preferred; No max. length

Item 13: All applicants are invited to provide additional information that would be helpful in evaluating their organization and its qualifications for the 2011 Wachovia Wells Fargo NEXT Awards.

13. Additional Information: Word document; Max. 800 words



Application Guidelines (continued)

The following are complete guidelines for submitting the materials and information required to apply for a 2011 **Wachovia Wells Fargo NEXT Award**. As noted above, only online applications will be accepted.

1. Organizational Information

The application will prompt applicants to enter the legal name and address of the headquarters of the entity seeking to receive an award. Email addresses and phone numbers will be requested for a lead Contact Person, the Executive Director (or Equivalent) and the Chief Financial Officer or Controller.

Applicants also will need to specify:

- the name of the CDFI that will be the borrower of the loan;
- the organizational structure of the institution seeking this award (e.g., loan fund, bank, credit union, venture fund);
- the organization's Tax Status (e.g., 501(c)(3), other non-profit, for-profit);
- the year in which the organization began to make investments or provide financing as a means of accomplishing a community development mission.

Applicants also will need to complete a summary financial information table with figures taken from the organization's three most recent audits: total capital dedicated to lending/investing; total loans/investments originated, net write-offs, delinquency % > 30 days (loan fund/banks); delinquency % > 90 days (loan fund/banks); delinquency % > 2 months (credit unions); delinquency % > 12 months (credit unions). Please see Glossary of Financial Terms for more information.

Finally, applicants will need to certify that they are currently in compliance with all financial covenants, reporting requirements, and performance obligations stipulated by private, public, and philanthropic providers of capital and grants.

2. Wachovia Wells Fargo NEXT Awards Statement

A statement (maximum 3,000 words) which addresses the following:

Vision

- What is your organization's bold, long-term vision?
- How will this vision translate into valuable benefits for the populations, markets, and communities directly served by your organization? What are its wider implications?
- How will this vision enhance not just your organization and the populations, markets and communities you serve, but also the opportunity finance industry?
- How will you achieve this vision?
- If you are proposing a new product or a significant expansion, briefly describe the market analysis you've conducted to support it.
- What potential internal and external challenges must your organization overcome in order to achieve this vision?



Use of Funds

- Please note that the CDFI applying for the award must state clearly what legal entity would be the borrower of the loan portion of the award, and the flow of funds if the loan will be used by a subsidiary or affiliate of the borrower.
- What are the sources of funds that would be used to repay the debt portion of the award? Please be very specific (using numbers and projected revenue/income) about the sources used to repay the debt.
- How do the proposed use of funds relate to the achievement of one or more charitable purposes?
- How would a **Wachovia Wells Fargo NEXT Award** propel the organization forward on its next trajectory of growth and significantly enhance its ability to achieve its vision?
- Describe your organization's readiness to act on your vision and strategy in a short period of time if awarded a **Wachovia Wells Fargo NEXT Award**.

NOTE: Potential uses of grant and loan funds may include but are not limited to one or more of the following: staff salaries, facilities, technology improvements, loan loss reserves, lending/investing capital, purchases of other assets; start or expansion of business lines, etc.

Leadership

- How does your organization demonstrate its management capacity and commitment to mission to fulfill its strategy and achieve its vision?
- How does the leadership of the organization demonstrate the ability to successfully adapt to market and organizational changes?
- How does the management team demonstrate its breadth and depth to match the ambition of its goals and strategies?
- What are the most difficult challenges your organization will need to overcome and how will your leadership meet these challenges?

Innovation

- What role does innovation play in your organization, the accomplishment of its mission, and its long-term success?
- How is your organization likely to be most innovative in future years? Or In what ways will your organization be more innovative in future years?
- What impact is this innovation likely to have on your organization's target market, the wider opportunity finance industry or other potential beneficiaries?
- How would this award significantly enhance your organization's ability to sustain or expand its capacity for innovation over the next 10+ years?

3. Current Business or Strategic Plan

Please provide a copy of the applicant's current business plan and/or strategic plan. This document should have been created or updated within the last five years.

4. Latest Interim Financial Statements

Please provide interim financial statements for your most recently completed quarter or month.



5A. Financial Strength and Performance Statement

(For the Financial Strength and Performance and the Impact and Policy Statements, combined word limit is 5,000 words.)

Please provide a financial self-assessment that addresses the following questions or identify the pages of your business plan or strategic plan that address these questions.

- How does your current capital structure support your activities and manage investor risk?
- How do you see your capital structure changing over the next three to five years?
- Describe portfolio performance and trends over the past three years.
- Describe growth in loan originations during the past three years.
- How do you manage the risk inherent in your lending activities?
- Describe the appropriateness of your management, board and staff's skills and experience relative to your organization's size, complexity and risk profile.
- Explain turnovers in any key position within the last three years.
- Describe operating results (for non-profits, focus on changes in unrestricted net assets) during the last three years?
- How do you ensure the reliability of revenue needed to support your financing activities?
- How do you ensure adequate operating and loan fund liquidity?

CARS™ Rated Applicants: The Financial Strength and Performance Statement is required only if material changes have occurred since your last CARS™ report. Please indicate changes and updates from the CARS™ report.

5B. Impact and Policy Statement

Impact

Provide an impact performance self-assessment that addresses the following questions or identify the pages of your business plan or strategic plan that address these questions.

- How does your organization's mission align with its strategies, products and the information you track and analyze to assess your impact performance?
- What information does your organization track and analyze to assess its impact performance?
- Describe the volume of impact your organization has had in its market. Compare this volume to the overall need in your market: does your organization have significant market share?
- What key output data does your organization track for internal purposes and how does your organization use that data to a) determine how well it is meeting its mission, and/or b) increase its own effectiveness?
- How does your organization ensure that it is using available financing resources effectively, including off-balance sheet resources if applicable? Provide your organization's deployment rates for the three most recent fiscal years.

Policy

Describe your organization's role in influencing policies beyond those that might increase its own access to resources. Specifically, describe your organization's participation and results in efforts to change government policy, civic life, private sector business activity, or other areas that have resulted in structural and/or systemic changes that have benefited disadvantaged people or communities.

CARS™ Rated Applicants: This document is required only if material changes have occurred since your last CARS™ report or you have additional information regarding policy work that was not covered in your CARS™ analysis. Please indicate changes and updates from the CARS™ report. Please note that CARS™ Policy Performance analysis only examines changes in **government policy**. If your organization has engaged in efforts to influence civic life, private sector business practice or other activities that led to policy and system changes benefiting disadvantaged or underserved communities and people, please submit a statement that describes them.



6. Three Years of Audited Financial Statements

Audited financial statements for the three most recently completed fiscal years. Please note that credit unions *cannot* substitute NCUA Statements of Financial Conditions (5300 report) for audited financials.

CARS™ Rated Applicants: This item is not required unless your organization has not yet submitted audited financial statements for any of its three most recently completed fiscal years.

7. Corporate Entity Chart

A current corporate entity chart that clearly shows all related corporate entities, their tax status, and their relationship to the applicant organization.

CARS™ Rated Applicants: This item is not required unless material changes have occurred since your last CARS™ report.

8. Mission Statement(s)

A mission statement(s) for the applicant organization and for each of its related entities.

CARS™ Rated Applicants: This item is not required unless material changes have occurred since your last CARS™ report.

9. Organizational Chart

A current organizational chart showing position titles and reporting relationships must be provided. Vacant positions, if any, should be clearly identified, and the date when the vacancy began should be clearly noted.

CARS™ Rated Applicants: This item is not required unless material changes have occurred since your last CARS™ report.

10. Key Staff

A document listing key staff (name and position) with a summary of their experience and qualifications.

CARS™ Rated Applicants: This item is not required unless material changes have occurred since your last CARS™ report.

11. Board of Directors

A list of the members of the Board of Directors with institutional affiliations, and brief biographies.

CARS™ Rated Applicants: This item is not required unless material changes have occurred since your last CARS™ report.

12. IRS Tax-Exempt Determination Letter(s) or Proof of CDFI Fund Certification

If applicable: provide copy(ies) of 501(c)(3) and 509(a), determination letter(s) from the U.S. Internal Revenue Service regarding the applicant organization's charitable purpose and tax-exempt status.

If applicable, provide proof of CDFI Fund certification (letter or other correspondence from the CDFI Fund)

Note to entities without 501(c)(3) tax status: The Opportunity Finance Network must comply with relevant government rules and regulations for charitable giving and adhere to the policies and restrictions of The Wachovia Wells Fargo Foundation and the MacArthur Foundation, which are jointly funding these awards. If your organization does not have a current 501(c)(3) tax status it may need to submit additional documentation to substantiate the charitable nature of the activities that your organization intends to carry out if it receives a **Wachovia Wells Fargo NEXT Award**. Please do not submit additional information with your online application. We will contact each organization individually to request specific information as needed.



13. Additional Information

All applicants are invited to provide additional information (maximum 800 words) that would be helpful in evaluating their organization and its qualifications for the 2011 **Wachovia Wells Fargo NEXT Awards**.

Note: Application Guidelines are subject to change without notice. Check the **Wachovia Wells Fargo Next Awards** Web site regularly for the most current guidelines.

Questions & Technical Assistance

If you have questions about the application or the selection process for the \$5.5 million and \$2.75 million 2011 **Wachovia Wells Fargo NEXT Awards**, we invite you to:

- Learn more about the NEXT Awards and the 2011 application process by participating in information calls scheduled for Thursday, March 24th, 1 p.m.–2 p.m. Eastern Daylight Time and Thursday, April 7th, 1 p.m.–2 p.m. On each call, NEXT Award recipients will talk about their NEXT applications, the application process, the benefits of being selected as a finalist, and the benefits of being selected for a NEXT Award. Mark Pinsky, OFN's President and CEO, and a Member of the NEXT Awards Selection Committee, will lead the information calls. A downloadable, digital record of this discussion will be available afterward at the **Wachovia Wells Fargo NEXT Awards** Web site www.nextawards.org.
- Send an email with your question to info@nextawards.org. Your question and a response will be added to the FAQ section on our Web site.

If you experience technical difficulty with the electronic application, send an email to techsupport@nextawards.org.



Application Materials for the \$25,000 Wachovia Wells Fargo NEXT Awards

The \$25,000 **Wachovia Wells Fargo NEXT Awards** recognize CDFIs and other opportunity finance institutions that have best demonstrated and defined excellence in the past two years. There are four \$25,000 **Wachovia Wells Fargo NEXT Awards** awarded each year.

The awards recognize CDFI achievements in four different categories:

- **Advocacy:** For actively demonstrating leadership in policy and advocacy at the local, state or national level and having a policy success story associated with their organization's leadership.
- **Community Impact:** For demonstrating measurable outputs and outcomes associated with the delivery of their products and services.
- **Financing:** For delivering significant amounts of financing to underserved communities.
- **Innovation:** For developing effective new strategies to grow their organization in a sustainable manner and bring their financing to scale or bring financing to scale in partnership with others.

2011 Timeline

Date	Action	Description
March 16, 2011	APPLICATION AND GUIDELINES POSTED	Application and guidelines posted on the Wachovia Wells Fargo NEXT Awards Web site.
March 16 – April 29, 2011	APPLICATION PERIOD	Applications and supporting documents can be uploaded at the Wachovia Wells Fargo NEXT Awards Web site. All applications must be submitted online. Hard copy applications will not be accepted. The cutoff for submitting an application is 5:00 p.m. Eastern Daylight Time on April 29, 2011 . Applications will not be accepted after this deadline.
May 2 – September 7, 2011	EVALUATION AND SELECTION PERIOD	Applications are evaluated against the selection criteria for the \$25,000 Wachovia Wells Fargo NEXT Awards detailed below. OFN senior staff may follow up during this period to ask for additional financial and portfolio information from applicants. Senior staff from OFN and Wachovia Wells Fargo will evaluate the applications and select award recipients.
November 15, 2011	ANNOUNCEMENT	Recipients of the \$25,000 Wachovia Wells Fargo NEXT Awards will be announced at the annual Opportunity Finance Network Conference in Minneapolis, Minnesota

Conditions of the Award

Applicants should note that recipients of the \$25,000 **Wachovia Wells Fargo NEXT Awards** will be required to submit an audit and a narrative progress report one year after the award is made. If the applicant is a credit union and does not have an audited financial statement, the applicant may submit their most recent NCUA Statement of Financial Condition (5300 report).

Eligibility Requirements

To be eligible for a \$25,000 **Wachovia Wells Fargo NEXT Award**, organizations must satisfy each of the six conditions specified in the chart below.

<p>1. Charitable Purpose</p>	<p>Is a US tax-exempt organization with a current 501(c)(3) determination letter from the Internal Revenue Service. If your organization does not have this tax status, it may be eligible if it is a U.S. Treasury CDFI Fund certified CDFI. (NOTE: CDFI Fund certification does not automatically guarantee eligibility. If the organization is not a 501(c)(3), OFN may request additional information during the application review process to determine whether the activities that would be supported by the Wachovia Wells Fargo NEXT Award comply with relevant government rules and regulations for charitable giving.)</p>
<p>2. Community Development Mission & Impact</p>	<p>Has a primary mission of community development and strives to have a positive impact on low-income, low-wealth, and other disadvantaged people and communities. If the institution is part of, or controlled by, another corporation(s), the other corporation(s) must also have a primary mission of community development.</p>
<p>3. Finance-based Strategy</p>	<p>Is a private non-governmental financial intermediary that uses financing as an integral part of its community development strategy.</p>
<p>4. Discipline and Performance</p>	<p>Is currently in compliance with all financial covenants, reporting requirements and performance obligations stipulated by public, private and philanthropic providers of capital and grant support.</p>
<p>5. OFN's Goals</p>	<p>Affirms Opportunity Finance Network's goal to ensure that low-income, low-wealth, and other disadvantaged people and communities have access to affordable, responsible financial products and services.</p>
<p>6. OFN Conference</p>	<p>Attends the 2011 Opportunity Finance Network conference in Minneapolis, Minnesota. If an applicant is notified that it is a finalist, a representative from the applicant organization must be registered for the conference within two business days of notification in order to be considered for the award.</p>

IMPORTANT NOTE: An organization does *not* have to be a Member of the Opportunity Finance Network to be eligible to apply.



Selection Criteria

Eligible applicants for each award will be evaluated according to the degree to which they can demonstrate that they have met the respective selection criteria below within the past two years.

Advocacy Award Criteria

The applicant should demonstrate leadership in policy and advocacy at the local, state or national level, demonstrate that policy is a core competency and a critical part of their business and indicate a policy success story associated with their leadership.

Special consideration will be given to an applicant that can also demonstrate advocacy excellence in one or more of the following areas:

- Actively participating in Opportunity Finance Network's policy activities and contributing to OFN's policy results.
- Approaches to policy that stimulate private investment.

Please answer the following questions in your NEXT Awards Statement:

- 1) How does your CDFI demonstrate leadership in policy and advocacy at the local, state or national level?
- 2) How is policy a core competency and a critical element of your CDFI?
- 3) Describe a policy success associated with your CDFI's leadership.
- 4) If applicable, please describe your CDFI's participation in OFN's policy activities and provide an example(s) of how your policy work stimulates private investment.

Community Impact Award Criteria

The applicant should demonstrate measurable community outputs and outcomes associated with the delivery of their products and services. Applicants should provide data to demonstrate high volume and/or quality of outcomes relative to their peers, and explain the tangible differences these outputs and outcomes make in the communities served.

Special consideration will be given to an applicant that can also demonstrate community impact in one or more of the following areas:

- Designing and implementing an effective outputs and outcomes tracking system and either using the data to improve their programs or share their system with other CDFIs.
- Using their outputs and outcomes data as a feedback tool to improve their programs and update their strategy.

Please note: Outputs are program activities delivered (loans, technical assistance, training). Outcomes are the benefits associated with the delivery of your products and services (access to affordable housing for lower-income households, decreased unemployment or underemployment among a target population, higher wages, business expansion, etc.)



Please answer the following questions in your NEXT Awards Statement:

- 1) Provide the volume of products and services (outputs) your CDFI delivered annually during the past two years (for example, number and dollar amount of financing originated, number of training or technical assistance clients, and number of hours of training or technical assistance provided, number of new savings accounts opened, etc.).
- 2) Provide the volume of outcomes associated with the delivery of your products and services (e.g., number of jobs created or retained, number of affordable housing units developed, number of new seats at charter schools, etc.).
- 3) Explain what difference these outcomes made to the communities you serve.
- 4) If applicable, does your CDFI use outputs and outcomes data you have collected to improve your programs and update your strategy? If so, please provide examples.

Financing Award Criteria

The applicant should demonstrate excellence in financing during the past two years in one or more of the following areas:

- Significantly increasing their volume of lending/investing in their target market. This may include expanding their target market.
- Providing a new financing product that furthers their CDFI's mission.
- Accessing capital markets in a way that has enabled the applicant to dramatically increase their volume of lending/investing in their target market and/or in a way that is replicable and may become a model for the industry. Please provide data that demonstrate the increased volume of lending/investing.

Please answer the following questions in your NEXT Awards Statement:

- 1) If your CDFI has significantly increased its volume of lending and investing in your target market, by how much has it increased and how did you accomplish this increase?
- 2) If your CDFI has added a new financing product that furthers your CDFI's mission and was lacking in the communities you serve, describe the product, the volume of financing, and how it furthers your CDFI's mission.
- 3) If your CDFI has accessed capital markets, please provide data that demonstrates the increased volume of lending/investing this caused or provide information on how the model is replicable and can become a model for the industry.



Innovation Award Criteria

The applicant should demonstrate an organizational environment and management approach that actively cultivates innovation by providing resources and opportunities for risk-taking, creativity, networking, and continual learning and adaptation, and should demonstrate at least one significant product, service, delivery mechanism or system innovation.

Special consideration will be given to an applicant that can also demonstrate innovation in one or more of the following areas:

- Changing internal operations for greater efficiency and sustainability through new approaches.
- Developing creative collaborations and partnerships.
- Bringing a product to scale.

Please answer the following questions in your NEXT Awards Statement:

- 1) How does your CDFI demonstrate an organizational environment and management approach that cultivates innovation?
- 2) Describe at least one significant innovation.
- 3) If applicable, has your CDFI changed internal operations for greater efficiency and sustainability through new approaches, developed creative collaborations and partnerships, or brought a product to scale?

The Selection Committee may, at its sole discretion under extraordinary circumstances, consider an application submitted under one \$25,000 award category for an award under a different \$25,000 category.



How to Apply

Applications must be submitted electronically through the **Wachovia Wells Fargo NEXT Awards** Web site at www.nextawards.org. *Hard copy applications will not be accepted.*

The final deadline to submit applications for the 2011 Wachovia Wells Fargo NEXT Awards is 5:00 p.m. Eastern Daylight Time on Friday, April 29, 2011. The Web site's online application function will become inactive after this deadline.

Potential applicants must complete an online Eligibility Questionnaire that will determine if they are eligible to apply.

IMPORTANT NOTE: An organization does *not* have to be a member of the Opportunity Finance Network to be eligible to apply.

Please note that incomplete applications will not be considered and word count limits will be strictly enforced. Applications that exceed word count limits will not be considered.

Confidentiality: Opportunity Finance Network will ensure the confidentiality of all application materials to the best of its ability. Materials submitted in connection with the 2011 \$25,000 **Wachovia Wells Fargo NEXT Awards** will be evaluated by senior staff from Opportunity Finance Network and the Wachovia Wells Fargo Foundation. No material will be disclosed to any other third party except with written authorization from Opportunity Finance Network. All material provided to the staff of the Wachovia Wells Fargo Foundation will be clearly marked as confidential or proprietary.

DISCLAIMER: The Opportunity Finance Network reserves the right to reject any and all applications, and no applicant has any rights to any award unless and until granted in writing and applicant complies with all terms and conditions of the **Wachovia Wells Fargo NEXT Awards** program.



Application Guidelines

Following are guidelines for submitting the information required to apply for a 2011 \$25,000 **Wachovia Wells Fargo NEXT Award**. As noted above, only online applications will be accepted.

1. Applicant Information

An online questionnaire will prompt applying organizations to enter the category for which they are submitting an application (Advocacy, Community Impact, Financing, or Innovation); the legal name and address of the headquarters of the applicant; the name, phone, fax and email address of a contact person from the applicant organization; and, if applicable, copy(ies) of 501(c)(3) and 509(a) determination letter(s) from the U.S. Internal Revenue Service regarding the applicant organization's charitable purpose and tax-exempt status.

Applicants will need to certify that they are currently in compliance with all financial covenants, reporting requirements, and performance obligations stipulated by private, public, and philanthropic providers of capital and grants.

2. Statement of Excellence

Organizations that apply for these awards will be asked to upload a statement (maximum 1,000 words) explaining the ways in which the applicant has defined excellence in the selected category within the last two years. The statement should address the selection criteria for the appropriate category by specifically answering the questions and, to the extent possible, the special consideration items applicable to all categories. The statement must be submitted in a Word document.

IMPORTANT NOTE: An organization does *not* have to be a member of the Opportunity Finance Network to be eligible to apply.

An organization that is tax exempt under Section 501(c)(3) of the Internal Revenue Service code does not have to be certified by the CDFI Fund.

An organization that does not have tax exempt status under Section 501(c)(3) must be certified by the U.S. CDFI Fund, but that alone does not automatically guarantee eligibility. Additional documentation may be needed to determine whether the activities that would be supported by the **Wachovia Wells Fargo NEXT Award** comply with relevant government rules and regulations for charitable giving and the policies of The Wachovia Wells Fargo Foundation and MacArthur Foundation. We will contact you to request additional documentation that may be needed based on a review of your specific case.

3. Most Recent Audited Financial Statement or National Credit Union Administration Statement of Financial Condition (5300 report)

An applicant must upload their most recently completed audited financial statement. If the applicant is a credit union and does not have an audited financial statement, the applicant may upload their most recent NCUA Statement of Financial Condition (5300 report).

NOTE: Application Guidelines are subject to change without notice. Check the **Wachovia Wells Fargo NEXT Awards** Web site regularly for the most current guidelines.



Questions & Technical Assistance

If you have questions about the application process for the 2011 \$25,000 **Wachovia Wells Fargo NEXT Awards**, we invite you to:

- Participate in an informational conference call scheduled for Monday, March 28th, 2 p.m.–2:30 p.m. Eastern Daylight Time. A downloadable, digital record of this discussion will be available afterward at the **Wachovia Wells Fargo NEXT Awards** Web site www.nextawards.org.
- Send an email with your question to info@nextawards.org. Your question and a response will be added to our **Wachovia Wells Fargo NEXT Awards** FAQ on the Web site.

If you experience technical difficulty with the electronic application, please send an email to techsupport@nextawards.org.

Glossary of Financial Terms

Capital Dedicated to Lending/Investing

Includes borrowed capital, equity capital (or net assets available for lending), equity equivalent capital, shares, deposits and secondary capital. Include all unrestricted net assets and include drawn (but NOT undrawn) Lines of Credit intended for use as loan or investment capital.

The components of Capital Dedicated to Lending/Investing are as follows:

Equity for Financing

Also referred to as net assets dedicated to lending or permanent capital at nonprofits or net capital at credit unions. It is the portion of a CDFI's total equity that is either dedicated to or available for lending/investing. This should include all unrestricted net assets, but not include any other net assets or equity intended to fund operations.

Debt for Financing

Includes all borrowed funds available for financing. Include only the drawn portion of lines-of-credits.

Equity Equivalent Investments (EQ2)

EQ2 is unsecured debt that has some of the same advantages as equity because EQ2 is subordinate to all other debt, it carries a rolling term, the investor has a very limited right to accelerate payment, and the interest rate is not tied to income.

Deposits/Shares

Amount of Deposits and/or Shares at credit unions or banks which is available for lending.

Secondary Capital

Secondary capital is a specific type of capital used only by low-income community development credit unions. It is defined by the National Credit Union Administration as having several key characteristics, including the following: it is uninsured, is subordinate to all other claims, has a minimum maturity of five years, and is not redeemable prior to maturity.

Loans and/or Investments Originated

Includes loans, debt-with-equity and equity investments originated. A loan is considered originated when a legally binding note has been signed by the borrower in favor of the lender. An equity investment is considered originated when a document evidencing a commitment has been signed. If the applicant's primary financing activity is loan purchases or guarantees, include loans purchased and guarantees made, and explain.



Delinquency Percentage

We request delinquency % for different categories depending on whether you are a loan fund/bank or credit union. Loan Funds and banks are required to submit delinquency % greater than 30 days and delinquency % greater than 90 days. Credit unions are required to submit delinquency % greater than 2 months and delinquency % greater than 12 months. Delinquency % is calculated as the dollar amount of principal outstanding on loans (or debt with equity features) that have payments (of principal and/or interest) late (by the specified time period) / total gross loans outstanding (including debt with equity features).

Net Write-Off Percentage

Net Write-Off Percentage is the net amount charged off on loans (including debt with equity) in a year divided by the gross loans outstanding (including debt with equity) at the end of the given year. Losses are reported after default, foreclosure, and liquidation and are net of any recovered assets. If any amount is reclaimed in the current fiscal year on loans that were written-off in previous years, that amount should be subtracted from the amount lost (i.e. written off) in the current fiscal year. Includes losses on any loans purchased. Does not include losses on guarantees.

(i.e. calculation for 2010 is net write-offs in 2010 / gross loans outstanding at fiscal year end 2010)

Note: Published March 16, 2011. Application Guidelines are subject to change without notice. Please check www.nextawards.org for most recent version of this document.