

## GREAT FALLS DEVELOPMENT AUTHORITY, INC. TARGET MARKET VERIFICATION POLICY

*Adopted 10/11/23*

Great Falls Development Authority, Inc.'s (GFDA) CDFI-certified Target Market is:

- Pre-qualified Investment Area (IA) census tracts (i.e. all IA-qualified tracts)

### Pre-Qualified Investment Area (IA) Census Tracts TM Verification

Per [CDFI guidance](#), an investment is considered IA TM directed if it meets the following criteria:

- 1) **Individual:** At least 50% of the individuals named as recipients in the Financial Product and/or Financial Services transaction agreement are assessed as having a primary place of residence in a qualified census tract.
- 2) **For-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are for-profit entities that are wholly owned by one or more individuals (i.e., are not owned in whole or in part by another entity) and are not tax exempt, at least 50% of the owners' business locations are located in qualified census tracts.
- 3) **Non-Profit Entity:** If all parties named as recipients in the Financial Product and/or Financial Services transaction agreement are tax exempt:
  - a) At least 50% of locations for the project or service must be located in a qualified census tract; or
  - b) At least 50% of end-users of a project or service must reside in a qualified census tract.

For individual borrowers, GFDA has implemented the following procedures to determine if a loan is IA TM directed, in line with the Fund's pre-approved **IA.1** TM verification methodology.

Using CDFI Funds's CIMS mapping system, GFDA will determine if the primary place of residence for individual borrower(s), as assessed via a government-issued (including Tribal government) photo identification or an allowable document showing proof of primary residence, is in a qualified census tract.

- 1) The loan application form will request the primary residential address for each individual named as a recipient in the loan agreement.

- a) All individuals named as recipients of the Financial Product will be counted as separate individuals when determining the overall percentage of those that qualify, even if they are part of the same family, household or entity.
  - b) If the Financial Product is for a home purchase, and the new home will be the Financial Product consumer's primary place of residence, the new home address will be used to determine if the homebuyer resides in a qualified census tract.
  - c) For a student loan, the address is the primary residence of the borrower, which could be on- or off-campus.
- 2) The loan package will require acceptable residence documentation in order to confirm the primary residence that was reported on the loan application form for each recipient named in the loan agreement. Acceptable residence documentation includes: driver's license, utility bill, or other documentation on a case-by-case basis.
- 3) Once primary residence address is confirmed, GFDA will use the CDFI CIMS mapping system to determine if the primary place of residence is in a qualified census tract. If at least 50% of the individuals named in the loan agreement reside in qualified tracts, the loan will be determined to be IA-Target Market directed.
- 4) The result of this analysis, including FIPS code of the primary residence(s), will be recorded in the applicant file and tracking database for ease of tracking and reporting.

For business borrowers, GFDA has implemented the following procedures to determine if a loan is IA TM directed, in line with the Fund's pre-approved **IA.2** TM verification methodology.

Using the CDFI Fund's CIMS mapping system, GFDA will determine if the geocoded address(es) of the business's locations (i.e. **where the financing is actually or specifically intended to be used**) is in a qualified census tract.

- 1) The loan application form will request the address of all business locations for the business which the financing proceeds are intended to be used in the loan agreement. (Addresses used for collateral should not be counted as business locations unless those addresses are an actual location for the relevant entity.)

- 2) The loan package will require acceptable business location documentation in order to confirm the business location(s) that were reported on the loan application form. Acceptable business location documentation includes: business license, utility bill, or other documentation on a case-by-case basis.
  - a) **If the Financial Product is provided for pre-development, the financing entity should geocode the known location of where the facility is to be built.** If the location has not yet been determined, the transaction cannot be assessed as in an IA.
- 3) Once business location addresses are confirmed, GFDA will use the CDFI CIMS mapping system to determine if each business location is in a qualified census tract. If at least 50% of the business's locations are in qualified tracts, the loan will be determined to be IA-Target Market directed.
- 4) The result of this analysis, including FIPS codes of the business location(s), will be recorded in the applicant file and tracking database for ease of tracking and reporting.

For nonprofits, in order to verify that at least 50% of a non-profit's locations for the project or service funded with the loan are located in a qualified census tract, GFDA has implemented the following procedures to determine if a loan is IA TM directed, in line with the Fund's pre-approved **IA.2** TM verification methodology.

Using the CDFI Fund's CIMS mapping system, GFDA will determine if the geocoded address(es) of the non-profits locations (i.e. where the financing is actually or specifically intended to be used) is in a qualified census tract.

- 1) The loan application form will request the address of locations for the non-profit which the financing proceeds are intended to be used in the loan agreement.
- 2) The loan package will require acceptable project location documentation in order to confirm the location(s) that were reported on the loan application form. Acceptable project location documentation includes: a, b, c depending on type of project.
  - a) If the loan is intended for working capital for the nonprofit, the locations would include all nonprofit office/facility locations.
  - b) If the loan is a real-estate acquisition or development loan, the locations would include where the project is.

- c) If the Financial Product is provided for pre-development, the financing entity should geocode the known location of where the facility is to be built. If the location has not yet been determined, the transaction cannot be assessed as in an IA.
- 3) Once the location addresses are confirmed, GFDA will use the CDFI CIMS mapping system to determine if each business location is in a qualified census tract. If at least 50% of the business's locations are in qualified tracts, the loan will be determined to be IA-Target Market directed.
- 4) The result of this analysis, including FIPS codes of the business location(s), will be recorded in the applicant file and tracking database for ease of tracking and reporting.

### Compliance Responsibility

**Vice President Lending** will be responsible for monitoring compliance with this policy.

### Records Retention

All documentation and records pertaining to the TM verification process will be retained with the applicant file for a minimum of 5 years.

Approved by the GFDA Executive Committee on behalf of the Board of Directors on:

October 11, 2023

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Date



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Brett Doney, President & CEO