

Emergency Capital Investment Program



Overview of Qualified Lending Reporting



Emergency Capital Investment Program

Presenters

Steve Davidson

Investment Director
Emergency Capital Investment Program
U.S. Department of the Treasury

David Meyer

Operations Program Manager
Emergency Capital Investment Program
U.S. Department of the Treasury

Carol Rodrigues

Attorney-Adviser (Finance)
Office of the General Counsel
U.S. Department of the Treasury

April 2023



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

Topics

- ❖ **Background on Reporting**
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

Background on Reporting

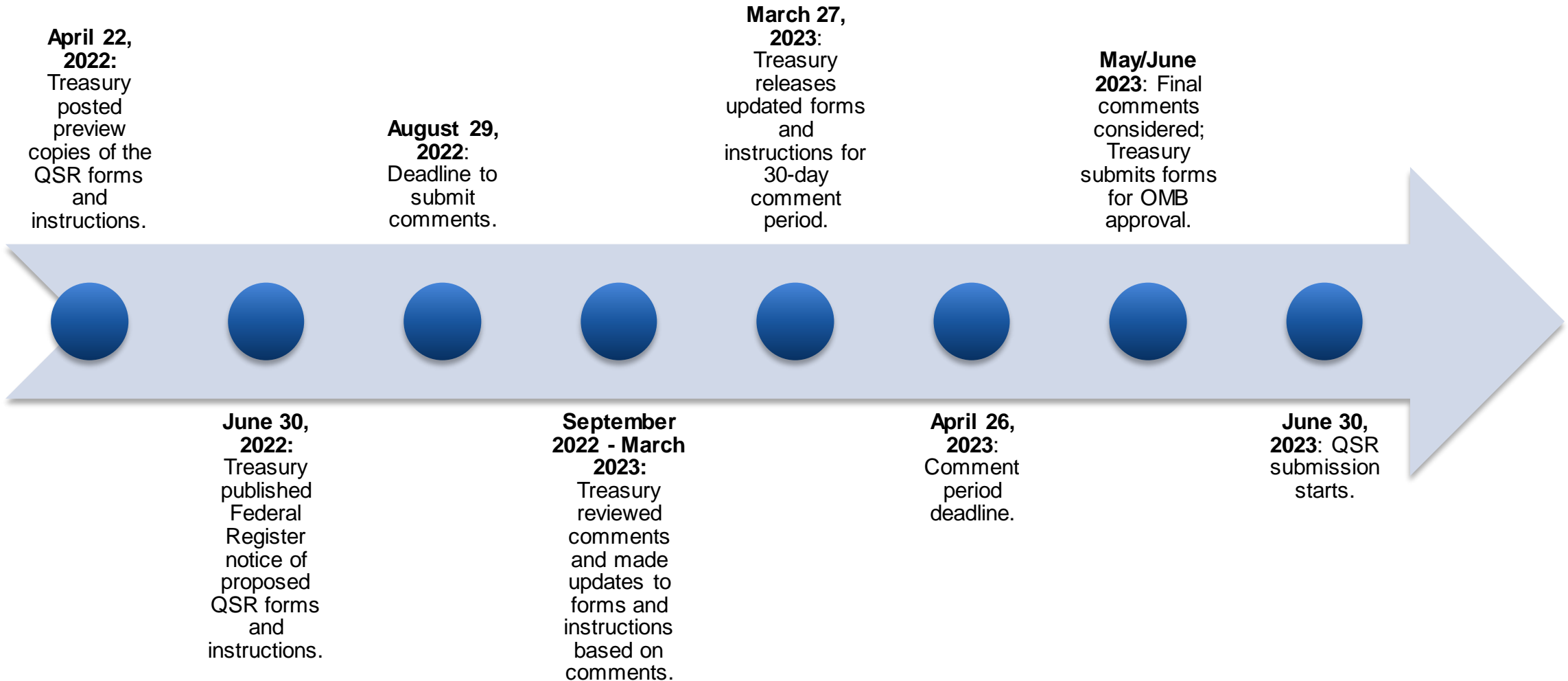
- All Emergency Capital Investment Program (ECIP) participants must provide periodic reports to Treasury:
- See the relevant Securities Purchase Agreement for the full set of reporting requirements.
- **Quarterly Supplemental Report (QSR)**
 - The QSR is used to:
 - Calculate eligibility for rate reductions; and
 - Collect data required for Treasury to assess and evaluate the program.
- **Initial Supplemental Report (ISR)** for certain M&A transactions
 - The ISR is used to adjust the baseline amount of Qualified Lending when an ECIP participant merges with or acquires a non-participant.
- **Legal Certifications**
- Voluntary: **Impact Highlight Report**



Emergency Capital Investment Program

Timeline

QSR Release Timeline





Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ **Quarterly Supplemental Report**
 - ❖ **Report Structure and Overview**
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A

Emergency Capital Investment Program



Quarterly Supplemental Report – Report Structure and Overview

Schedule A – Summary
Qualified Lending

Schedule B – Disaggregated
Qualified Lending

Schedule C –
Additional
Demographic Data

Schedule D –
Additional Place-
based Data



Emergency Capital Investment Program

Quarterly Supplemental Report – Report Structure and Overview

- Purpose is to collect data on Qualified and Deep Impact Lending to:
 - Allow computation of qualification for rate reductions in dividend and interest payments to be made to Treasury; and
 - Enable Treasury to assess and evaluate the impact of the program.
- Separate sets of schedules and instructions for IDIs & holding companies and credit unions.
- Submission is required for all Participants and the same report schedules are required regardless of institution size.
- Report is a single Excel-based spreadsheet and consists of four (4) primary schedules, containing twelve (12) individual tabs.
 - Schedules A & B are due quarterly, and each schedule consists of one tab.
 - Schedules C & D are due annually: Schedule C has two tabs and Schedule D has eight tabs.
- Schedules are prepared off-line and must be submitted through the ECIP Salesforce-based portal.
 - No format conversions required for submission.

Emergency Capital Investment Program



Quarterly Supplemental Report – Report Structure and Overview

- See the Treasury ECIP webpage for instructions: [ECIP Program webpage](#)
 - Located under the Reporting Resources section:
 - Instructions by institution type
 - Report templates
 - FAQs
 - Reference datasets
- See your specific set of legal documents for additional guidance on submission deadlines and requirements.
- Request technical assistance and ask Treasury questions via ECIP@treasury.gov.



Emergency Capital Investment Program

Demographic Data Collection

- All reports need to be completed in accordance with instructions and certified as complete and accurate. Participants are expected to collect all the data needed to complete all the schedules in the QSR accurately.
- Use of proxy data to classify loans as Qualified or Deep Impact Lending is NOT permitted.
- Carefully review the instructions on demographic data collection in Section I.G. of the instructions:
 - Treasury expects that it will not be possible for Participants to accurately complete the QSR without processes in place to attempt to collect the data necessary to complete all the fields and all the schedules in the QSR accurately.
 - Participants are not expected to require their customers to provide demographic data.
 - Participants may use the following methods for collecting demographic data from customers: (i) self-reporting by customers; (ii) methods that the Participant uses for the purposes of complying with the Home Mortgage Disclosure Act (HMDA); and (iii) methods that the Participant uses for the purposes of complying with CDFI Fund certification or reporting requirements.
 - Treasury believes self-identification is the best method of collecting demographic data. If a Participant is collecting data for the purposes of complying with HMDA or CDFI certification or reporting requirements, that data may be used for the QSRs.
 - However, geographic proxies may NOT be used, even if such proxies are accepted for the purposes of complying with HMDA or CDFI certification or reporting requirements.
- If you have questions about how to apply these instructions to your institution or specific business lines or products, please contact ECIP@treasury.gov and we will provide technical assistance.

Emergency Capital Investment Program



Demographic Data Collection

- Because Participants may require time to develop sufficient data-collection systems, for each QSR through the report for the quarter ending on **June 30, 2024**, Treasury will not consider the QSR to be inaccurate or incomplete solely on the basis of a lack of demographic data.
- For each such QSR, the Participant must provide a narrative explanation of their plans to implement sufficient data-collection systems and their progress in implementing those plans.



Emergency Capital Investment Program

Schedule A

Schedule A

- Highest-level report of Qualified and Deep Impact Lending.
- Submitted quarterly.
- Uses Call Report Lending Activity Categories. The columns are the same for credit unions and IDIs and holding companies.
- Report the number of transactions and dollar amount of activity in the applicable quarter.
- Schedule A is used to determine qualification for rate reductions.
- DO NOT DOUBLE COUNT TRANSACTIONS.

Quarterly Supplemental Report (QSR) Schedule A - Summary Qualified Lending													
ID	Lending Activity Categories	Total Originations		Qualified Lending Originations**		Deep Impact Lending Originations							
		(Column A) # of Originations	(Column B) \$ of Originations	(Column C) # of Originations	(Column D) \$ of Originations	(Column E) # of Originations	(Column F) \$ of Originations						
1	Non-commercial loans / lines of credit	1A	23	1B	\$ 5,780,152.00	1C	10	1D	\$ 20,000,000.00	1E	10	1F	\$ 10,000,000.00
2	Commercial loans / lines of credit	2A	0	2B	\$ -	2C	0	2D	\$ -	2E	0	2F	\$ -
Sum of Data Uploaded													
3	Total	3A	23	3B	\$ 5,780,152.00	3C	10	3D	\$ 20,000,000.00	3E	10	3F	\$ 10,000,000.00

Emergency Capital Investment Program



Schedule B

Schedule B

- Used to present further detail on the composition of Qualified and Deep Impact Lending.
- Submitted quarterly.
- Double-counting of loans across categories is expected.
 - Example: A loan to a Low-income Borrower in a Persistent Poverty County must be reported in both the Low-income Borrower and Persistent Poverty County columns.
- Report the number of transactions and dollar amount of activity in the applicable quarter.
- Uses Call Report Lending Activity Categories. The columns are the same for credit unions and IDIs and holding companies.

Emergency Capital Investment Program



Schedule B

Schedule B Categories by Qualified and Deep Impact Lending (columns)

Column #	Categories	Qualified Lending	Deep Impact Lending
1	LMI Borrowers	X	
2	Other Targeted Populations	X	
3	Low-Income Borrowers		X
4	Mortgage Lending to Other Targeted Populations		X
5	Rural Communities	X	
6	Urban Low-Income Communities	X	
7	Underserved Communities	X	
8	Minority Communities	X	
9	Persistent Poverty Counties		X
10	Indian Reservations and Native Hawaiian Homelands		X
11	U.S. Territories		X
12	Small Businesses or Farms	X	
13	Underserved Small Businesses		X
14	Affordable Housing	X	
15	Qualified Public Welfare Investments (PWI)	X	
16	Community Service Facility	X	
17	Deeply Affordable Housing		X
18	Deep Impact Public Welfare Investments (PWI)		X

Emergency Capital Investment Program



Schedule B

Schedule B Lending Activity Categories for IDIs/Holding Companies and Credit Unions (rows)

IDIs and Holding Companies		Credit Unions	
ID	Lending Activity Categories	CU ID	Credit Union Lending Activity Categories
1	Loans secured by construction, land development, and other land loans	1	Non-commercial loans / lines of credit (auto-calculated)
2	Loans secured by farmland	2	<i>Unsecured credit card loans</i>
3	Loans secured by 1-4 family residential properties	3	<i>Payday alternative loans (PALs I and PALs II) (FCU only)</i>
4	Loans secured by multifamily (5 or more) residential properties	4	<i>Non-federally guaranteed student loans</i>
5	Loans secured by nonfarm nonresidential properties	5	<i>All other unsecured loans/lines of credit</i>
6	Loans to finance agricultural production and other loans to farmers	6	<i>New vehicle loans</i>
7	Commercial and industrial loans	7	<i>Used vehicle loans</i>
8	Loans to individuals for household, family, and other personal expenditures	8	<i>Leases receivable</i>
9	Lease financing receivables	9	<i>All other secured non-real estate loans / lines of credit</i>
10	Direct and indirect investments in real estate ventures	10	<i>Loans / lines of credit secured by first lien on single 1-4 family res property</i>
11	Equity investments without readily determinable fair values	11	<i>Loans / lines of credit secured by junior lien on single 1-4 family res property</i>
		12	<i>All other real estate loans / lines of credit</i>
		13	Commercial loans / lines of credit (auto-calculated)
		14	<i>Commercial loans / lines of credit real estate secured</i>
		15	<i>Commercial loans / lines of credit not real estate secured</i>



Emergency Capital Investment Program

Schedule C

Schedule C

- Schedule C—Additional Demographic Data on Qualified Lending collects additional demographic data on certain categories of Qualified Lending and Deep Impact Lending:
 - Schedule C1—People is used for loans to:
 - LMI Borrowers, disaggregated by income category;
 - Other Targeted Populations, disaggregated by race or ethnicity; and
 - Mortgage lending to Other Targeted Populations, disaggregated by race or ethnicity.
 - Schedule C2—Businesses is used for loans to Underserved Small Businesses, disaggregated by business size, owner income, or owner race and ethnicity.
 - See instructions for additional information on how to determine the demographic characteristics of business owners and how to report loans to businesses with owners of multiple races and ethnicities.
- Due annually for the calendar year, concurrently with quarterly data for quarter ending March 31 of the following year (e.g., 2024 calendar year report due concurrently with Call Report for the quarter ending March 31, 2025).
- Report the number of transactions and dollar amount of activity in the applicable year.
- Uses Call Report Lending Activity Categories. The columns are the same for credit unions and IDIs and holding companies.
- Double-counting of loans across categories is expected.

Emergency Capital Investment Program



Schedule C

Schedule C Lending Activity Categories for IDIs/Holding Companies and Credit Unions (rows)

IDIs and Holding Companies		Credit Unions	
ID	Lending Activity Categories	CU ID	Credit Union Lending Activity Categories
1	Loans secured by construction, land development, and other land loans	1	Non-commercial loans / lines of credit (auto-calculated)
2	Loans secured by farmland	2	<i>Unsecured credit card loans</i>
3	Loans secured by 1-4 family residential properties	3	<i>Payday alternative loans (PALs I and PALs II) (FCU only)</i>
4	Loans secured by multifamily (5 or more) residential properties	4	<i>Non-federally guaranteed student loans</i>
5	Loans secured by nonfarm nonresidential properties	5	<i>All other unsecured loans/lines of credit</i>
6	Loans to finance agricultural production and other loans to farmers	6	<i>New vehicle loans</i>
7	Commercial and industrial loans	7	<i>Used vehicle loans</i>
8	Loans to individuals for household, family, and other personal expenditures	8	<i>Leases receivable</i>
9	Lease financing receivables	9	<i>All other secured non-real estate loans / lines of credit</i>
10	Direct and indirect investments in real estate ventures	10	<i>Loans / lines of credit secured by first lien on single 1-4 family res property</i>
11	Equity investments without readily determinable fair values	11	<i>Loans / lines of credit secured by junior lien on single 1-4 family res property</i>
		12	<i>All other real estate loans / lines of credit</i>
		13	Commercial loans / lines of credit (auto-calculated)
		14	<i>Commercial loans / lines of credit real estate secured</i>
		15	<i>Commercial loans / lines of credit not real estate secured</i>

Emergency Capital Investment Program



Schedule C

Schedule C1 Categories by Qualified and Deep Impact Lending (columns)

Lending Type	Borrower Category/Type	Population
Qualified Lending	LMI Borrowers	50% or Below of AMI
		51 - 80% of AMI
		81 - 100% of AMI
		101 - 120% of AMI
	Other Targeted Populations	Black American
		Native American
		Asian American
		Native Alaskan
		Native Hawaiian
		Pacific Islander
		Hispanic American (of any race)
Deep Impact Lending	Mortgage Lending to Other Targeted Populations	Black American
		Native American
		Asian American
		Native Alaskan
		Native Hawaiian
		Pacific Islander
		Hispanic American (of any race)

Emergency Capital Investment Program



Schedule C

Schedule C2 Categories (columns)

	Borrower Category/Type
Underserved Small Businesses	Gross annual revenues that do not exceed \$100,000
	Majority owned by Low-Income Borrowers
	Majority owned by Black Americans
	Majority owned by Native Americans
	Majority owned by Asian Americans
	Majority owned by Native Alaskans
	Majority owned by Native Hawaiians
	Majority owned by Pacific Islanders
	Majority Owned by Minority Individuals of Multiple Races
	Majority owned by Hispanic Americans (of any race)

Emergency Capital Investment Program



Schedule D

Schedule D1 to D8 – Additional Place-based Data

- Schedule D collects additional geographic data on place-based lending.
 - Some schedules require aggregation to the county level and others aggregate at the census tract level.
- Due annually for the calendar year, concurrently with quarterly data for quarter ending March 31 of the following year (e.g., 2024 calendar year report due concurrently with the Call Report for the quarter ending March 31, 2025)
 - Report the number of transactions and dollar amount of activity in the applicable year, along with applicable geographic fields.
 - See instructions for place-based definitions.

Emergency Capital Investment Program



Schedule D

- Categories of Place-based Lending
 - Rural Communities (county level)
 - Urban Low-Income Communities (census tract level)
 - Underserved Communities (census tract level)
 - Minority Communities (census tract level)
 - Persistent Poverty Counties (county level)
 - Indian Reservations & Native Hawaiian Homelands (American Indian Area Code and census tract)
 - U.S. Territories (census tract)
 - Projects Benefiting LMI Communities or Other Targeted Populations (county)

Emergency Capital Investment Program



Additional Requirements

- Each report must have a narrative explaining the procedures used to produce the report data.
 - Narrative may be used in case there is a need to replicate the data after submission.
 - The narrative should describe which methodology, or combination of methodologies, Participants used to identify their Qualified Lending.
- As part of the submission process, each report must be certified by the Participant's CEO or CFO as being prepared in conformance with the instructions, true and correct.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ **Quarterly Supplemental Report**
 - ❖ Report Structure and Overview
 - ❖ **Submission Schedule**
- ❖ Initial Supplemental Report – M&A
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A



Emergency Capital Investment Program

QSR Submission Schedule

Period of Activity	Schedules Required	Report Due Date
Closing Date - June 30, 2022*	A & B	Friday, June 30, 2023
July 1, 2022 - September 30, 2022**	A & B	Friday, June 30, 2023
October 1, 2022 - December 31, 2022**	A & B	Friday, June 30, 2023
Closing Date - December 31, 2022 Annual Reporting	C & D (for 2022 lending)	Friday, June 30, 2023
January 1, 2023 - March 31, 2023	A & B	Friday, June 30, 2023
April 1, 2023 - June 30, 2023	A & B	Concurrent with applicable federal regulator report filing deadline (Call Report or FR Y-9C)

* For institutions that closed before June 30, 2022

** For institutions that closed within the quarter, report on all activity from the Participant's closing date to quarter end.

Emergency Capital Investment Program



QSR Submission Schedule

- Use applicable templates and guidance on Treasury website to begin preparation of the reports.
 - 2022 reports can be submitted in any order but Treasury suggests that Recipients submit reports in chronological order.
 - Treasury will only accept reports after the Office of Management and Budget assigns a Paperwork Reduction Act number and expiration date.
- Treasury will provide technical guidance and demonstrations on how to submit reports through the ECIP portal prior to the submission deadlines.
- For any questions, contact Treasury at ECIP@treasury.gov.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ **Initial Supplemental Report – M&A**
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A

Emergency Capital Investment Program



Initial Supplemental Report – Mergers and Acquisitions

- When a Participant merges with or acquires another institution, the Participant's baseline is adjusted.
- If the acquired institution is an ECIP participant, Treasury will use the Initial Supplemental Report (ISR) submitted by the acquired institution.
- If the acquired institution is not an ECIP participant, the Participant must submit an ISR for the acquired institution covering the annual period ending on the last day of the last completed quarter before the merger, acquisition or other business combination was completed.
- The ISR for the acquired institution is due concurrently with the Participant's first QSR that includes the lending of the acquired institution.
- Please see the instructions regarding M&A activity in section I.F. of the QSR instructions for more details on when the Participant should include the lending of the acquired institution in its QSR.
- Notify Treasury of plans for M&A early in the process, whenever possible.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ **Legal Certifications**
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ Q&A

Emergency Capital Investment Program



Legal Certifications

- Up to three certifications must be made annually. Forms of the certifications are on the ECIP website.
 - Process and Controls Certification.
 - Due within 120 days after Participant's fiscal year end.
 - Currently submitted in response to "Additional Information Request" sent through Salesforce.
 - Attestation of Independent Auditor, if applicable.
 - Due within 120 days after Participant's fiscal year end.
 - Currently submitted in response to "Additional Information Request" sent through Salesforce.
 - Interim Final Rule Certification.
 - Due by December 31 each year.
 - Currently submitted in response to "Additional Information Request" sent through Salesforce.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ **Impact Highlight Report**
- ❖ Submission of Comments
- ❖ Q&A

Emergency Capital Investment Program



Impact Highlight Report

- Treasury has proposed a form to collect impact stories submitted on a **voluntary** basis through the new Impact Highlight Report.
 - Reports can be sent at any time.
 - Will be implemented online through the ECIP portal.
 - Content includes narrative of up to 250 words and dropdown menus to help Treasury catalog reports.
 - Information submitted may be used for program evaluation and as a source of qualitative information on the impact of ECIP and any innovations by Participants in serving targeted communities.
 - May be shared with the public, Congress, or oversight bodies, in various forms.
 - Do not include personal details of borrowers.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ **Submission of Comments**
- ❖ Q&A

Emergency Capital Investment Program



Comment Submission

- The public may submit comments on any of the forms and instructions:
 - ISR – M&A versions
 - QSR
 - Legal Certifications
 - Impact Highlight Report
- To submit a comment, please email your comment to pra@treasury.gov.
 - Please reference 1505-0275 in the subject line.

Emergency Capital Investment Program



Comment Submission

- After the comment period closes:
 - Treasury will review comments;
 - Request the Office of Management and Budget to approve use of forms by assigning a Paperwork Reduction Act number;
 - Open the Salesforce-based portal for submission of QSR reports; and
 - Conduct demonstration(s) of how to submit reports.



Emergency Capital Investment Program

Topics

- ❖ Background on Reporting
- ❖ Quarterly Supplemental Report
 - ❖ Report Structure and Overview
 - ❖ Submission Schedule
- ❖ Initial Supplemental Report – M&A
- ❖ Legal Certifications
- ❖ Impact Highlight Report
- ❖ Submission of Comments
- ❖ **Q&A**



Emergency Capital Investment Program

Q & A

Report	Period of Activity	Reports or Schedules Required	Report Due Date	How to Submit
Legal Certification	Recipient's most recently completed fiscal year	Process and Controls Certification	120 days after the end of the fiscal year (e.g., FYE December 31, 2022 report due by April 30, 2023)	Treasury sent out an Additional Information Request (AIR) in Q1 of the calendar year. Please respond to the AIR to submit this certification.
Legal Certification	Recipient's most recently completed fiscal year	Process and Controls Attestation of Internal Auditor, if applicable	120 days after the end of the fiscal year (e.g., FYE December 31, 2022 report due by April 30, 2023)	Treasury will send out an Additional Information Request (AIR) in Q1 of the calendar year. Please respond to the AIR to submit this certification.
Financial Statements	Recipient's most recently completed fiscal year	Balance sheet and statements of income, retained earnings and cash flows	120 days after the end of the fiscal year (e.g., FYE December 31, 2022 report due by April 30, 2023)	By email to ECIP@treasury.gov . Please label email subject header: '[ECIP #], [Participant Name] – FY Financials'
QSR	Closing Date - June 30, 2022*	A & B	Friday, June 30, 2023	ECIP (Salesforce) Portal
QSR	July 1, 2022 - September 30, 2022**	A & B	Friday, June 30, 2023	ECIP (Salesforce) Portal
QSR	October 1, 2022 - December 31, 2022**	A & B	Friday, June 30, 2023	ECIP (Salesforce) Portal
QSR	Closing Date - December 31, 2022 Annual Reporting	C & D (for 2022 lending)	Friday, June 30, 2023	ECIP (Salesforce) Portal
QSR	January 1, 2023 - March 31, 2023	A & B	Friday, June 30, 2023	ECIP (Salesforce) Portal
QSR	April 1, 2023 - June 30, 2023	A & B	Concurrent with applicable federal regulator report filing deadline (Call Report or FR Y-9C)	ECIP (Salesforce) Portal
<p>* For institutions that closed before June 30, 2022</p> <p>** For institutions that closed within the quarter, report on all activity from the Participant's closing date to quarter end.</p>				