



Department of Energy

Washington, DC 20585

Agreement for Minority Financial Institutions Participation in the Bank Deposit Financial Assistance Program

The Department of Energy's Bank Deposit Financial Assistance Program was developed for the purpose of strengthening and expanding the Nation's minority and women-owned small business enterprises. In keeping with the intent of the Program and to lend support to minority and women-owned small business enterprises, the Department of Energy purchases Certificates of Deposit from those minority financial institutions which desire to participate in the Program. The institutions in turn use the principal obtained from purchase of the Certificates of Deposit by the U.S. Department of Energy to provide development loans to minority and women-owned small business enterprises. We believe that the opportunity for full participation in our Nation's free market-enterprise system by minority and women-owned small business enterprises is essential for a strong national economy.

As a condition of participation in the Bank Deposit Financial Assistance Program (BDFAP), the Minority Financial Institution fully agrees to comply with the intent of the program, the instructions provided by the Administrative Financial Institutions (AFIs), which serve as "trustees" for the Depositor, and the terms set forth below. In this Agreement the term "Depositor" refers to the U.S. Department of Energy and the term "Regulatory Agency" refers to the Federal Deposit Insurance Corporation for banks and the Office of Thrift Supervision for savings and loan associations or to their legally constituted successor insurance administrators.

The Minority Financial Institution (MFI) herein agrees to the following:

- (1) Upon acceptance of funds, the MFI will have the capability available to allow the Depositor to electronically debit an account of the MFI through the Federal Reserve Bank's Automated Clearinghouse (ACH) System. The ACH System will be used by the Depositor to collect the interest on the MFI's Certificates of Deposit (CDs), as specified in Items 2 and 4 below.
- (2) The MFI will pay interest on initial or rollover deposits received from the (AFI) at the 6-month Treasury Bill rate prevailing at the time of the corresponding initial or rollover deposit until the date the funds are collected by the Depositor through the ACH System.
- (3) The MFI will be responsible for ensuring that the Depositor has accurate account information available to collect the interest earned on CDs through the ACH System. Failure of the MFI to fulfill this requirement may result in a delay in collection of the interest by the Depositor. This condition will result in an interest

assessment to the MFI at the rate stated in Item 2, on the amount of interest that should have been received by the Depositor through the ACH System from the designated date of maturity to the actual date of payment to the Depositor.

- (4) The MFI will pay the interest earned, pursuant to Item 2, on the day of maturity of the investment, computed on the basis of 30 days in a month 360 days in a year (i.e. $\text{Face} \times \text{Rate} \times 180/360 \text{ days}$).
- (5) The MFI will acknowledge receipt of deposit by telecommunication or in writing to the AFI no later than one (1) business day following date of receipt. In the case of acknowledgment by telecommunications, written confirmation must be sent by the MFI to the AFI no later than three (3) business days following receipt of deposit.
- (6) The provisions of this Agreement shall continue in effect until termination of the MFI's participation in the BDFAP. In the case of voluntary withdrawal by the MFI, the MFI shall notify the AFI and the Depositor of its intended withdrawal prior to the maturity of the deposits and shall remit principal and accrued interest immediately to the AFI as the deposits mature. In the event of involuntary withdrawal (i.e., withdrawal action initiated by the AFI or Depositor due to extenuating circumstances such as, but not limited to, loss of or withdrawal from, Regulatory Agency insurance coverage, the insolvency or receivership of an MFI or requirements of the Depositor), the principal and interest accrued to the date of transfer shall be remitted by electronic funds transfer, pursuant to instructions, including a transfer date, issued by the AFI. Failure of an MFI to immediately remit the principal and accrued interest to the AFI in accordance with AFI's instructions will result in an interest assessment from the instructed date of transfer of the deposit to the actual date of receipt by the AFI.
- (7) The MFI will not accept any funds in excess of applicable Regulatory Agency insurance coverage and agrees to be liable to the Depositor for any losses that may result from the acceptance of funds in excess of such insurance coverage. Should the MFI lose or withdraw from Regulatory Agency insurance coverage, all funds then on deposit, including any interest accrued until the date of transfer, shall be remitted, as directed, to either the AFI or the Depositor by electronic transfer prior to such loss or withdrawal from Regulatory Agency insurance coverage. The MFI shall notify the AFI and the Depositor by telecommunication no later than one (1) business day following any decision to withdraw from Regulatory Agency insurance coverage or upon notice of revocation of insurance coverage by the Regulatory Agency. Written confirmation must be sent no later than three (3) business days following the decision to withdraw from or upon notice of relocation of Regulatory Agency insurance coverage.

- (8) The financial institution shall notify the AFI and the Depositor upon loss of eligibility for participation in the Minority Bank Deposit Program. Amounts on deposit will continue until the next semiannual maturity date, at which time the deposit and interest accrued to the date of the transfer shall be remitted to the AFI by electronic funds transfer.
- (9) The MFI shall maintain records that, at a minimum, contain copies of this Agreement, CDs and specific amounts on deposit, interest rate being earned, term to maturity, withdrawals and interest earned, and dates these transactions occurred. The MFI shall furnish the AFI or Depositor with such information on each account which the AFI or Depositor may from time to time require. The Depositor and the AFI shall, for the purpose of securing such information, have access to and the right to examine relevant books, documents, papers, or records of the MFI from the date the MFI commences participation in the BDFAP to a period of six (6) years from the date the MFI ceases to participate in the BDFAP.
- (10) The MFI shall follow written instructions issued by the Depositor or the AFI concerning procedural matters not covered by this Agreement.
- (11) In the case of funds withdrawn by the Depositor prior to maturity due to extenuating circumstances, such as the loss of or withdrawal by an AFI from the BDFAP for reasons as described in term 6 above, no penalty will be assessed by the MFI.

This agreement has been executed on this _____ day of _____.

MFI Name _____
(Please Type)

Official's Name _____
(Please Type Official authorized to execute contract on behalf of the MFI)

Title: _____
(Please Type)

Signature: _____
(Official authorized to execute contract on behalf of the MFI)

U.S. Department of Energy _____ Date: _____
(Program Officer)