

## Eligibility

Federally insured depository institutions that serve the Foundation's targeted neighborhoods are eligible to receive MRDs. The Foundation places particular emphasis on insured depository Community Development Financial Institutions (CDFIs) because they are uniquely suited to support credit and financial services in low-income communities.

Requests for deposits must come from Foundation program staff, not the depository institution. The Foundation does not accept unsolicited applications for Mission-Related Deposits.

## Types of Deposits

The Annie E. Casey Foundation offers two types of MRDs: **Insured Deposits:** These deposits are made in FDIC-insured banks or savings associations and are limited to a total amount of \$100,000. This type of deposit is often the first step that the Foundation will take in establishing and building a new institutional relationship. The Foundation may consider a jumbo certificate of deposit of more than \$100,000 on a case-by-case basis.

**Linked Deposits:** A linked deposit is made to enable an institution to lend to a particular borrowing organization at favorable terms (i.e., below market rate). The Foundation deposits funds in the lending institution for a specified period of time and accepts a below-market rate of return. The savings the institution makes on the reduced interest rate is then passed on to the borrowing organization, in effect subsidizing the loan to the borrowing organization. Linked deposits are made only occasionally and are considered on a case-by-case basis.

## Terms

The Annie E. Casey Foundation requires that the following terms be met for a financial institution to receive a Mission-Related Deposit:

- An eligible depository institution must be a lending institution that has established or intends to establish a presence in one of the Annie E. Casey Foundation-targeted neighborhoods.
- MRDs are made as certificates of deposit. Under no circumstances are the funds deposited to be used as collateral or payment for investments made by the depository institution.
- Except in the case of linked deposits and a few rare exceptions, interest rates for MRDs will be the market interest rate paid by the financial institution.
- The initial term of the deposit is typically one year. Upon maturity, the deposit may be renewed on an ongoing basis for longer terms based on successful financial service delivery during the deposit term.

## Reporting

The Annie E. Casey Foundation shall require reporting on the use and benefits of an MRD on a quarterly and annual basis. Reporting will describe progress made toward achieving the agreed-upon objectives of the financial institution and the Foundation. Reporting requirements will include account, organizational, financial, and programmatic information, including impact on neighborhoods targeted by the Foundation.

## Application Process

Depository institutions will be asked to apply for an MRD by a member of the Foundation program staff. Institutions and the sponsoring program staff will submit a brief letter of intent that includes the following information: description of the financial institution, description of field of membership/target markets, description of work in Annie E. Casey Foundation-targeted neighborhoods (past and proposed), as well as the expected social impact.

The sponsoring program staff will submit the letter of intent to the social investment (SI) staff after which SI staff will determine eligibility, conduct a review of the request, and present to the Foundation's Social Investment Committee. Jumbo deposit requests may require additional and/or on-site review. The SI Committee then reviews and approves or declines deposit requests.

Once the SI Committee and Senior Management approve the deposit request, the SI staff will complete deposit forms and wire the funds to the financial institution.

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