

CDFI fund

WHO WE ARE

The U.S. Department of the Treasury's, Community Development Financial Institutions (CDFI) Fund was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities.

The Fund was authorized by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative.

By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and community development entities (CDEs), and by providing incentives to traditional banks and thrifts, the Fund works toward building private markets, creating healthy local tax revenues, and empowering residents.

CDFIs are banks, thrifts and credit unions with a primary mission of community development. CDFIs also include housing and small business loan funds, and community

WHAT WE DO

development venture funds.

The Vision of the CDFI Fund is an America in which all people have access to credit, capital and affordable financial services.

The Fund's Mission is to expand the capacity of financial institutions to provide credit, capital and financial services to underserved populations and communities in the United States of America.

Our strategic goal is to improve the economic conditions of underserved communities by providing capital and technical assistance to CDFIs, capital to insured depository institutions, and tax credit allocations to CDEs, which provide credit, capital, and financial services to these markets.

Our objectives are to:

- Increase financing to businesses (including non-profit businesses) and individuals that are low wealth, have limited collateral, are located in underserved communities, or have other

characteristics that inhibit them from getting business or commercial real estate loans or equity investments from traditional financial sources.

- Expand the supply and quality of housing units in underserved communities and increase homeownership in these markets by increasing the availability of housing financing that leverages conforming mortgages or non-traditional sources of housing finance.
- Expand access to affordable financial services for the "unbanked," low-income people and others in underserved communities.
- Build the self-sufficiency and capacity of CDFI Fund awardees and certified CDFIs.

[Visit the Fund's website for a complete list of CDFIs and CDE by city and state](#)

Community Development Financial Institutions (CDFI) Program

The CDFI Program seeks to promote the development of a national network of community-based financial institutions that are dedicated to community development. The Fund certifies organizations as CDFIs and offers the following program components to support their development and growth:

Financial Assistance (FA) Component. Provides Financial Assistance in the form of grants, loans, equity investments, deposits, and credit union shares and Technical Assistance (TA) grants to certified CDFIs in support of identified business plans. This program component is intended to provide assistance to strengthen small and emerging, established, and expanding CDFIs in order to better serve underserved markets.

Technical Assistance (TA) Component. Provides TA grants to CDFIs and entities proposing to become CDFIs in order to build their capacity to better address the community development and capital access needs of their particular target markets.

Native American Initiatives

Through the **Native American CDFI Assistance (NACA) Program**, the Fund provides (i) FA and/or TA awards (including operating grants) to Native American CDFIs and entities that can be certified as Native American CDFIs at time of award; and (ii) TA awards to entities that propose to become Native American CDFIs within two years; and "Sponsoring Entities" (e.g., Native American organizations,

Tribes, Tribal organizations) the propose to create separate legal entities that will become Native American CDFIs within 3 years.

Through the **Native American Technical Assistance (NATA) Component**, the Fund provides capacity building TA grants to Native American CDFIs and entities that propose to become Native American CDFIs within two years.

Through the **Native American CDFI Development (NACD) Program** the Fund provides grants to acquire services to be used to create CDFIs that will primarily serve Native American, Alaska Native, and/or Native Hawaiian communities. The proposed CDFI may serve a single community or multiple communities. Communities served may be on or off reservation. The NACD Program largely replaces the Native American CDFI Technical Assistance Program implemented in FY 2002.

Through the **Native Communities Financing Initiative (Training Program)**, the Fund has contracted with the National Community Capital Association (NCCA) and its subcontractor, the First Nations Oweesta Corporation (Oweesta), to provide two training courses for Native American lenders, financiers, and community development practitioners interested in developing a CDFI. Participants are eligible to receive on-site, follow-up technical assistance from NCCA and Oweesta. The Fund strongly encourages organizations interested in becoming or creating a Native American CDFI to participate in the is program.

Bank Enterprise Award (BEA) Program

The BEA Program complements the community reinvestment activities of banks and thrifts by providing monetary incentives to expand investments in those CDFI with a greater need for the incentive provided by the BEA Program to facilitate their bank partnerships and to increase lending and investing in support of "personal wealth" and "community asset" building activities.

New Markets Tax Credit (NMTC) Program

On December 21, 2000, the Community Renewal Tax Relief Act of 2000 was signed into law. The law provides for \$15 billion in tax incentives under the New Markets Tax Credit (NMTC) Program to help spur economic growth in new markets in urban and rural communities across the country. By making an equity investment in an eligible "community development entity" (CDE), individual and corporate investors can receive a New Markets Tax Credit worth more than 30 percent of the amount invested over the life of the credit, in present value terms.

Additional Resources

Please visit our website at www.cdfifund.gov for the current funding round program NOFAs, regulations, and applications. Additionally, you will find information on Certification such as a list of all certified CDFIs by state and type and certified CDE by state.

WWW.CDFIFUND.GOV

For More Information

Please visit the CDFI Fund's website at www.cdfifund.gov, or call the CDFI Fund at (202) 622-8662.

February 2004