



**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIS) SHARE A COMMON GOAL OF EXPANDING ECONOMIC OPPORTUNITY IN LOW-INCOME COMMUNITIES BY PROVIDING ACCESS TO FINANCIAL PRODUCTS AND SERVICES FOR LOCAL RESIDENTS AND BUSINESSES. WHETHER IT'S THE CREDIT UNION DOWN THE STREET OR A NEARBY SMALL BUSINESS LOAN FUND, YOUR COMMUNITY MAY BE HOME TO AN ORGANIZATION KNOWN AS A CDFI.**

## **WHAT ARE CDFIs?**

CDFIs can be banks, credit unions, loan funds, microloan funds, or venture capital providers. CDFIs are helping families finance their first homes, supporting community residents starting businesses, and investing in local health centers, schools, or community centers. CDFIs strive to foster economic opportunity and revitalize neighborhoods.

**FOR A COMMUNITY TO THRIVE ECONOMICALLY IT REQUIRES ACCESS TO BASIC FINANCIAL SERVICES, AFFORDABLE CREDIT, AND INVESTMENT CAPITAL. YET HISTORICALLY, FOR LOW-INCOME COMMUNITIES AND INDIVIDUALS, THAT ACCESS HAS OFTEN BEEN LIMITED.**

## **HOW DID CDFIs BEGIN?**

Beginning in the 1880s when the first minority-owned banks focused on low-income areas, community organizations have developed to provide needed financial services. From the creation of credit unions in the 1930s and 1940s and community development corporations beginning in the 1960s and 1970s, to the more recent emergence of non-profit loan funds in the 1980s, the predecessors to CDFIs sought to better the conditions in these economically underserved markets.

To support the emerging community development financial institutions, the Community Development Financial Institutions Fund, or CDFI Fund, was established by the Riegle Community Development and Regulatory Improvement Act of 1994. The CDFI Fund's purpose is to promote economic revitalization and community development in low-income communities through investment in and assistance to CDFIs.

**FROM GRASSROOTS BEGINNINGS, CDFIS NOW FORM A ROBUST SECTOR WITHIN THE LARGER FINANCIAL SERVICES INDUSTRY.**

## **WHAT DO CDFIs LOOK LIKE TODAY?**

There are 1,000 CDFIs operating nationwide. They are a collaborative force that brings together diverse private and public sector investors to create economic opportunity in low-income communities. CDFIs continue to grow in size and impact, and to support community transformation.



### **DOES THIS SOUND LIKE YOUR ORGANIZATION?**

If so, you may be eligible to become certified as a CDFI. Certification is the first step in entering our nationwide network of CDFIs. View our eligibility requirements and learn how to become certified as a CDFI ([CDFIFund.gov](https://www.cdfifund.gov)).

### **WANT TO ENHANCE YOUR ORGANIZATION'S CAPACITY TO HELP YOUR COMMUNITY?**

Learn how Certified CDFIs can participate in the CDFI Fund's competitive award programs ([CDFIFund.gov](https://www.cdfifund.gov)).