



## CAPITAL MAGNET FUND

# SOLUTIONS

For Affordable Housing in Low-Income **COMMUNITIES**

Low-income families across America experience difficulty finding affordable housing, with many spending over half of their paychecks on rent. This burden leaves little income for other necessities such as food, medical care, transportation, and savings – essential services that are often not readily available in low-income communities. The Capital Magnet Fund was created to spur investment in affordable housing and related economic development efforts that serve low-income families and low-income communities across the country.

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### **HOW DOES THE CAPITAL MAGNET FUND WORK?**

Through the Capital Magnet Fund, the CDFI Fund competitively awards funds to CDFIs and qualified non-profit housing organizations. These awards can be used to finance affordable housing activities, as well as related economic development activities and community service facilities, with the objective of attracting private capital to economically distressed communities, including underserved rural areas. Funding for the Capital Magnet Fund comes from allocations made by the Government-Sponsored Enterprises Fannie Mae and Freddie Mac and varies from year to year.

Capital Magnet Fund awards must be used to leverage housing and economic development investments at least ten times the size of the award amount. Award recipients are able to utilize Capital Magnet Fund awards to create financing tools such as loan loss reserves, loan funds, equity funds, risk-sharing loans, and loan guarantees. At least 70 percent of Capital Magnet Fund dollars must be used to finance affordable housing, and recipients may use up to 30 percent of funds to finance economic development activities linked to affordable housing. The CDFI Fund seeks to promote Capital Magnet Fund-financed activity in geographically diverse areas of economic distress, including metropolitan and rural areas across the United States.

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## **IS MY ORGANIZATION ELIGIBLE?**

To be eligible to apply for funds through the Capital Magnet Fund, your organization must be a certified CDFI or a non-profit organization operating with a principal purpose of developing or managing affordable housing solutions.

For additional information on eligibility, please visit the CDFI Fund's website at [www.cdfifund.gov/cmfi](http://www.cdfifund.gov/cmfi).

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## **CAPITAL MAGNET FUND IMPACT**

From one award round in 2010, the Capital Magnet Fund has already generated nearly \$1.8 billion of investment—over 20:1 leveraging—with just \$80 million in awards, and created more than 13,300 affordable homes.

The most recent award round for the program was in FY 2016. These recipients project that their investments will result in approximately 17,000 affordable rental and homeownership housing units and more than \$2.2 billion in private investment in affordable housing and economic development activities.

## **FIND OUT MORE**

Visit our website: [www.cdfifund.gov/cmfi](http://www.cdfifund.gov/cmfi)

Call our help desk for support: (202) 653-0421

Email us your questions: [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov)