



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.

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.

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.

CAPITAL MAGNET FUND IMPACT

Since the inception of the Capital Magnet Fund, the CDFI Fund has completed five rounds of the program and has awarded grants totaling more than \$564.8 million.

The inaugural round was held in FY 2010 when the Capital Magnet Fund awarded \$80 million to 23 CDFIs and qualified non-profit organizations serving 38 states. From that one award round, the Capital Magnet Fund has created more than 13,300 affordable housing units and generated nearly \$1.8 billion in private and public leverage; more than \$20 of investment for every \$1 in Capital Magnet Fund funding.

The most recent award round for the program was in FY 2019. These recipients project that their investments will result in approximately 22,400 affordable rental and homeownership housing units and more than \$3 billion in private investment in affordable housing and economic development activities.

FIND OUT MORE

Visit our website: www.cdfifund.gov/cmfi

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

Email us your questions: cdfihelp@cfdi.treas.gov