



## 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 provides competitively awarded grants 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 revitalizing low-income communities and 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.

Recipients are able to utilize Capital Magnet Fund Award funds to create financing tools such as loan loss reserves, loan funds, risk-sharing loans, and loan guarantees. Capital Magnet Fund Award funds must be used to leverage housing and economic development investments at least ten times the size of the award amount. 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 grant 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](http://www.cdfifund.gov/cmfi).

---

## **CAPITAL MAGNET FUND IMPACT**

The Capital Magnet Fund offers competitively awarded grants to finance affordable housing solutions and community revitalization efforts that benefit low-income people and low-income communities nationwide. This is the real change that communities recognize. From one \$80 million award round in FY 2010, the Capital Magnet Fund has:

- Awarded grants to 23 CDFIs and qualified non-profit organizations serving 38 states
- Generated more than \$1 billion of combined investment
- Generated \$12 of private investment for every \$1 of federal funding
- Created more than 9,000 affordable homes, including more than 8,000 affordable rental homes and more than 1,000 homeowner-occupied homes.

## **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)