A YEAR OF ENGAGEMENT AND ACTION FOR THE FUTURE

2015 YEAR IN REVIEW
ENGAGEMENT A ACTION FOR THE FUTURE
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A Message from
CDFI Fund Director
Annie Donovan
Dear Colleagues:

It is with great pleasure that I present this 2015 Year in Review for the Community Development Financial Institutions Fund (CDFI Fund). As I conclude my first year as Director, I am excited to share the impact of both the CDFI Fund and our network of awardees in Fiscal Year 2015.

This year has provided invaluable opportunities for the CDFI Fund to listen, to learn, and to shape a Framework for the Future that will guide the work of the CDFI Fund. We undertook a national listening tour over the summer, speaking to Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other stakeholders and experts about their experiences, perspectives, and challenges. We gained the kind of insight that can only be gathered from being on the ground seeing the work of this CDFI Fund network from the vantage point of the communities they serve. We used that insight to inform five guiding principles that we will use to focus the efforts of the CDFI Fund into the future. They are:

1. Increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFIs and CDEs.

2. Foster a diversity of CDFI and CDE activities and geographies while holding certified CDFIs and CDEs to high standards of integrity.

3. Build the capacity of the CDFI Fund and its network to capture, produce, and utilize data to improve decision-making, performance, and accountability.

4. Ease the customer experience and create on-ramps for new and emerging CDFIs and CDEs to access CDFI Fund programs.

5. Promote awareness of CDFIs in order to expand their access to new resources.

As I traveled this year, it was uplifting to learn what the CDFI Fund is doing well, and empowering to learn how we can better respond to the needs of the communities you serve. The need for the CDFI Fund’s programs is deeply felt in communities, and the CDFI Fund network’s impact is tangible. Together we can accelerate the CDFI Fund’s results and achieve even greater economic opportunity in underserved communities and for low-income people.

As you read this Year in Review, I hope you will feel proud of what the CDFI Fund and its network have accomplished and excited about the future of the CDFI Fund.

Sincerely,

Annie Donovan
Director, CDFI Fund
CDFI Fund Overview

THE CDFI FUND’S MISSION
To expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

THE CDFI FUND’S VISION
An America in which all people and communities have access to the investment capital and financial services they need to prosper.

The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in generating economic growth and opportunity in some of our nation’s most distressed communities. By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities. These mission-driven organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing.

Each business financed, each job created, and each home built represents a critical step in the transformation of a life, a family, and a community.

THIS IS REAL CHANGE.
THIS IS THE CDFI FUND.
The CDFI Fund achieves its purpose by promoting access to capital and local economic growth in the following ways:

1. Through its **Community Development Financial Institutions Program**, by directly investing in, supporting, and training CDFIs that provide loans, investments, financial services, and technical assistance to underserved people and communities;

2. Through its **New Markets Tax Credit Program**, by providing an allocation of tax credits to Community Development Entities, which enable them to attract investment from the private sector and reinvest these amounts in low-income communities;

3. Through its **Bank Enterprise Award Program**, by providing an incentive to banks to invest in their communities and in other CDFIs;

4. Through its **Native Initiatives**, by taking action to provide financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs;

5. Through its **CDFI Bond Guarantee Program**, by issuing guarantees for bonds to support CDFIs that make investments for eligible community or economic development purposes; and

6. Through its **Capital Magnet Fund**, by providing competitively awarded grants for CDFIs and other nonprofits to finance the development, rehabilitation, preservation, and purchase of affordable housing and community development facilities for low-income families and communities.

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1. The first and only award round of the Capital Magnet Fund to date was in fiscal year (FY) 2010. The CDFI Fund is planning on a new award round in FY 2016.
WHAT ARE CDFIs?

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

CDFIs generally offer flexible rates and terms that are designed to meet the needs of low-income borrowers and small businesses. CDFIs also provide services that help ensure that credit is used effectively, such as technical assistance to small businesses, and home buying and credit counseling to consumers.

There are nearly 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.

In order to become a certified CDFI, an organization must meet the following seven criteria:

1. Be a legal entity;
2. Have a primary mission of promoting community development;
3. Serve principally an investment area or targeted population;
4. Be an insured depository institution, or otherwise have the offering of financial products and services as its predominant business activity;
5. Provide development services (such as technical assistance or counseling) in conjunction with its financing activity;
6. Maintain accountability to its target market; and
7. Be a non-governmental entity and not be controlled by any governmental entities.
THE CDFI FUND’S BUDGET

The U.S. Congress appropriates the CDFI Fund’s budget on an annual basis. The budget is divided between program and administrative expenses. Program funds are used for program awards—grants, loans, deposits, equity investments, and capacity building. Administrative funds are used to cover the costs to administer all CDFI Fund programs. New Markets Tax Credits are authorized separately and the bond guarantees are provided at no net cost to the government.

In FY 2015, the CDFI Fund was appropriated $230.5 million as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMINISTRATIVE COSTS</td>
<td>$24.6</td>
<td>$23.1</td>
</tr>
<tr>
<td>BEA PROGRAM</td>
<td>$18</td>
<td>$18</td>
</tr>
<tr>
<td>CDFI PROGRAM</td>
<td>$168.4</td>
<td>$174.4</td>
</tr>
<tr>
<td>NATIVE INITIATIVES</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$226</td>
<td>$230.5</td>
</tr>
</tbody>
</table>
ANCE
The following statistics measure the work of the CDFI Fund and the CDFIs and CDEs that have received awards through the CDFI Fund’s programs. However, the true impact of this work cannot be measured by statistics alone. Each CDFI certified, each dollar invested, each business financed, and each unit of affordable housing created represents a vital step in the transformation of a community.

**FY 2015 DATA**

<table>
<thead>
<tr>
<th>CERTIFIED CDFIS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>Net increase in the number of CDFIs in FY 2014</td>
</tr>
<tr>
<td>958</td>
<td>Total certified CDFIs at the end of FY 2015, including 71 Native CDFIs</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>COMMUNITY INVESTMENTS</th>
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<tbody>
<tr>
<td>$460.6 Million</td>
<td>Increase in spending on community development activities by Bank Enterprise Award Program (BEA Program) applicants over their prior year’s investment in these types of activities</td>
</tr>
<tr>
<td>$3 Billion</td>
<td>Loans and investments made possible through the New Markets Tax Credit Program (NMTC Program), of which 75.2 percent were made in severely distressed communities</td>
</tr>
<tr>
<td>$327 Million</td>
<td>Approved term sheets and agreements to guarantee executed through the CDFI Bond Guarantee Program in FY 2015</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>BUSINESSES AND JOBS</th>
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</tr>
</thead>
<tbody>
<tr>
<td>12,000</td>
<td>Businesses financed by CDFI Program awardees</td>
</tr>
<tr>
<td>400</td>
<td>Businesses financed by NMTC Program allocatees</td>
</tr>
<tr>
<td><strong>$48 Million</strong></td>
<td>Amount of business and microenterprise loans provided by Native American CDFI Assistance Program (NACA Program) awardees</td>
</tr>
<tr>
<td>6,900</td>
<td>Jobs created from the funds deployed through the NMTC Program</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>HOUSING AND COMMERCIAL REAL ESTATE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10.5 Million</strong></td>
<td>Square feet of commercial real estate developed due to financing from NMTC Program allocatees</td>
</tr>
<tr>
<td>500</td>
<td>Affordable housing units financed by NMTC Program allocatees</td>
</tr>
<tr>
<td>25,300</td>
<td>Affordable housing units financed by CDFI Program awardees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL ACCESS AND LITERACY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>17,800</td>
<td>Individuals that received financial literacy training from NACA Program awardees</td>
</tr>
<tr>
<td>13,500</td>
<td>Individual Development Accounts opened by CDFI Program awardees</td>
</tr>
</tbody>
</table>

3, 4, 5 Numbers are approximate
<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.9 Billion</td>
<td>CDFI Program and NACA Program awards</td>
</tr>
<tr>
<td>$410 Million</td>
<td>BEA Program awards</td>
</tr>
<tr>
<td>$852 Million</td>
<td>Guaranteed in bonds through the CDFI Bond Guarantee Program</td>
</tr>
<tr>
<td>$43.5 Billion</td>
<td>Allocated in tax credit investment authority through the NMTC Program</td>
</tr>
</tbody>
</table>
## Community Investment

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.56 Million</td>
<td>Square feet of new retail space for healthy food projects reported by Healthy Food Financing Initiative Financial Assistance (HFFI-FA) awardees</td>
</tr>
<tr>
<td>1.7 Million</td>
<td>Square feet of production and distribution space for healthy food projects reported by HFFI-FA awardees</td>
</tr>
<tr>
<td>9,800</td>
<td>Affordable homes under development or completed by Capital Magnet Fund awardees from one $80 million award round in FY 2010</td>
</tr>
<tr>
<td>4,800</td>
<td>Businesses financed by NMTC Program allocatees</td>
</tr>
<tr>
<td>12,700</td>
<td>Affordable housing units developed from financing from NMTC Program allocatees</td>
</tr>
<tr>
<td>164.8 Million</td>
<td>Square feet of commercial real estate developed from financing from NMTC Program allocatees</td>
</tr>
<tr>
<td>197,500</td>
<td>Jobs created from the equity raised and deployed through the NMTC Program</td>
</tr>
</tbody>
</table>

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7 Numbers are approximate  
8 Please note that several outcome measures reflect reductions in cumulative values from prior years, particularly jobs, affordable housing units, and square footage, due to reporting changes by allocatees and implementation of more thorough data cleansing rules that eliminated duplicate records from the reported data.
AM
EMENTS
The Community Development Financial Institutions Program (CDFI Program) is the CDFI Fund’s flagship program and the primary federal grant program for CDFIs. Through the CDFI Program, the CDFI Fund provides monetary awards to build the capacity of CDFIs to serve low-income people and communities that lack access to affordable capital, credit, and financial services.

The CDFI Fund provides two types of monetary awards through the CDFI Program: Financial Assistance (FA) awards and Technical Assistance (TA) awards. CDFIs use these funds to:

- Promote economic development by supporting small businesses, creating jobs, and developing commercial real estate.
- Develop affordable housing and promote home ownership.
- Provide community development financial services, including basic banking services, financial literacy programs, and alternatives to predatory lending.

These awards are provided each year through a competitive application process. In addition, the CDFI Fund provides a variety of resources, including webinars, online application materials, and a Program Help Desk, to help applicants complete their applications.

**FINANCIAL ASSISTANCE AWARDS**

The CDFI Fund makes Financial Assistance awards in the form of investments, loans, deposits, and grants to help existing CDFIs. A CDFI that receives a Financial Assistance award is required to match the award dollar-for-dollar with non-federal funds. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in their communities.

The demand for Financial Assistance awards remains high. In FY 2015, the maximum award amount was capped at $2 million.
In FY 2015, the CDFI Fund received Financial Assistance applications from 306 community organizations requesting nearly $429 million in funding. Through a rigorous selection process, the CDFI Fund awarded nearly $157 million to 123 organizations throughout the United States.
The CDFI Program awarded $160.2 million in FA and TA awards to CDFIs in FY 2015.

[Diagram showing breakdown of awards]

Through the Healthy Food Financing Initiative (HFFI), the CDFI Fund provides flexible Technical Assistance and Financial Assistance awards to CDFIs that invest in businesses that help increase access to healthy and affordable food in low-income communities.

22 MILLION DOLLARS AWARDED IN HFFI FINANCIAL ASSISTANCE AWARDS TO HELP 11 CDFIs FINANCE HEALTHY FOOD ACTIVITIES.

Twenty-one previous HFFI awardees have reported 206 HFFI investments totaling $88.3 million so far. There have been 119 retail investments totaling over $69 million; these projects developed 1,564,732 square feet of new retail space for businesses ranging from small greengrocers to large supermarkets that serve low-income, low-access census tracts. In addition, there were 87 non-retail investments totaling over $19 million in projects involving production and distribution, which developed 1,718,088 square feet of space for eligible healthy food activities.
TECHNICAL ASSISTANCE AWARDS

Through the Technical Assistance component of the CDFI Program, the CDFI Fund provides grants to build the capacity of startup and existing CDFIs. Unlike Financial Assistance awards, Technical Assistance grants do not require a match of non-federal funds.

The grants can be used for a variety of purposes, including staff salaries, benefits, training, professional services, supplies, and equipment. Newly certified CDFIs often use the funds to develop lending policies and procedures or to build staff lending capacity. More established CDFIs tend to use Technical Assistance awards to develop new products, to serve their market in new ways, or to upgrade their computer hardware or software.

In FY 2015, the CDFI Fund received 50 applications requesting more than $6 million in Technical Assistance grants, and selected 29 organizations to receive awards totaling $3.5 million.
MEASURING SUCCESS

Organizations that receive Financial Assistance and Technical Assistance awards report their annual performance to the CDFI Fund through its online reporting system, the Community Investment Impact System. These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

Below are some top performance measures for CDFI Program awardees for FY 2015, based on program activities reported in 2014. \(^{10}\)

![LOANS AND INVESTMENTS OF PREVIOUS CDFI PROGRAM Awardees FOR FY 2015 (IN MILLIONS)](image)

- Residential Real Estate Originations: $718
- Commercial Real Estate: $631
- All Other: $268
- Business and Microenterprise: $847
- Consumer: $846
- Home Improvement and Home Purchase: $78

\(^{10}\) Source: CDFI Fund FY 2015 Agency Financial Report
ANNUAL PERFORMANCE OF CDFI PROGRAM AWARDEES

<table>
<thead>
<tr>
<th>LENDING AND INVESTING ACTIVITY</th>
<th>2014 ACTIVITY REPORTED IN FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Loans/Investments Originated</td>
<td>$3.39 billion</td>
</tr>
<tr>
<td>Affordable Housing Units Financed</td>
<td>25,300</td>
</tr>
<tr>
<td>Businesses Financed</td>
<td>12,300</td>
</tr>
</tbody>
</table>

CDFI PROGRAM EVALUATIONS

In 2015, the CDFI Fund released two evaluation reports that provided the first-ever analysis and evaluation of the effectiveness of CDFIs compared to mainstream lenders. The first report, CDFIs Stepping Into the Breach: An Impact Evaluation Summary Report, undertaken by Michael Swack, Eric Hangen, and Jack Northrup from the Carsey School of Public Policy at the University of New Hampshire, is an analysis of the impact of financial assistance awards from the CDFI Program on CDFI loan fund recipients. The second report, Introduction to Risk and Efficiency among CDFIs: A Statistical Evaluation using Multiple Methods, conducted by Gregory Fairchild from the Darden School of Business at the University of Virginia and Ruo Jia from the Stanford Graduate School of Business, is an analysis of CDFI banks and credit unions to assess their risk of failure and their operational efficiency relative to mainstream financial institutions.

The reports concluded that CDFIs are resilient and a reliable resource for capital in underserved communities, manage risk as well as more conventional lenders, and perform as efficiently as mainstream financial institutions. The reports are both available on the CDFI Fund’s website.

11 Source: CDFI Fund FY 2015 Annual Financial Report; numbers are approximate
Since the program’s inception in 2001, the number of certified Native CDFIs has increased from 7 to 70.
Native Initiatives

Native Communities, including Native American, Alaskan Native, and Native Hawaiian communities, often face formidable barriers to accessing capital and basic financial services. The CDFI Fund’s Native Initiatives help to increase access to credit, capital, and financial services in these communities by supporting the creation and expansion of Native CDFIs—specialized, mission-driven organizations that finance businesses, create jobs, establish and improve affordable housing, and provide financial services and financial education in Native Communities.

The main component of the Native Initiatives is the Native American CDFI Assistance Program (NACA Program), which provides Financial Assistance and Technical Assistance awards to increase the number and capacity of Native CDFIs.

The performance results reported by NACA Program awardees in FY 2015 show that Native CDFIs originated loans or investments totaling $68 million based on their portfolio of activities in 2014.

In FY 2015, the CDFI Fund received 54 NACA-eligible applications requesting more than $33.8 million in Financial Assistance and Technical Assistance awards. The CDFI Fund awarded 43 organizations a total of $19.6 million for both Financial Assistance and Technical Assistance funding.
Capacity Building Initiative

www.cdfifund.gov/cbi

The Capacity Building Initiative provides free, specialized training programs, technical assistance, and online resources to help CDFIs improve their ability to deliver financial products and services to underserved communities.

The training programs focus on critical issues that CDFIs currently face, such as affordable housing and business lending needs in underserved communities, portfolio management, risk assessment, and foreclosure prevention, and are designed specifically to meet the needs of the participants. Additional resources, including webinars and the Resource Bank, are available online.

RESOURCE BANK

The Resource Bank is an online archive of Capacity Building Initiative training materials, including texts from workshops, recordings of webinars, and a variety of reference materials and research reports. The Resource Bank is an invaluable source of information on topics of current interest to the CDFI industry, and is offered at no charge to community development practitioners and anyone else, including the general public.

The Resource Bank can be found at www.cdfifund.gov/cbi.
FY 2015 TRAINING SERIES

In FY 2015, the CDFI Fund administered five different training series:

The Leadership Journey II: Continuing Native Growth and Excellence
This series supported the continued growth and long-term sustainability of experienced Native CDFIs by providing the forum, tools, and resources for Native CDFI leaders to identify and address the critical challenges of their organizations. 148 participants attended The Leadership Journey II training events, 47 participated in webinars, and 13 CDFIs received technical assistance.

Financing Community Health Centers
This series provided advanced training and technical assistance, including one-on-one assistance, and an advanced forum for peer learning for CDFIs to establish and improve services that are critical to the needs of community health centers in an evolving environment. 125 participants attended Financing Community Health Centers training events, 437 participated in webinars, and 37 CDFIs received technical assistance.

Preserving and Expanding CDFI Minority Depository Institutions
This series provided assistance to the unique challenges facing CDFI Minority Depository Institutions by providing advanced training and technical assistance. 41 participants attended Preserving and Expanding CDFI Minority Depository Institutions training events, 150 participated in webinars, and eight CDFIs received technical assistance.

Expanding CDFI Investments in Underserved Areas
This series, which began in 2015 and will continue through 2016, will increase CDFI coverage in underserved communities by providing advanced training and technical assistance, including one-on-one assistance, peer cohort forums, and advanced implementation forums for CDFIs. So far, 169 participants have attended Expanding CDFI Investments in Underserved Areas training events. Technical assistance will be provided in FY 2016.

Building Native CDFIs’ Sustainability and Impact
This series, which will continue through 2016, will identify the needs of Native CDFIs and provide multifaceted training and technical assistance that will progressively build the capacity of each Native CDFI to increase their sustainability and impact in Native Communities. So far, 90 participants have attended Building Native CDFIs’ Sustainability and Impact training events, 46 participated in webinars, and 27 CDFIs received technical assistance. Training and technical assistance provision will continue in FY 2016.

The CDFI Fund would like to thank the Opportunity Finance Network, NeighborWorks® America, and Deloitte Financial Advisory Services LLP for conducting the training sessions.
The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities.

The NMTC Program permits taxpayers to receive a credit against their federal income taxes in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The CDEs use the capital they raise from investors to make investments in for-profit or nonprofit businesses operating in low-income communities. The CDFI Fund is responsible for awarding tax credit allocation authority to CDEs each year through a competitive application process.

Unlike the CDFI Fund’s other programs, the NMTC Program operates on a calendar year schedule, rather than a fiscal year schedule. Since the first allocation round of the program in 2002, the CDFI Fund has completed 12 allocation rounds and has made 912 awards totaling $43.5 billion in tax credit allocation authority. This figure includes $3 billion in American Reinvestment and Recovery Act Awards and $1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

Demand for NMTC allocation authority remains consistently high. Over the 12 allocation rounds, the CDFI Fund has received 3,243 applications requesting tax credit authority supporting a total of more than $297 billion in equity investments—approximately seven times the amount of allocation authority available for awards by the CDFI Fund.

For the CY 2014 allocation round, the CDFI Fund received 263 NMTC-eligible applications requesting a total of $19.9 billion in tax credit allocation authority. In June 2015, the CDFI Fund announced that 76 of these organizations were selected to receive a total of $3.5 billion in allocation authority.
ANNUAL PERFORMANCE OF NMTC PROGRAM ALLOCATEES

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund through the Allocation Tracking System (ATS) and Community Investment Impact System (CIIS). Annual performance data represents the allocatees’ CIIS data reported for FY 2015 (program year 2014).

<table>
<thead>
<tr>
<th>LENDING AND INVESTING ACTIVITY</th>
<th>FY 2015 ACTIVITIES (REPORTED IN FY 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan/Investment Volume</td>
<td>$3 Billion</td>
</tr>
<tr>
<td>Number of Loans/Investments</td>
<td>984</td>
</tr>
<tr>
<td>Percent of Loans/Investments in Severely Distressed Communities</td>
<td>75.2%</td>
</tr>
<tr>
<td>Jobs at End of Reporting Period</td>
<td>6,900</td>
</tr>
<tr>
<td>Projected Construction Jobs</td>
<td>26,100</td>
</tr>
<tr>
<td>Square Feet of Commercial Real Estate</td>
<td>10.5 Million</td>
</tr>
<tr>
<td>Businesses Financed</td>
<td>448</td>
</tr>
<tr>
<td>Affordable Housing Units Financed</td>
<td>522</td>
</tr>
</tbody>
</table>

13 Qualified Low-Income Community Investments
14 Numbers are approximate
15 Numbers are approximate
The Bank Enterprise Award Program (BEA Program) recognizes the key role that traditional financial institutions play in community development. Through the BEA Program, the CDFI Fund provides monetary awards to FDIC-insured depository institutions for investing in CDFIs and in economically distressed communities.

Since the inception of the BEA Program in 1994, the CDFI Fund has awarded grants totaling more than $419 million.

BEA Program awardees are recognized for increasing their investments in certified CDFIs through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance; and for increasing their lending, investment, and service activities in communities where at least 30 percent of the population lives at or below the national poverty level and where unemployment is at least 1.5 times the national average. Organizations that receive awards must then reinvest that money back into distressed communities.

**FY 2015 BEA COMMUNITY IMPACT**

The 83 FY 2015 BEA Program awardees increased their qualified community development activities by $460.6 million over the prior year. This figure includes:

- **$340.2 Million** increase in loans and investments in distressed communities
- **$112.8 Million** increase in loans, deposits, and technical assistance to CDFIs
- **$7.6 Million** increase in the provision of financial services in distressed communities

**$460.6 Million Total**
FY 2015 BEA PROGRAM AWARDS

In September 2015, the CDFI Fund announced awards totaling nearly $18.1 million to 83 FDIC-insured depository institutions through the FY 2015 funding round of the BEA Program. Certified CDFIs received 92% of the total award dollars. The CDFI Fund received 103 applications from depository institutions across the country, requesting more than $177 million in funding.
The CDFI Bond Guarantee Program was enacted through the Small Business Jobs Act of 2010 to give CDFIs a significant source of long-term capital at attractive interest rates. The program is designed to function at no cost to taxpayers.

Through the program, the Secretary of the Treasury provides a 100 percent guarantee of bonds issued by Qualified Issuers. The issuers use the bond proceeds to finance loans to Eligible CDFIs, which then use the funds to make loans in underserved communities. Eligible CDFIs are certified CDFIs that participate in the CDFI Bond Guarantee Program.

The Secretary of the Treasury may guarantee up to 10 bonds per year, each at a minimum of $100 million. The total of all bonds cannot exceed $1 billion per year.

The CDFI Bond Guarantee Program is not a grant program. Participating CDFIs take on a debt obligation that must be repaid. The program’s pooled lending structure allows for greater flexibility and participation among CDFIs while balancing overall lending risk for the Federal Financing Bank, the bond purchaser.

In FY 2015, the CDFI Fund closed three bond transactions, and the Secretary issued the corresponding three guarantees totaling $327 million. Nine Eligible CDFIs were approved to receive bond loans through the FY 2015 round. Since the inception of the program, the total amount of bonds closed and corresponding guarantees is $852 million.

The nine Eligible CDFIs approved to receive bond loans through the FY 2015 round of the CDFI Bond Guarantee Program are:

- Raza Development Fund (Qualified Issuer: Community Reinvestment Fund)
- Clearinghouse CDFI (Qualified Issuer: Opportunity Finance Network)
- Bridgeway Capital, Chicago Community Loan Fund, Citizens Potawatomi Community Development Corporation, Community Loan Fund of New Jersey, Community Ventures Corporation, Federation of Appalachian Housing Enterprises, and Kentucky Highlands Investment Corporation (Qualified Issuer: Opportunity Finance Network)
FRAMEWORK FOR THE GUIDING
ORK future: Principles
In 2016 and beyond, the following principles will serve as guideposts as the CDFI Fund advances its mission:

1. Increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFIs and CDEs.

2. Build the capacity of the CDFI Fund and its network to capture, produce, and utilize data to improve decision-making, performance, and accountability.

3. Foster a diversity of CDFI and CDE activities and geographies while holding certified CDFIs and CDEs to high standards of integrity.

4. Ease the customer experience and create on-ramps for new and emerging CDFIs and CDEs to access CDFI Fund programs.

5. Promote awareness of CDFIs in order to expand their access to new resources.