



# CDFI FUND PRESS KIT

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# TABLE OF CONTENTS

<b>HISTORY &amp; TIMELINE</b>	3
<b>CDFI FUND &amp; ITS PROGRAMS</b>	5
<b>BIOGRAPHIES OF THE CDFI LEADERSHIP AND THE COMMUNITY DEVELOPMENT ADVISORY BOARD</b>	8
<b>RECENT KEY PRESS RELEASES</b>	13
<b>RECENT KEY PRESS COVERAGE</b>	14
<b>CDFI REPORTS</b>	15
<b>FREQUENTLY ASKED QUESTIONS</b>	16
<b>PRESS CONTACT</b>	21

# HISTORY & TIMELINE

Community Development Financial Institutions—or CDFIs—emerged in response to a lack of access to responsible and affordable credit and capital in minority and economically distressed communities. The CDFI “movement” took shape in the 1970s with the passage of the Community Reinvestment Act, which encourages financial institutions to meet the needs of all sectors of the communities they serve. Amid growing concerns about the social consequences of investment decisions made by the financial services industry on the nation’s low-income communities, early CDFIs began filling a niche by providing capital and credit in areas that are often difficult for traditional financial institutions to serve.

Since its inception in 1994, the CDFI Fund has built a nation-wide network of CDFIs committed to ensuring that underserved communities have access to quality, affordable, and credible financial services. Over time, the CDFI Fund has leveraged more sophisticated financial mechanisms, such as tax credits, to further support community development.

Today, with the CDFI Fund’s help, what started as a grassroots movement has grown into a thriving sector of the financial services industry that is meeting the needs of communities across the country. The institutions the CDFI Fund serves have enhanced their capacity, sustainability, and impact. The CDFI Fund, in turn, has evolved to meet their needs, offering new programs to further community transformation.

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**SEPTEMBER 23, 1994**

The Riegle Community Development and Regulatory Improvement Act of 1991 is signed into law creating the Community Development Financial Institutions Fund (CDFI Fund) and the Community Development Advisory Board. The CDFI Program and Bank Enterprise Award Program (BEA Program) are the first authorized award programs of the CDFI Fund.

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**OCTOBER 19, 1995**

A Notice of Funds Availability (NOFA) is published in the Federal Register officially opening the first funding rounds of the CDFI Program and BEA Program.

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**FEBRUARY 2, 1996**

First meeting of the Community Development Advisory Board.

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**JULY 31, 1996**

Announcement that 31 organizations received \$35.5 million in awards in the first round of the CDFI Program.

<b>OCTOBER 1, 1996</b>	Announcement that 38 banks and thrifts received \$13.1 million in awards in the first round of the BEA Program.
<b>DECEMBER 21, 2000</b>	The Community Renewal Tax Relief Act of 2000 is signed into law creating the New Markets Tax Credit Program (NMTC Program).
<b>AUGUST 5, 2002</b>	Announcement that 36 organizations received over \$2.5 million in awards in the Native American CDFI Technical Assistance Program.
<b>MARCH 14, 2003</b>	Announcement that 66 organizations received \$2.5 billion in allocation authority in the first round of the NMTC Program.
<b>DECEMBER 21, 2005</b>	The Gulf Opportunity Zone Act of 2005 is signed into law, providing an additional \$1 billion in allocation authority through the NMTC Program.
<b>JANUARY 6, 2009</b>	The American Recovery and Reinvestment Act of 2009 is signed into law, providing an additional \$3 billion in allocation authority available through the NMTC Program and an additional \$100 million through the CDFI Program.
<b>AUGUST 21, 2009</b>	CDFI Fund launches Capacity Building Initiative.
<b>OCTOBER 14, 2010</b>	Announcement that 23 CDFIs and nonprofit organizations received \$80 million in first round of Capital Magnet Fund.
<b>SEPTEMBER 14, 2011</b>	Announcement that 12 CDFIs received \$25 million in awards through Healthy Food Financing Initiative under the CDFI Program.
<b>OCTOBER 1, 2014</b>	Treasury commemorates the 20th Anniversary of the CDFI Fund.
<b>OCTOBER 2, 2014</b>	Announcement that \$525 million was guaranteed in the first two rounds of the CDFI Bond Guarantee Program.

# THE CDFI FUND & ITS PROGRAMS

## **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND (CDFI FUND)**

The Community Development Financial Institutions Fund (CDFI Fund) was created to promote economic and community development by empowering America's underserved and distressed communities. As part of the U.S. Department of the Treasury, the CDFI Fund fosters the creation and increases the capacity of community-based financial institutions through investments and assistance. Since its creation in 1994, the CDFI Fund has awarded more than \$2 billion to Community Development Financial Institutions (CDFIs) around the country. By increasing funding to CDFIs that specialize in providing affordable credit, the CDFI Fund helps build businesses, create jobs, and revitalize neighborhoods.

Through a number of competitive programs, the CDFI Fund is able to help American businesses and citizens participate in the mainstream economy through access to affordable loans. In addition to its other award programs, the the CDFI Fund has allocated \$43.5 billion in tax credit allocation authority to Community Development Entities through the New Markets Tax Credit Program, and \$525 million has been guaranteed in bonds through the CDFI Bond Guarantee Program.

**For more information about the CDFI Fund, please visit the CDFI Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).**

## **BANK ENTERPRISE AWARD PROGRAM (BEA PROGRAM)**

The Bank Enterprise Award Program (BEA Program) rewards FDIC-insured depository institutions for making investments in certified CDFIs as well as in the most distressed communities in the country. In order to receive an award, these banks and thrifts must demonstrate an increase in their investments with at least 30% of their residents having incomes less than the national poverty level and 1.5 times the unemployment rate. The BEA awards help offset some of the risk associated with investing in these distressed communities and provide an incentive to invest. The greater the loan increase, the greater the award.

**For more information about the BEA Program, please visit the CDFI Fund's website at [www.cdfifund.gov/bea](http://www.cdfifund.gov/bea).**

## **CAPITAL MAGNET FUND**

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.

**For more information about the Capital Magnet Fund, please visit the CDFI Fund's website at [www.cdfifund.gov/cmfm](http://www.cdfifund.gov/cmfm).**

## **CDFI BOND GUARANTEE PROGRAM**

The CDFI Bond Guarantee Program provides CDFIs with access to significant capital by providing guarantees of bonds. With long-term credit at below-market interest rates, the CDFI Bond Guarantee Program is a groundbreaking effort to accelerate community economic growth and development. The bonds are fully guaranteed by the Treasury Secretary at no cost to the taxpayer and must be repaid by the CDFI borrower.

**For more information about the CDFI Bond Guarantee Program, please visit the CDFI Fund's website at [www.cdfifund.gov/bond](http://www.cdfifund.gov/bond).**

## **CDFI CERTIFICATION**

CDFI Certification is the U.S. Department of the Treasury's recognition of specialized financial institutions serving low-income communities. The first step to utilizing many of the CDFI Fund's programs, trainings, and financial assistance is CDFI Certification. CDFI Certification was established in 1994 to provide guidelines and eligibility criteria for any organization looking to become a certified CDFI. Many certified CDFIs offer more favorable and flexible loans than traditional lenders. In accordance with their mission, certified CDFIs also provide educational services like business planning, credit counseling, and homebuyer classes to help their borrowers use credit effectively.

**For more information about the CDFI Certification, please visit the CDFI Fund's website at [www.cdfifund.gov/cdficert](http://www.cdfifund.gov/cdficert).**

## **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM (CDFI PROGRAM)**

Through the Community Development Financial Institutions Program (CDFI Program), the CDFI Fund invests in and builds the capacity of CDFIs, empowering them to grow, achieve organizational sustainability, and contribute to the revitalization of their communities. By providing financial and technical assistance awards, the CDFI Program helps CDFIs expand their services and build their technical capacity. Although investment decisions are made at the local level by CDFIs, the CDFI Program creates opportunity in America's underserved communities by providing access to affordable financial products and services.

**For more information about the CDFI Program, please visit the CDFI Fund's website at [www.cdfifund.gov/cdfi](http://www.cdfifund.gov/cdfi).**

## **HEALTHY FOOD FINANCING INITIATIVE**

The Healthy Food Financing Initiative is a collaboration between the U.S. Department of the Treasury, U.S. Department of Agriculture, and U.S. Department of Health and Human Services to provide funding and/or capacity development to organizations that invest in businesses that provide healthy food options to low-income communities.

An estimated 23.5 million Americans lack access to healthy food. In light of this statistic, the CDFI Fund is providing flexible technical and financial assistance to CDFIs that invest in businesses that provide healthy food options. Through the CDFI Program, NACA Program, New Markets Tax Credit Program, and Capacity Building Initiative, CDFIs can

apply to receive funding, tax credits, or training for healthy food initiatives.

**For more information about the Healthy Food Financing Initiative, please visit the CDFI Fund's website at [www.cdfifund.gov/cdfi](http://www.cdfifund.gov/cdfi).**

#### **NATIVE AMERICAN CDFI ASSISTANCE PROGRAM (NACA PROGRAM)**

Through the Native American CDFI Assistance Program (NACA Program), the CDFI Fund works to promote economic opportunity in Native Communities across the country that lack adequate access to affordable financial products and services. As a part of the Native Initiatives, the NACA Program provides financial and technical assistance awards to CDFIs serving Native American, Alaskan Native, and Native Hawaiian communities to sustain and expand economic growth.

**For more information about the NACA Program, please visit the CDFI Fund's website at [www.cdfifund.gov/native](http://www.cdfifund.gov/native).**

#### **NEW MARKETS TAX CREDIT PROGRAM (NMTC PROGRAM)**

The New Markets Tax Credit Program (NMTC Program) was established by Congress in December 2000 to help economically distressed communities attract private investment capital by providing investors with a Federal tax credit. Investments made through the NMTC Program are used to finance businesses and real estate projects to breathe new life into neglected, underserved low-income communities. The NMTC Program is aimed at offsetting the risk of investing in distressed and low-income communities. As these communities develop, they become more attractive to investors, creating a ripple effect that spurs more investment.

**For more information about the NMTC Program, please visit the CDFI Fund's website at [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc).**

# BIOGRAPHIES OF THE CDFI FUND LEADERSHIP AND THE COMMUNITY DEVELOPMENT ADVISORY BOARD

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## BIOGRAPHIES OF THE CDFI FUND LEADERSHIP

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**ANNIE DONOVAN, Director**

Annie Donovan has deep roots in community development and finance. She was most recently Chief Executive Officer of CoMetrics, a social enterprise that provides high quality, affordable business intelligence tools to small businesses and nonprofits seeking to improve financial management, better measure social impact, and increase their capacity for innovation.

Prior to CoMetrics, Donovan was Senior Policy Advisor to the White House, working collaboratively with the Office of Social Innovation and the Council on Environmental Quality. She was part of a team focused on advancing impact investing, social enterprise and impact data as key strategies for improving the social sector. Donovan has been Chief Operating Officer of Capital Impact Partners, a certified Community Development Financial Institution (CDFI) where she was instrumental in creating the high performing teams and strategic plans that positioned Capital Impact as a market leader in the areas of education, health care, long terms care and affordable homeownership finance. She led the company’s efforts to build capacity in fundraising, policy, and innovation.

Donovan has also been a thought leader and a board member of many of the highest performing organizations in the community development sector, including serving as

President of the New Markets Tax Credit Coalition. She has published papers and articles for the National Academy for Public Administration, the Federal Reserve Bank of San Francisco, the Federal Reserve Bank of Boston, Forbes, and the Skoll World Forum on Social Entrepreneurship. She has an undergraduate degree in Economics and an MBA in Finance.



**DENNIS NOLAN, Deputy Director**

Dennis Nolan joined the CDFI Fund as Deputy Director in October 2011. As Deputy Director, Nolan is responsible for taking the lead in developing policies, operating procedures, internal controls, and short- and long-term strategic plans. With years of experience in community and economic development policies, administration and finance, Nolan helps ensure the success and longevity of the CDFI Fund and its programs. Nolan is also responsible for coordinating, evaluating, and enhancing the CDFI Fund's programs.

Prior to working at the CDFI Fund, Nolan was the Deputy Chief Financial Officer in the Department of Administration and Finance at the Millennium Challenge Corporation, an independent U.S. foreign aid agency focused on fighting global poverty. Prior to Millennium Challenge Corporation, Nolan served at the Environmental Protection Agency and the Federal Deposit Insurance Corporation for a total of 25 years experience in federal financial management.

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## BIOGRAPHIES OF THE COMMUNITY DEVELOPMENT ADVISORY BOARD

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The Riegle Community Development and Regulatory Improvement Act of 1991 not only created the CDFI Fund, it also mandated the formation of the Community Development Advisory Board. This Advisory Board exists to advise the Director of the CDFI Fund regarding the policies, programs, and activities of the CDFI Fund. The Advisory Board is composed of six public representatives and nine private citizens appointed by the President, and is required to meet at least once annually.

For more information about the Community Development Advisory Board, please visit the CDFI Fund's website at [www.cdfifund.gov/cdab](http://www.cdfifund.gov/cdab).

### **BRIAN E. ARGRETT**

Brian E. Argrett is President and Chief Executive Officer of City First Bank of D.C., National Association, a position he has held since 2011. Argrett was Founder and Managing Partner of both Fulcrum Capital Group and Fulcrum Capital Partners, L.P. He also served as President, Chief Executive Officer, and Director of Fulcrum Venture Capital Corporation. Argrett was Chairman of FirstFed Financial Corporation from 2009 to 2011, and previously was a director of its subsidiary, First Federal Bank of California. He also currently serves as the Vice Chairman of the Community Development Bankers Association and is a Member of the Community Bankers Council of the American Bankers Association.

### **AUDREY CHOI**

Audrey Choi is the Managing Director and Head of Morgan Stanley Global Sustainable Finance. Prior to working for Morgan Stanley, Choi worked with One Laptop Per Child where she focused on international outreach efforts. Choi served in various policy positions at the White House, Department of Commerce, and Federal Communications Commission during the Clinton Administration. In addition to the Community Development Advisory Board, Choi serves on the boards of the Local Initiatives Support Corporation, StoryCorps, Living Cities, The Wildlife Conservation Society, and the Morgan Stanley Foundation.

### **XAVIER DE SOUZA BRIGGS**

Xavier de Souza Briggs is vice president of the Ford Foundation's Economic Opportunity and Assets program. He leads the foundation's work promoting economic fairness, advancing sustainable development, and building just and inclusive cities in the United States, Latin America, Africa, Asia and the Middle East. From January 2009 to August 2011, while on public service leave from the MIT faculty, Briggs served as associate director of the Office of Management and Budget in the White House.

**MATT S. ERSKINE**

Matt Erskine is the Deputy Assistant Secretary for Economic Development for the U.S. Economic Development Administration. Prior to joining the Obama Administration in 2011, Erskine served as the Senior Vice Presidents at the Greater Washington Board of Trade and the Executive Director at the Greater Washington Initiative. Erskine has also held a number of leadership positions at management consulting firms.

**TANYA M. FIDDLER**

Tanya Fiddler is the Executive Director of the Native CDFI Network, where she is responsible for the overall success of the organization in its service to the Network's membership. Tanya provides vision, direction, and leadership to achieve the Native CDFI Network's mission. Prior to coming on board at the Native CDFI Network, Ms. Fiddler was the Executive Director of Four Bands Community Fund, a Native CDFI focused on entrepreneurship and financial literacy development on the Cheyenne River Sioux Indian Reservation located in north central South Dakota.

**LISA HALL**

Lisa Hall is Managing Director of Impact Investing with Anthos Asset Management B.V., a privately owned investment manager based in Amsterdam. Lisa joined Anthos Asset Management in 2013 to launch a new portfolio focused on social, environmental and financial returns. She previously served as President and CEO of Calvert Foundation, a global leader in impact investing. She presently serves on the board of the Non-Profit Finance Fund, a US based community development financial institution, and she is currently a member of the Board of Overseers for the Graduate School of Education at the University of Pennsylvania.

**CALVIN L. HOLMES**

Calvin L. Holmes is the President of the Chicago Community Loan Fund (CCLF), a position he has held since 1998. He first began working with the CCLF as a Loan Officer in 1995. Prior to this, Mr. Holmes was a property manager with the St. Ambrose Housing Aid Center in Baltimore from 1993 to 1995. Previously, he served as a transportation planner for three years for the City of Chicago from 1988 to 1991. Mr. Holmes has served on a number of boards and committees, including the Bank of America National Community Advisory Board, the Housing Partnership Network, the Community Reinvestment Fund, and the Citibank NMTC Corporation Community Advisory Board.

**DAVID C. LIZÁRRAGA**

David Lizárraga is the Chairman and Founder of TELACU Education Foundation. Lizárraga serves as Chairman of the Board at Community Commerce Bank and is a member of the Minority Business Roundtable. Lizárraga is the immediate past Chairman of the United States Hispanic Chamber of Commerce and has served on a number of boards, including the Congressional Hispanic Caucus' Corporate America Task Force, Wells Fargo's Community Development Enterprise, and Bank of America's National Community Advisory Council.

**DOUGLAS H. LOW**

Douglas Low is the Executive Director and Vice President of Development for Kidz Express. Low founded Competitive Strategies Group in 1996. Prior to 1996, Low was the Executive Assistant and Senior Advisor to the Chairman and Commissioners of the Illinois Commerce Commission. Low is an active member of the Steering Committee for Strengthening Chicago's Youth.

### **ANN MARIE MEHLUM**

Ann Marie Mehlum is the Associate Administrator of Capital Access at the U.S. Small Business Administration. Mehlum serves as the SBA's chief loan officer. Mehlum oversees SBA programs that provide access to capital for American small businesses, including the Agency's long standing 7a general business loan guarantee program, the 504 Certified Development Company program, SBA microlending, and the SBA surety bond guarantee program.

### **LISA MENSAH**

Lisa Afua Serwah Mensah was nominated by President Obama for the position of Under Secretary of USDA Rural Development and she was confirmed by the U.S. Senate in November of 2014. Ms. Mensah provides leadership for three USDA agencies charged with improving the economic wellbeing of rural America: the Rural Housing Service, the Rural Utilities Service and the Rural Business-Cooperative Service.

### **RONALD PHILLIPS**

Ronald Phillips is the President and Chief Executive Officer of Coastal Enterprises, a primarily rural nonprofit community development corporation and CDFI he founded in 1977. Currently, Phillips serves on the Board of Directors of the national Local Initiatives Support Corporation and its Rural Advisory Board. Phillips helped found the the New Markets Tax Credit Coalition, where he is currently on the Executive Committee and served as President from 2008 to 2010.

### **ROSIE RIOS**

Rosie Rios serves as the 43rd Treasurer of the United States. With direct oversight of the U.S. Mint, Bureau of Engraving, and Fort Knox, Rios is a key liaison with the Federal Reserves. Additionally, Rios serves as the senior advisor to the Secretary on community development and public engagement issues. Rios previously worked at MacFarlane Partners as the Managing Director of Investments where she helped facilitate equity transactions for large mixed-use development project in major urban areas.

### **HARRIET TREGONING**

Harriet Tregoning leads the Office of Community Planning and Development at the US Department of Housing and Urban Development. She recently led HUD's Office of Economic Resilience, helping regions, cities, counties and towns across the country build a strong foundation for a diverse and prosperous economy based on enhancing community quality of place, economic opportunity, fiscal stability, transportation choice, and affordability.

### **KEVIN WASHBURN**

Kevin Washburn, a member of the Chickasaw Nation in Oklahoma, was sworn in as the Assistant Secretary of Indian Affairs for the U.S. Department of the Interior in October 2009. Prior to joining the Department of the Interior, Washburn served as Dean of the University of New Mexico's School of Law. Washburn held a number of posts at law schools around the country, including the University of Minnesota Law School, University of Arizona James E. Rogers College of Law, and Harvard Law School. Washburn served as General Counsel for the National Indian Gaming Commission and as an Assistant United States Attorney in Albuquerque, N.M.

# RECENT KEY PRESS RELEASES

Below is a sampling of key CDFI Fund press releases. Visit the CDFI Fund's [Press Room](#) for additional, up-to-date announcements and current media coverage.

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<b>NOVEMBER 25, 2014</b>	<a href="#">U.S. Treasury Department Announces New Director of the Community Development Financial Institutions Fund</a>
<b>JUNE 15, 2015</b>	<a href="#">Treasury Announces \$3.5 Billion in New Markets Tax Credit Awards to Spur Economic Growth Nationwide</a>
<b>JUNE 22, 2015</b>	<a href="#">CDFI Fund to Hold National Listening Tour on a Community Development Finance "Framework for the Future"</a>
<b>SEPTEMBER 10, 2015</b>	<a href="#">U.S. Treasury Awards More Than \$200 Million to CDFIs to Spur Economic Growth in Low-Income Urban, Rural, and Native Communities</a>
<b>SEPTEMBER 21, 2015</b>	<a href="#">CDFI Fund Announces \$18 Million in Bank Enterprise Awards for Investment in Low-Income Communities</a>
<b>SEPTEMBER 29, 2015</b>	<a href="#">US Treasury Guarantees \$327 Million in Bond Funding for Projects in Low-Income Communities</a>
<b>NOVEMBER 23, 2015</b>	<a href="#">CDFI Fund Announces Winner of the Innovation Challenge</a>
<b>JANUARY 21, 2016</b>	<a href="#">Treasury, NCUA Partner to Increase Opportunities for Low-Income Credit Unions</a>
<b>MAY 23, 2016</b>	<a href="#">"Access to Capital and Credit in Native Communities" Report Released</a>

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# CDFI FUND REPORTS

## [CDFI FUND 2015 YEAR IN REVIEW](#)

The annual Year in Review publication illustrates the CDFI Fund's accomplishments in 2015. The publication is a testimonial to the dedication of the CDFI Fund to finding the best solutions for community development organizations.

## [CAPITAL MAGNET FUND: INTERIM IMPACT ASSESSMENT](#)

The interim impact assessment of the Capital Magnet Fund found that the inaugural round of 23 awardees disbursed over \$62.3 million and committed another \$17.7 million through 2012. This produced a total project benefit of over \$1 billion in affordable housing and community and economic development projects.

## [CDFI INDUSTRY ANALYSIS: SUMMARY REPORT](#)

Produced for the CDFI Fund's Capacity Building Initiative, this report explores issues of capitalization, liquidity, and portfolio and risk management by CDFIs from 2005-2010 and deals with the impact of the recession on CDFIs and the CDFI industry. This study involved a large sample of CDFIs. However, at least for CDFI Loan Funds, it was a selected analysis.

## [SEARCHING FOR MARKETS: THE GEOGRAPHY OF INEQUITABLE ACCESS TO HEALTHY AND AFFORDABLE FOOD](#)

Produced for the CDFI Fund's Capacity Building Initiative, the report provides important findings, underscoring how all aspects of a community's development, from where its residents work and shop to where they buy their groceries, are viable starting points for investments in struggling neighborhoods. The report also serves as a valuable tool for CDFIs interested in healthy food lending opportunities in low-income communities, providing important information about Limited Supermarket Access area market characteristics. It ties in handily with the other resources provided through the Financing Healthy Food Options series of the Capacity Building Initiative, available on the CDFI Fund's website.

# FREQUENTLY ASKED QUESTIONS

## GENERAL

### 1. WHAT'S THE CDFI FUND? WHAT DOES IT DO?

The Community Development Financial Institutions Fund (CDFI Fund) is an office within the U.S. Department of the Treasury that administers several programs designed to encourage economic development and revitalization in low-income communities. The CDFI Fund was created through the Reigle Community Development and Regulatory Improvement Act of 1994. The CDFI Fund's primary focus is building the capacity of Community Development Financial Institutions (CDFIs) to provide loans and financial services in low-income and distressed areas.

### 2. WHAT PROGRAMS DOES THE CDFI FUND ADMINISTER?

The CDFI Fund's programs and initiatives include:

- i. Bank Enterprise Award Program – [www.cdfifund.gov/bea](http://www.cdfifund.gov/bea)
- ii. Capital Magnet Fund – [www.cdifund.gov/cmfi](http://www.cdifund.gov/cmfi)
- iii. CDFI Bond Guarantee Program – [www.cdfifund.gov/bond](http://www.cdfifund.gov/bond)
- iv. Community Development Financial Institutions Program – [www.cdfifund.gov/cdfi](http://www.cdfifund.gov/cdfi)
- v. Native Initiatives, including the Native American CDFI Assistance Program – [www.cdfifund.gov/native](http://www.cdfifund.gov/native)
- vi. New Markets Tax Credit Program – [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc)

### 3. WHEN WILL AWARD ROUNDS OPEN AND WHAT ARE THE EXPECTED DATES TO ANNOUNCE CURRENT ROUNDS?

All of the CDFI Fund's programs operate on an annual award cycle. The most recent dates for when award rounds open and close can be found on the individual program pages of the CDFI Fund's website. Awards are announced after a competitive review process, and the length of time required to make determinations varies by program.

### 4. WHERE DO I FIND OUT HOW THE CDFI FUND'S PROGRAMS ARE IMPACTING MY COMMUNITY?

The CDFI Fund has released investment information for both the CDFI Program and the NMTC Program through 2011. More details can be found at [www.cdfifund.gov/research](http://www.cdfifund.gov/research), under Research Reports.

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

### 5. WHAT'S THE DIFFERENCE BETWEEN A CDFI AND A CDE?

Community Development Financial Institutions (CDFIs) and Community Development Entities (CDEs) both encourage economic development in low-income communities, but use different tools for doing so. CDEs certified by the CDFI Fund are eligible to apply for New Markets Tax Credit allocation authority, allowing them to serve as an intermediary for targeted loans and investments in low-income communities.

In contrast, certified CDFIs are financial institutions that have a primary mission of community development and target low-income communities and the people who live there with capital, credit and other basic financial services coupled with training on how to use them effectively. Certified CDFIs are eligible to apply for Financial Assistance and Technical Assistance awards through the CDFI Program and NACA Program, and are “Eligible CDFIs” under the CDFI Bond Guarantee Program.

Certified CDFIs are automatically qualified as CDEs; a certified CDE is not necessarily also a certified CDFI.

### 6. HOW DOES AN ORGANIZATION BECOME CERTIFIED AS A CDFI?

To become certified as a CDFI, an organization must demonstrate to the CDFI Fund that it meets the primary criteria for certification, including:

- i. Be a legal entity at the time of certification application;
- ii. Have a primary mission of promoting community development;
- iii. Be a financing entity;
- iv. Primarily serve one or more target markets;
- v. Provide development services in conjunction with its financing activities;
- vi. Maintain accountability to its defined target market; and
- vii. Be a non-government entity and not be under control of any government entity (Tribal governments excluded).

The full application for certification and further information can be found at [www.cdfifund.gov/cdficert](http://www.cdfifund.gov/cdficert).

### 7. ARE THERE CDFIS SERVING MY AREA?

It's likely! There are hundreds of CDFIs operating in urban and rural communities across the country, some locally and some on a national level. A list of where CDFIs are headquartered can be found on the CDFI Fund's website at [www.cdfifund.gov/cdficert](http://www.cdfifund.gov/cdficert).

## COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

### 8. WHAT'S THE DIFFERENCE BETWEEN THE CDFI FUND AND THE CDFI PROGRAM?

The Community Development Financial Institutions Fund (CDFI Fund) is an office within the U.S. Department of the Treasury that administers several programs designed to encourage economic development and revitalization in low-income communities, including the Community Development Financial Institutions Program.

The Community Development Financial Institutions Program, commonly known as the CDFI Program, is an annually appropriated program that provides grants and loans to certified CDFIs and organizations intending to become CDFIs. The CDFI Program provides both Financial Assistance and Technical Assistance awards to organizations to build their capacity to lend to and provide financial services for low-income communities.

### 9. WHAT ARE THE COMPONENTS OF THE CDFI PROGRAM?

The primary components of the CDFI Program's awards are Financial Assistance awards and Technical Assistance awards. Financial Assistance awards are further broken down into two categories: awards for larger, more established CDFIs known as the Core component and one for Small and Emerging CDFIs (SECA). Core awards generally are a larger dollar amount than SECA awards.

In addition, for the past several years the annual CDFI Program awards have also included a Healthy Food Financing Initiative (HFFI) component for a limited number of successful Financial Assistance award-winners that also intend to dedicate some of their resources to encouraging healthy food opportunities in their target markets. Successful applicants receive an HFFI award in addition to their Financial Assistance award.

### 10. WHAT'S THE DIFFERENCE BETWEEN A CDFI TARGET MARKET AND A CDFI INVESTMENT AREA?

A CDFI Investment Area is defined as a geographic unit (or contiguous geographic units), such as a census tract, located within the United States that meets at least one of the following criteria:

- i. Has a population poverty rate of at least 20 percent;
- ii. Has an unemployment rate 1.5 times the national average;
- iii. For a metropolitan area as defined by the U.S. Census Bureau, has a median family income (MFI) at or below 80 percent of the greater of either the metropolitan or national metropolitan MFI;

- iv. For a non-metropolitan area as defined by the U.S. Census Bureau, has a MFI at or below 80 percent of the greater of either the statewide or national non-metropolitan MFI;
- v. Is wholly located within an Empowerment Zone or Enterprise Community; or
- vi. Has a county population loss greater than or equal to 10 percent between the two most recent census periods for Metro areas or five percent over last five years for Non-Metro areas.

A CDFI Target Market refers to one or more Investment Area(s) and/or Targeted Populations (see also: question 11: “What’s the definition of a CDFI Targeted Population?”)

**11. WHAT’S THE DEFINITION OF A CDFI TARGETED POPULATION?**

A CDFI Targeted Population refers to individuals or an identifiable group of individuals meeting the requirements of 13 C.F.R. § 1805.201(b)(3). According to the regulations, “Targeted Population shall mean individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to Financial Products or Financial Services in the Applicant’s service area. The members of a Targeted Population shall reside within the boundaries of the United States (which shall encompass any State of the United States, the District of Columbia or any territory of the United States, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands).”

Targeted Populations can be either Low-Income Targeted Populations (defined based upon income) or Other Targeted Populations (an identifiable group of individuals in the organization’s service area for which there exists a strong basis in evidence that the group lacks access to loans, equity investments, and/or financial services.)

**ELIGIBILITY**

**12. HOW DO I DETERMINE IF AN ORGANIZATION IS ELIGIBLE TO BECOME CERTIFIED AS A CDFI?**

See question 6, “How does an organization become certified as a CDFI?”, or visit [www.cdfifund.gov/cdficert](http://www.cdfifund.gov/cdficert).

**13. HOW DO I DETERMINE IF A CENSUS TRACT IS ELIGIBLE? WHAT ARE THE CRITERIA?**

Eligible census tracts can be found through the CDFI Fund Mapping System (CIMS) at <https://www.cdfifund.gov/mapping>.

## NEW MARKETS TAX CREDIT PROGRAM

### 14. WHAT'S THE OBJECTIVE OF THE NMTC PROGRAM?

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

### 15. WHAT'S THE DEFINITION OF AN NMTC TARGETED POPULATION?

There are two categories of eligible Targeted Populations under the NMTC Program:

- i. Low-Income Targeted Population (LITP) – The LITP is comprised of individuals, or an identifiable group of individuals including an Indian tribe, who are low-income persons. The term “low-income” means having an income, adjusted for family size, of not more than (A) for metropolitan areas, 80 percent of the area median family income(MFI); and (B) for non-metropolitan areas, the greater of 80 percent of the area MFI, or 80 percent of the statewide non-metropolitan area MFI.
- ii. GO Zone Targeted Population (GZTP) – The GZTP is comprised of individuals, or an identifiable group of individuals, including an Indian tribe, who lack adequate access to loans or equity investment and that were displaced from their principal residences and/or lost their principal source of employment as a result of Hurricane Katrina. In order to meet this definition, an individual’s principal residence or principal source of employment, as applicable, must have been located in a population census tract within the GO Zone that contains one or more areas designated by FEMA as flooded, having sustained extensive damage, or having sustained catastrophic damage as a result of Hurricane Katrina.

# PRESS CONTACT

General inquiries from the public about the CDFI Fund and its program can be directed to the CDFI Fund's Help Desk at (202) 653-0421 or [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov).

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## **FREE E-MAIL UPDATES**

To receive updates, press releases, and media advisories about the CDFI Fund, join our [e-mail list](#).

## **FREEDOM OF INFORMATION ACT**

The Freedom of Information Act (FOIA) was enacted to give any person the right to request access to federal agency records that are not otherwise protected from disclosure by legal exemptions and exclusions (e.g., classified national security, business proprietary, personal privacy, and investigative documents). See 5 U.S.C. 552. for more information on initiating a FOIA Request, please visit the [FOIA webpage](#).



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