



CDFI Certification Policy Review

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COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

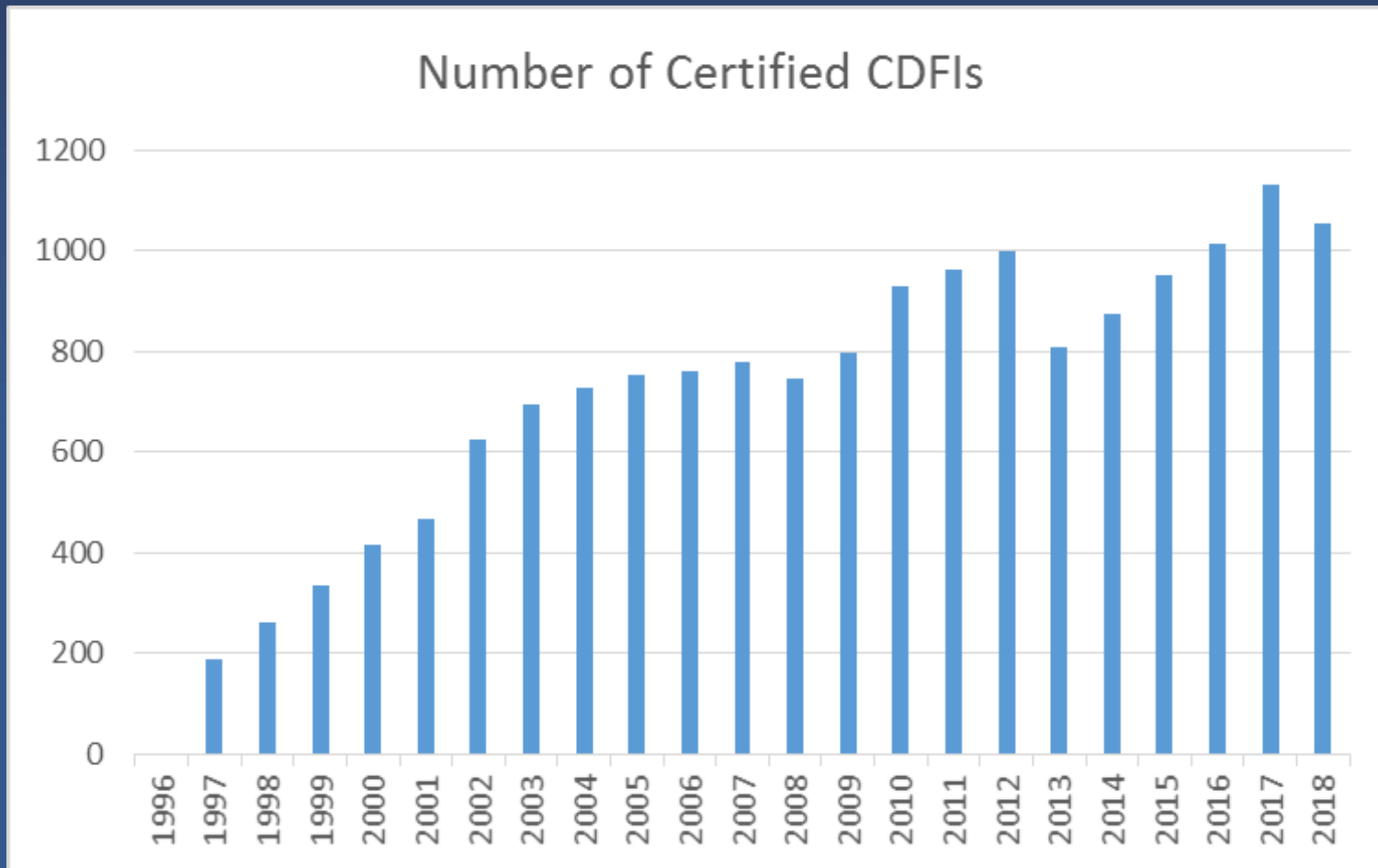
www.cdfifund.gov

CDFI Certification: Statutory Criteria



- A CDFI is a legal entity that:
 - (i) has a primary mission of promoting community development;
 - (ii) serves an investment area or targeted population;
 - (iii) provides development services in conjunction with equity investments or loans, directly or through a subsidiary or affiliate;
 - (iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and
 - (v) is not an agency or instrumentality of the United States, or of any State or political subdivision of a State.

Reasons for Review: Growth of CDFI Industry



Reasons for Review: Increased Significance of CDFI Certification



- CDFI status has come to serve as a qualifier for other Federal government and private sector programs and benefits:
 - Small Business Administration's Community Advantage program
 - Federal Home Loan Bank membership
 - Community Reinvestment Act
 - USDA Community Facilities Relending Program
 - Others

Reasons for Review: Changing Technology



- New technologies create the potential for mission-driven organizations like CDFIs to extend their reach and impact in order to improve access to financial products and services for underserved communities and populations wherever they are.

CDFI Certification Policy Review Objectives



- Continue to foster a diversity of CDFI types, activities, and geographies.
- Support the growth and reach of CDFIs, especially as it relates to their ability to innovate and take advantage of new technologies.
- Protect the CDFI certification “brand” i.e., CDFIs are mission-driven and accountable to the communities they serve.
- Minimize burden on Applicants while improving data quality about certified CDFIs.
- Promote efficiency for CDFI Fund staff in rendering CDFI certification determinations.

CDFI Certification Policy Review Process



- Request for Information
- CDFI Fund review of comments and deliberation of potential changes
- Focus group
- Revised application
- Paperwork Reduction Act comment period
- Revise application again if required