



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

Treasury Announces \$325 Million in Community Development Bonds for Financing in Low-Income Areas Nationwide

Inaugural Round of CDFI Bond Guarantee Program Opens Doors to Long-Term Capital for Community Development Investments at No Cost to Taxpayers

September 30, 2013

Washington, DC – The U.S. Department of the Treasury announced today that it has approved term sheets for \$325 million in bonds with maturities up to 29.5 years that, when issued, will be guaranteed by Treasury for community and economic development financing through the fiscal year (FY) 2013 round of the CDFI Bond Guarantee Program. As the administrator of the CDFI Bond Guarantee Program, the Community Development Financial Institutions Fund (CDFI Fund) will commence final bond closings and issuance of guarantees during the next FY quarter. The CDFI Fund selected three Qualified Issuers to issue the bonds and, upon the final closing of the guarantees, to make bond loans to Eligible Community Development Financial Institutions (Eligible CDFIs) for investments in low-income and distressed communities across the country. The FY 2013 round is the inaugural round of the CDFI Bond Guarantee Program.

“The CDFI Bond Guarantee Program is now set to supply a significant new source of capital for small businesses, housing, charter schools, health centers and other economic development activities in some of the most distressed parts of America,” said Don Graves, Treasury's Deputy Assistant Secretary for Small Business, Community Development and Housing Policy. “These bonds will allow CDFIs to scale their positive impact and bring opportunity to more communities.”

The four Eligible CDFIs that will receive financing through the inaugural round of the CDFI Bond Guarantee Program are Clearinghouse CDFI, Enterprise Community Loan Fund, Inc., The Community Development Trust, LP and Local Initiatives Support Corporation. Each of the four Eligible CDFIs has a proven track record and a national footprint in community development financing. Collectively, these organizations have a solid history of delivering innovative financial products that stimulate job growth among low-income people and are effective at catalyzing new capital to increase the accessibility of small business loans, quality affordable housing, and community facilities.

The three organizations chosen to issue the bonds as the Qualified Issuers are The Community Reinvestment Fund, Opportunity Finance Network, and TriSail Funding Corporation.

Unlike other CDFI Fund programs, the CDFI Bond Guarantee Program does not offer monetary awards or tax credit allocations; instead, it is a federal credit program, and bond proceeds are debt instruments that must be repaid. The program was designed to function at no cost to taxpayers. Authorized uses of the bond loans include a variety of Eligible Purposes, such as supporting commercial facilities that promote revitalization and community stability; community facilities; the provision of basic financial services; senior living and healthcare facilities for uninsured or underinsured people; businesses that provide jobs for low-income people or are owned by low-income people; and other community or economic development activity in low-income or underserved urban and rural areas.

"I am immensely proud to be able to announce these initial results of the first round of the CDFI Bond Guarantee Program, a program that will for the first time provide significant access to long-term financing to CDFIs," said CDFI Fund Director Donna J. Gambrell. "Through its many programs, the CDFI Fund provides support to CDFIs at all stages of their growth and development and, by bringing this exciting new program to the industry, we are able to dramatically increase the scale of vital investments in low-income and distressed communities across the nation."

2013 CDFI Bond Guarantee Program Qualified Issuers

The Community Reinvestment Fund, Inc. (CRF) is a certified CDFI based in Minneapolis, Minnesota. Founded in 1988, CRF has been responsible for issuing over 50 structured financial instruments and delivering \$1.5 billion in loans nationwide. CRF will serve as the Qualified Issuer for The Community Development Trust, LP, the Eligible CDFI. The Community Development Trust, LP is a certified CDFI that provides financing for the preservation of multi-family affordable housing properties throughout the country.

TriSail Funding Corporation is a wholly owned subsidiary of Bank of America, N.A., which is based in Charlotte, North Carolina. Bank of America has served as a strong partner with the community development industry, providing capital to various types of CDFIs, community development venture capital funds, CDFI banks, CDFI credit unions, and CDFI intermediaries. TriSail Funding Corporation will serve as the Qualified Issuer for two Eligible CDFIs: Enterprise Community Loan Fund, Inc. and Local Initiatives Support Corporation. Enterprise Community Loan Fund is a certified CDFI established in 1983 that provides affordable housing, small business, and gap financing to low-income communities. Local Initiatives Support Corporation is a certified CDFI established in 1979 that promotes comprehensive and sustainable revitalization of economically distressed communities across the country.

Opportunity Finance Network, a certified CDFI based in Philadelphia, PA, is a 27-year old membership organization that supports the growth of the CDFI industry. Through 2011, its membership network of CDFIs had originated more than \$30 billion in financing to urban, rural, and Native communities. OFN will serve as the Qualified Issuer for Clearinghouse CDFI, as Eligible CDFI. Clearinghouse CDFI is a certified CDFI established in 1996 that offers loan products to non-profits, small businesses, and community service organizations for low-income individuals and communities throughout California and Nevada.

About the CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded over \$1.8 billion to CDFIs, community development organizations, and financial institutions through the CDFI Program, the Bank Enterprise Award Program, the Capital Magnet Fund, the Financial Education and Counseling Pilot Program, and the Native American CDFI Assistance Program. In addition, the CDFI Fund has allocated \$36.5 billion in tax credit authority to Community Development Entities through the New Markets Tax Credit Program. Learn more about the CDFI Fund and its programs at www.cdfifund.gov.

About the CDFI Bond Guarantee Program

The CDFI Bond Guarantee Program was enacted through the Small Business Jobs Act of 2010. The program provides Eligible CDFIs with access to long-term 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. Bonds will be 100 percent guaranteed by the U.S. Treasury, including principal, interest, and call premiums. The Federal Financing Bank will be the sole purchaser of bonds issued under the CDFI Bond Guarantee Program. For more information please visit www.cdfifund.gov/bond.