



CAPITAL MAGNET FUND

SOLUTIONS FOR AFFORDABLE HOUSING IN LOW-INCOME COMMUNITIES



Low-income families across America struggle to find housing they can afford, with many spending more than half 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 spurs investment in affordable housing and related economic development efforts that serve low-income families and communities across the country.

HOW DOES THE CAPITAL MAGNET FUND WORK?

Through the Capital Magnet Fund, the CDFI Fund competitively awards funds to CDFIs and qualified non-profit housing organizations with the objective of attracting private capital to economically distressed communities, including underserved rural areas. These awards can be used to finance affordable housing activities, related economic development activities, and community service facilities. 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.

Capital Magnet Fund awards must be used to leverage housing and economic development investments at least ten times the size of the award amount. Award recipients are able to utilize Capital Magnet Fund awards to create financing tools such as loan loss reserves, loan funds, equity funds, risk-sharing loans, and loan guarantees. At least 70% of Capital Magnet Fund dollars must be used to finance affordable housing, and recipients may use up to 30% of 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.

CAPITAL MAGNET FUND IMPACT

As of June 2022, the CDFI Fund has awarded grants totaling more than \$740 million to CDFIs and qualified non-profit organizations, requiring a minimum of \$7.4 billion in public and private investment. Of completed projects, awardees have reported nearly \$9.4 billion in total leverage.

FIND OUT MORE

Visit our website: www.cdfifund.gov/cmfi

Call our help desk for support: (202) 653-0421

Email us your questions: cdfihelp@cdfi.treas.gov

