



## CDFI EQUITABLE RECOVERY PROGRAM (CDFI ERP)

# HELPING UNDERSERVED COMMUNITIES RECOVER



from the Economic Impacts of the **COVID-19 PANDEMIC**

The Consolidated Appropriations Act, 2021 (Pub. L. 116-260), provided \$1.75 billion to the Community Development Financial Institutions Fund (CDFI Fund) to award Community Development Financial Institutions (CDFIs) grants to respond to the economic impacts of the COVID-19 pandemic in low- or moderate income communities that were disproportionately impacted by the COVID-19 pandemic. The CDFI Fund will award these grants through the CDFI Equitable Recovery Program (CDFI ERP).

## What Does the CDFI ERP Do?

The CDFI ERP is designed to:


- provide funding to CDFIs to expand lending, grant making, and investment activities in low- or moderate-income communities and to borrowers, including minorities, which have significant unmet capital and financial services needs and have experienced disproportionate economic impacts from the COVID-19 pandemic; and
- enable CDFIs to build organizational capacity and acquire technology, staff, and other tools necessary to accomplish the activities under a CDFI ERP Award.

## Program Overview

To be eligible to apply for a CDFI ERP Award, an organization must be a Certified CDFI with a history of serving **CDFI ERP Eligible Geographies** and meet certain requirements related to audited financial statements. Organizations must also meet certain compliance requirements with respect to all outstanding CDFI Awards, allocations, or bond guarantees, and meet set benchmarks for sound programmatic/financial safety.

CDFI ERP Eligible Geographies are those areas that meet one of the following criteria:

- census tracts that demonstrate severe impact from the COVID-19 pandemic, have a median income at or below 120% of the area median income, and are CDFI investment areas; or
- Native areas.



An area is deemed to have experienced severe impact from COVID-19 if it demonstrates notably higher mortality from COVID-19 than the rest of the United States, demonstrates a notably greater change in the average unemployment rate than the rest of the United States, or demonstrates low community resilience to disasters. Areas of consideration include all 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands.

All CDFI ERP awards will be made in the form of a grant. The minimum grant amount is \$500,000, and the maximum amount is \$15 million. CDFIs can use CDFI ERP grant funds for six categories of eligible activities supporting the provision of financial products and services: Financial Products, Grants Financial Services, Loan Loss Reserves, Development Services, and Capital Reserves.

In addition, CDFIs may use up to the greater of \$166,667 or 15% of the Award amount, up to a maximum of \$400,000, for seven categories of eligible activities supporting operations: Compensation—Personal Services, Compensation—Fringe Benefits, Professional Service Costs, Travel Costs, Training and Education Costs, Equipment, and Supplies.

CDFI ERP grants may also be used to support a variety of eligible lines of business: Commercial Real Estate, Small Business, Microenterprise, Community Facilities, Consumer Financial Products, Consumer Financial Services, Commercial Financial Services, Commercial Financial Products, Affordable Housing, and Intermediary Lending to Nonprofits and CDFIs.

For additional information, refer to the [CDFI ERP](#) webpage.

## FIND OUT MORE

Visit our website: [www.cdfifund.gov/erp](http://www.cdfifund.gov/erp)

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

Email us your questions: [erp@cdfi.treas.gov](mailto:erp@cdfi.treas.gov)

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