



## CDFI RAPID RESPONSE PROGRAM (CDFI RRP)

# PROVIDING EMERGENCY SUPPORT

to Underserved **COMMUNITIES**

### What is the CDFI Rapid Response Program?

The Consolidated Appropriations Act, 2021 (Pub. L. 116-260) provided more than \$1.2 billion to the Community Development Financial Institutions Fund (CDFI Fund) to award Community Development Financial Institutions (CDFIs) with grants to deliver immediate assistance in communities impacted by the COVID-19 pandemic. The CDFI Fund awarded these funds through the CDFI Rapid Response Program (CDFI RRP), which was designed to quickly deploy capital to Certified CDFIs through a streamlined application and review process. Through the CDFI RRP, CDFIs were provided with resources necessary to respond to the economic impacts of the COVID-19 pandemic in distressed and underserved communities and people.

Unlike most of the CDFI Fund's other programs, the CDFI RRP consisted of a single application round that was conducted in fiscal year (FY) 2021. Additional CDFI RRP application rounds will not be conducted unless Congress provides additional funding for the program.

While the CDFI Fund's other programs are competitive award programs in which the number of organizations that receive awards is far less than the number that applies, the CDFI RRP was a formula-based grant program designed to provide awards to all eligible applicants.

### Program Overview


Only organizations certified as CDFIs were eligible to apply. Applicants for CDFI RRP were required to meet certain compliance requirements with respect to all prior CDFI awards, allocations, or bond guarantees, as well as meet benchmarks for programmatic and financial safety and soundness, as outlined in the CDFI RRP Notice of Funding Availability.

All CDFI RRP awards were made in the form of a grant. The minimum grant amount was \$200,000, and the maximum amount was \$1.8 million. The legislation authorizing the program stipulated that at least \$25 million of the more than \$1.2 billion awarded through the program be used to benefit Native Communities.

CDFIs may use CDFI RRP grant funds for five categories of eligible activities supporting the provision of financial products and services: Financial Products, Financial Services, Loan Loss Reserves, Development Services, and Capital Reserves.

In addition, CDFIs may use the greater of \$200,000 or 15% of the grant 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 RRP 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.

## Program Reporting and Accountability

Each CDFI RRP award has a two-year period of performance. Recipients must report annually on the use of funds and progress towards meeting their performance goals. Each report includes information that enables the CDFI Fund to track the impact of awards.

Award recipients are required to expend all funds by the end of the period of performance on eligible activities.

## FY 2021 Round Implementation and Awards

The CDFI Fund streamlined and expedited the application and award process due to the critical needs in COVID-impacted communities in FY 2021. The application period was open for one month – much shorter than for other CDFI Fund programs. To expedite the CDFI RRP application and review process, the CDFI Fund used a streamlined version of an existing program application and review process. The result was that the CDFI Fund was able to announce the awards less than three months after the application period closed.

The awards totaled more than \$1.2 billion to 863 Certified CDFIs located in 48 states, the District of Columbia, Guam, and Puerto Rico. The award recipients included 58 organizations that committed a total of \$54.6 million in awards to investments in Native American, Native Alaskan, and Native Hawaiian communities. The following types of CDFIs received awards:

- 463 loans funds received \$571.3 million
- 244 credit unions received \$401.8 million
- 149 banking entities received \$267.1 million
- 7 venture capital funds received \$9.4 million

In addition, 28 organizations that primarily serve Puerto Rico received \$47.3 million in awards, and 90 Minority Depository Institutions received a total of \$133.9 million in awards.

## CDFI Rapid Response Program Impacts

The CDFI RRP program has already had an impact in diverse, underserved communities across the country. As of September 2022, CDFI RRP award recipients reported originating loans or investments totaling more than \$12.8 billion, based on their portfolio of activities in 2021. This includes, but is not limited to:

- \$4.5 billion for consumer loans;
- \$2.4 billion for home improvement and home purchase loans;
- \$1.9 billion for business and microenterprise loans; and
- \$1.3 billion for residential real estate transactions.

In addition, recipients financed over 11,000 affordable housing units.

## FIND OUT MORE

Visit our website: <https://www.cdfifund.gov/rrp>

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

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

