

**Highlights of the 2002 CDFI Program  
Core and Intermediary Component**

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The CDFI Fund has completed its 2002 round of funding under the Core and Intermediary Component of the CDFI Program. The Fund has made a total of 51 investments and \$41,574,966 in financial and technical assistance to community development financial institutions (CDFIs) across the country. Under the Core and Intermediary Component, the Fund has the ability to provide financial assistance to CDFIs in the form of loans, grants, equity investments, deposits, and secondary capital. A number of technical assistance requests were also funded.

**Funding by Type**

Grants	44	\$30,613,066
Loans	13	\$ 7,500,000
Equity	2	\$ 2,700,000

(some Awardees receive more than one form of assistance)

**Organizational Diversity of Awardees**

The CDFIs selected to receive funding provide a diverse array of critical products and services to distressed areas and underserved populations throughout the country. Products and services offered include basic retail financial services such as checking and savings accounts, through credit unions and banks; lending products such as small business, mortgage and construction loans; and development services such as financial literacy education, first-time home buyer and small business development counseling. With each consecutive funding round, the level of innovation in products, service design and delivery the CDFI industry demonstrates develop new ways to effectively target underserved individuals and communities. Though many organizations may provide more than one type of product or service, the organizations funded can be categorized into the following categories based on their predominant financing activity.

**Principal Activities Funded**

Housing and Facilities	25	\$23,855,066
Economic Development	16	\$10,658,000
Depository Institutions	8	\$ 5,061,900
CDFI Intermediary	2	\$ 2,250,000

*Economic Development* includes business and microenterprise loan funds and venture capital funds, *Housing/Facilities* includes housing and facilities loan funds, and *Depository Institutions* includes banks, thrifts and credit unions. CDFI Intermediaries are CDFIs that provide specialized financing products to other, smaller CDFIs.

Total Asset Size	Number of Awardees
\$5 million or less	20
\$5 million to \$20 million	19
More than \$20 million	12

**Median asset size: \$16.9 million**

**Geographic Diversity**

In the 2002 Core and Intermediary Component funding round, organizations selected for funding are headquartered throughout the continental United States and Alaska. By region, 20 awards for a total of \$15,687,500 were made to organizations based in the West, 17 awards for a total of \$13,103,066 were made in the Central Region, and 14 awards for a total of \$12,784,400 were made in the East Region. Average award size is just under \$775,000.

### **Community Development Impact**

The Fund's focus in providing financial and/or technical assistance under the Core Component is to increase the community development impact realized by distressed communities and Low Income individuals. In many cases, Core and Intermediary Component investees are organizations that have developed innovative ways to deliver critical products and services to Target Markets that face significant barriers to accessing traditional forms of capital and credit. Listed below is a sampling of some of the innovative and high impact CDFIs that have been selected to receive an award:

Founded in 1994, **ACCION New Mexico (ANM)** serves a statewide, predominantly rural, target market through an office in Albuquerque and through partnerships with community banks. ANM provides microloans to women, minority, and low-income small business owners in communities ranging from Native American pueblos to predominantly Mexican *colonias* (unincorporated communities) near the border. With financial assistance from the Fund, ANM proposes to expand its lending to low-income entrepreneurs.

**Affordable Housing Resources, Inc. (AHR)** is a non-profit housing loan fund located in Nashville, TN. AHR brings a holistic strategy to the housing field through its offering of financial products, educational services, and the work of its subsidiary, AHR Development, which builds affordable homes for low-income customers. The Fund's investment will allow AHR to expand its second mortgage product to include additional participants in the Section 8 homeownership program.

**Alaska Growth Capital BIDCO**, a subsidiary of Arctic Slope Regional Corporation, an Alaska Native Corporation, provides debt and equity financing for businesses in 16 rural, highly underserved investment areas in Alaska, including Alaska Native Villages. The Fund's investment will allow it to expand its investment activity into businesses with job creation potential.

**CF Banc Corporation (CFBC)** is a holding company established in 1998 with a mission of promoting investment in, and strengthening underserved communities in Washington, DC by providing credit, financial services, and access to information for individuals and businesses through its affiliate, CityFirst Bank of DC. CFBC will utilize its award from the Fund to finance affordable housing development and rehabilitation in distressed neighborhoods across Washington, and to increase its provision of low-cost basic banking services to residents of Columbia Heights (the transitional neighborhood in which CFBC's only bank branch is located).

**First Nations Oweesta Corporation (FNOC)** is a start-up CDFI Intermediary with a focus on providing financing to, and developing the capacity of Native American owned and focused CDFIs. FNOC will use its award from the Fund to leverage private sector resources in support of financial institutions serving some of the nation's most remote and underserved communities.

Established in 1961 in the rural Northern San Joaquin Valley of California, **Food Processors Credit Union** provides financial and development services to low-income residents in Stanislaus County who work primarily in food processing and agriculture. The credit union currently has loans totaling more than \$21 million to many of its 10,000 members. The credit union will use its award of financial and technical assistance from the Fund to help underwrite the opening of a new credit union branch in a neighboring community with very high levels of poverty and unemployment, in order to provide affordable financial services to currently un-banked individuals.

### **Supporting New York's Reconstruction**

The Fund is making investments in three institutions that are serving individuals, small businesses, and community organizations severely affected by the events of September 11, 2001

**Lower East Side People's Federal Credit Union**

Lower East Side People's Federal Credit Union (LESPFCU) is a 16 year old member-owned, non-profit financial institution that reinvests member money into Manhattan's Lower East Side community. LESPFCU serves an ethnically and socio-economically diverse market. This neighborhood was severely impacted by the events of September 11, 2001. The Fund's investment will enable LESPFCU to expand the range of loan products and services that it offers to its membership and assist with the opening of a new branch office to better serve its community.

**Renaissance Economic Development Corporation**

Renaissance Economic Development Corporation (REDC) was created by Asian American for Equality in 1997, to focus on serving the credit needs of immigrant communities of New York City, specifically Chinatown, and the Lower East Side in Manhattan (two of the residential neighborhoods closest to Ground Zero), and Flushing in Queens. REDC provides direct financing and technical assistance to low-income, minority, and women small business owners. The tragedy of September 11 and the resultant decline in business activity in lower Manhattan drastically re-oriented the organization, as it initiated an Emergency Loan Fund to respond to overwhelming demand. This product offers small, short-term loans at below-market rates to help businesses survive the crisis and retain or create jobs. It also has several other business lending lines, and provides business training seminars open to all as well as technical assistance to its borrowers. The Fund's assistance will enable Renaissance to continue to provide these products.

**Structured Employment Economic Development Corporation (SEEDCO)**

Structured Employment Economic Development Corporation (SEEDCO) is a New York based non-profit that was founded in 1987 and provides development assistance and lending activity in the areas of affordable homeownership, community economic development and workforce development. During the past year, SEEDCO began to provide significant development assistance and lending to small businesses and nonprofits affected by the World Trade Center disaster. The CDFI Fund's assistance will help SEEDCO in continuing its loans and technical assistance to non-profits that serve low-income people in New York.