

Highlights of the 2002 CDFI Program Small and Emerging CDFI Assistance (SECA) Component

The CDFI Fund has completed its third round of funding under the Small and Emerging CDFI Assistance (SECA) program. For the 2002 program round, the Fund has awarded 61 community development financial institutions (CDFIs) for a total of \$6.9 million dollars in technical and financial assistance. The CDFIs awarded are diverse serving both rural and urban communities, offering distressed populations across the nation a variety of financial products and services that increase access to capital and credit, financial literacy and asset building. SECA recipients demonstrate the ability to foster significant community development impact. Their activities help to generate new affordable housing units, first time homeowners, new businesses, increased jobs, or first time checking/savings account holders. Details about the type of assistance, geographic distribution of awards and other highlights from the 2002 round follow.

Amount of Assistance

The CDFI Fund awards Technical Assistance (TA) or Financial Assistance (FA) to CDFIs the under SECA component. TA awards are made in the form of grants, and provide for staff and management training, the acquisition of technology to improve operations, the use of outside experts to build organizational capacity, and staff salary expense used for activities that are critical to building an organization's capacity to achieve the objectives in its Comprehensive Business Plan. FA awards are made in the form of grants, loans, equity investments, shares or deposits. FA awards are typically used for loan capital and to improve financial operations. Of the 61 awards made, 38 are for TA and FA, and 23 are for TA only. The average award size is approximately \$113,105. Listed below is a quick look at the distribution of awards by dollar amount.

Grants	\$3,312,000
Loans	\$ 760,000
Equity	\$ 300,000
Deposits	\$ 50,000
Secondary Capital	\$ 45,000
Total FA	\$4,467,000
Total TA	\$2,432,385
TOTAL	\$6,899,385

Organizational Diversity of Awardees

The CDFI Fund increases access to capital and credit in underserved communities through support of community development financial institutions (CDFIs). CDFIs range vastly in maturity, asset size, primary market served and type of financing activity. The underlying commonality of all of these organizations is the primary function of increasing access to capital and credit to underserved communities. The tables below indicate the total number and dollar amount of SECA awards made by CDFI organizational type and the asset size of awardees.

CDFI Type	Number of Awards	Total Awards
Economic Development	14	\$3,623,545
Housing/Facilities	9	\$2,057,400
Consumer	6	\$ 771,240
CDFI Intermediary	2	\$ 341,200
Other	1	\$ 106,000

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

Total Asset Size	Number of Awardees
Less than \$1 million	17
\$1 million to \$5 million	11
\$5 million to \$10 million	2
More than \$10 million	2

Average asset size approximately \$860,000

Geographic Diversity

In the 2002 SECA Component funding round, organizations selected for awards are headquartered throughout the continental United States and Hawaii. By region, 26 awards were made to the West Region, 15 awards were made to the Central/South Region, and 20 awards were made to the North/East Region.

Community Development Impact

The Fund's focus in providing financial or technical assistance under the SECA component is to increase the capacity of small or emerging CDFIs. Through increased capacity, these organizations will maximize their impact on communities they serve. A number of the 2002 Awardees demonstrate particularly strong potential for impact as a result of the capacity building support provided through the SECA Component. Capacity building will assist with product innovation and development. Examples of these high impact organizations include:

Birmingham Community Development Corporation (BCDC) is a non-profit organization that provides commercial loans to businesses in an economically distressed area of Birmingham, Alabama. BCDC's goal is to educate and expand access to credit for small, disadvantaged minority and women-owned small businesses.

Corporation for the Development of Community Health Centers (CDCHC) is a non-profit community facilities loan fund established in 2001 with the purpose of becoming a self-sustaining and viable source of financing for community and health centers in South Texas, with emphasis on service to migrant workers and *colonias*.

Development Corporation for Children (DCC), a nonprofit organization, currently serves the state of Minnesota and is one of the few childcare lenders nationwide to focus on providing loans to home-based childcare providers that serve low-income families.

DCC aims to create new and improved childcare opportunities for low-income families and promote business and job creation.

Faithworks is a start-up CDFI located in Washington DC that provides or facilitates technical assistance and financing to grassroots ministries and other faith-based organizations for real estate development projects, including single family and multifamily housing, transitional and special needs housing, and other facilities.

Idaho-Nevada Community Development Financial Institution, Inc. (ID-NV CDFI) is a start-up non-profit organization that was established in 2000. Its mission is to help fill the credit gap for small businesses, infrastructure projects and affordable housing in underserved rural areas of Nevada and Idaho. ID-NV CDFI's products and services include short- and long-term loans and business counseling.

Maryland Capital Enterprises, Inc. (MCE) is the only economic development CDFI working in the underserved and distressed market of Maryland's rural Eastern Shore. MCE's financing activity focuses on addressing the micro and small business needs facing African Americans and Hispanics in its service area.

Washington Assistive Technology Foundation (WATF) of Seattle, Washington is a start-up non-profit organization that provides loans for assistive technology to individuals with disabilities to help them gain or retain employment, independent living, and community. WATF also provides a full-range of technical assistance services to its borrowers.