

THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

United States Department of the Treasury



CDFI Program Awards Fiscal Year 2007 Overview of Awards

Overview of Financial Assistance Awards

The Community Development Financial Institutions Fund (the Fund) has completed its FY07 funding round under the Financial Assistance (FA) Component of the Community Development Financial Institutions (CDFI) Program. The Fund received applications from 184 organizations requesting over \$138 million in FA and Technical Assistance (TA) awards. It will make forty-nine (49) FA awards totaling nearly \$26 million to twenty-four (24) states and the District of Columbia.

Key Statistics of Awardees¹

- 49 CDFIs will receive \$25,835,066 in FA awards, which includes 5 loans and 49 grants; Please note, some Awardees received more than one form of assistance.
- Types or organization include 36 loan funds, 7 credit unions, 1 national intermediary, 1 regional intermediary, 1 venture capitalist, and 4 depository institution/holding companies were awarded funds.
- 14 Category I/SECA awards and 35 Category II/Core awards were made; and
- 25 Awardees primarily serve major urban markets, 9 serve minor urban areas, and 18 serve rural areas.

Financial Assistance (FA)

The Fund uses federal resources, through the FA program, to invest in and build the capacity of CDFIs to serve low-income people and communities lacking adequate access to affordable financial products and services. The Fund provides these awards to CDFIs that demonstrate,

¹ Find detailed profiles of the FY 2007 FA & TA Component awardees at www.cdfifund.gov.

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through their proposed Comprehensive Business Plans, the ability and capacity to deploy credit, capital, and financial services to their Target Markets or to expand into new Investment Areas, Low-Income Targeted Populations, or Other Targeted Populations. Low-income communities are defined as those census tracts with poverty rates of greater than 20 percent and/or median family incomes that are less than or equal to 80 percent of the area median family income.

Award Types

The Fund invests in CDFIs using flexible tools such as equity investments, loans, grants, and deposits, depending on institutional needs and available matching funds. Every dollar of the FA award must be matched with a dollar of private, non-federal funds. Thus FA awards enable CDFIs to leverage private capital to respond to demand for affordable financial products and services in economically distressed markets and by low-income families.

Organizational Diversity

The CDFI industry consists of a wide variety of financial institutions including banks, credit unions, loan funds and venture capital funds. Each provides a different mix of products geared to reach specific customers such as the following:

- **Community development banks** are for-profit corporations which provide capital to rebuild economically distressed communities through targeted lending and investment;
- **Community development credit unions** are non-profit cooperatives owned by members which promote ownership of assets and savings and provide affordable credit and retail financial services to low-income people;
- **Community development loan funds** (usually non-profits) provide financing and development services to businesses, organizations and individuals in low-income urban and rural areas and can be further categorized based on the type of client(s) served: micro-enterprise, small business, housing and community service organizations; and
- **Community development venture capital** funds are both profit and non-profit organizations which provide equity and debt-with-equity features for businesses in distressed communities.

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The FY07 FA awardees include thirty-six (36) loan funds, seven (7) credit unions, one (1) national intermediary, one (1) community development venture capital and four (4) depository institution / holding company. CDFIs use FA awards to focus on different financial sectors, typically: affordable housing (housing development and homeownership); economic development (job creation, business development, and commercial real estate development). Some CDFIs serve as national or regional intermediaries, providing financial products and services to local CDFIs and other community development organizations.

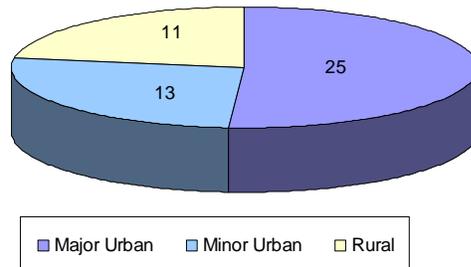
The following chart breakdown chronicles the types of Applications vs. Awards made by CDFI type.

CDFI Type	Number of Requests*	Number of Awards	Requested Amount*	Amount Awarded
Loan Fund	101	36	\$101,281,527	\$18,646,286
Credit Union	17	7	\$18,599,382	\$4,493,764
Banks, Thrifts, Depository Institutions	8	4	\$7,991,047	\$2,115,016
CDVC	3	1	\$3,830,000	\$480,000
Other	6	1	\$3,344,544	\$100,000
Total	135	49	\$133,537,495	\$25,835,066

* The total number of requests reflects the FA/TA Applications reviewed by the CDFI Fund, excluding the 49 TA-only Applications. The total amount requested reflects the amount requested by FA/TA applicants, excluding the \$4.8 million requested by TA-only applicants.

Geographic Diversity Among FA Awards

Awardees are headquartered in 24 states and the District of Columbia. As shown in the following graph, 51% or 25 of the Awardees primarily serve major urban markets, 27% or 13 primarily serve minor urban areas, and 22% or 11 primarily serve rural areas.



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Awardee Categories

The Fund gave awards to Category 1 and Category 2 FA Applicants, awarding 14 Category I awards and 35 Category II.

Category I or Small and Emerging CDFI Assistance (SECA) Applicants applied for less than \$500,000 and (i) have been in operation for five years or less; (ii) or have assets of less than \$5 million (less than \$250 million for community development banks and less than \$10 million for credit unions and venture capital funds). All other applicants were considered Category II or Core Applicants. Organization applying for FA only or a combination of FA and Technical Assistance must be certified by the Fund as a CDFI.

Overview of Technical Assistance Awards

The TA program offers grants to both established and emerging CDFIs for the purpose of enhancing their capacity to serve their Target Markets. The grants are awarded based on a competitive application process, requiring a review of the Applicant's Comprehensive Business Plan.

Key Statistics

Forty-nine (49) organizations applied and requested over \$4.8 million in TA monies under the FY07 funding round, which is the tenth offering of a TA component since 1998 when it was established. The Fund selected 19 organizations to receive \$1,501,507² in awards for FY07. Of the 19 TA awardees, 12 are first-time awardees to the CDFI Program. The remaining 7 awardees have received awards in prior years under one or more of the CDFI programs. Awards ranged in size from \$52,535 to \$98,884, with the average being \$79,027.

Awards include funds to pay for one or more of the following capacity-building activities:

1) consulting services; 2) technology purchases; 3) operating expenses; and 4) staff and board training.

² This total does not include FA awards receiving TA.

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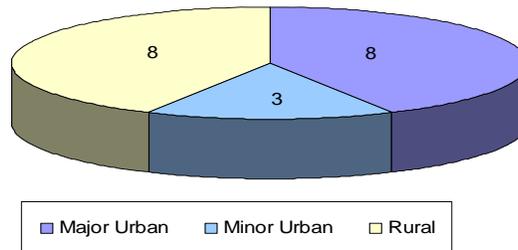
Organizational Diversity

The following chart shows the breakdown of the organizational diversity of the FY07 TA awardees. The Fund makes funds available to loan funds, credit unions, depository institutions, community development venture capital organization and other groups, for the FY 2007 round, TA Awards were given to Credit Unions and Loan Funds. Loan funds received 89% of the funding with 17 out of the 19 receiving an award. Two credit unions received a TA award or 11% of the total awarded. No awards were made to depository institutions or any other intermediaries.

Category	% of Total Awarded	# Awardees
Credit Union	11%	2
Loan Fund	89%	17
Total	100%	19

Geographic Diversity

The 19 TA awardees are headquartered within the United States and are located in 14 different states. The awardees reported serving major urban, minor urban and rural areas. The following graph and chart shows the breakdown of these areas that the Awardees primarily serve and the total amounts awarded.



Geography Served	Total \$ Requested	% Awarded	Number of Awardees
Major Urban	\$1,192,613	56%	8
Minor Urban	\$374,460	68%	3
Rural	\$1,057,264	55%	8