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Secretary Rubin Announces \$75 Million in CDFI Fund Awards

Treasury Secretary Robert E. Rubin on Monday, September 28, 1998, recognized the recipients of the Community Development Financial Institutions (CDFI) Fund's 1998 awards.

The awards, totaling \$75 million, were awarded to 190 banks, thrifts and community development financial institutions through the Fund's Bank Enterprise Award Program and the CDFI Program Core and Technical Assistance Components.

"The CDFI Fund is helping to rebuild communities across the country," said Secretary Rubin. "By filling niches in the private financing market and by drawing mainstream financial institutions into underserved communities through partnerships, the CDFI Fund's award recipients help to make our financial system work better for all of us."

CDFI Fund Director Lazar introduced three awardees, representing the three categories of awards: JoAnn Kane, Executive Director, McAuley Institute, Silver

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CDFI Fund Director Ellen Lazar and Treasury Secretary Robert Rubin announce the 1998 CDFI Fund Awards on September 28, 1998 in Washington, DC.

What is a Certified CDFI?

by Joseph Firschein

The following are answers to some frequently asked questions about CDFIs, the certification process, and its benefits:

Q: What does it mean to be certified as a CDFI?

A: Certification as a CDFI means that an organization meets CDFI eligibility requirements. An organization must have a primary mission of promoting community

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"The existence of the CDFI Fund Technical Assistance Grant Program is an invaluable resource for emerging organizations to receive the help they need in improving their operations and enhancing their impact in the communities they are committed to serving."

*Olynn J. Lettman
Executive Director,
Community First Fund*

Department of the Treasury



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Over the past several months, I have traveled throughout the country speaking at and participating in conferences, visiting our awardees and learning about their programs (see pages 4 and 5). I have had the opportunity to witness the tremendous efforts being undertaken by community development organizations and financial institutions nationwide to address the complex problems that face our communities.

In urban centers, small towns, rural and Native American communities alike, there is a need for access to capital and financial services. Banks, thrifts and CDFIs across the country are helping communities to meet the capital needs of budding entrepreneurs, new homebuyers, and others.

There are now 262 certified CDFIs. Our pipeline of certification applicant organizations continues to grow. CDFIs are a vital, dynamic partner in asset building in communities. In this issue of CDFI Quarterly, our lead story (cover page) features Treasury Secretary Rubin's announcement of the CDFI Fund's \$75 million in awards made to 190 organizations nationwide. A complete listing of the awards can be found on pages 6 and 7. I also encourage you to visit our website "www.treas.gov/cdfi" where you will find descriptions of the awardees and highlights from the 1998 round of awards.

I am also delighted to report that Rodger Boyd joined our staff to head the development of our Native American Lending Study/Action Plan. Rodger's experiences with community and economic development issues in Native American communities are unique, and will assist him in his endeavors with the Fund. We look forward to the positive impact that this effort will bring.

In July, the CDFI Fund launched the Interagency Workgroup on Microenterprise Development, which I co-chair with Betsy Myers, Associate Deputy Administrator, Small Business Administration. We are making progress in our directive from the President to better coordinate federal programs that involve micro-lending and microenterprise development. We will provide a report on our activities in our next issue.

I am also happy to report that our FY '99 appropriation is \$95 million, a 19% increase over FY '98. We will ensure that these funds are put to work in the coming year to help achieve our mission and goals.

I encourage you to keep in touch with us -- and help us ensure that we meet our goals.

Native American Lending Study/Action Plan

by Rodger Boyd

When Congress authorized the CDFI Fund in 1994, it mandated a study on lending and investment practices on Indian reservations and other land held in trust by the United States. The components of the study are: (1) identify barriers to private financing; (2) identify the impact of such barriers on access to capital and credit for Native American population; (3) recommend necessary statutory and regulatory changes to existing Federal programs; and (4) make policy recommendations for community development financial institutions.

Over the next few months, an action plan to complete the study will be formulated. To implement the Action Plan, the Fund will be consulting with many groups, including Tribal institutions, other federal agencies, community and financial organizations ■

Individual Development Accounts

In October 1998, the President signed into law, legislation that will enable the Administration to create Individual Development Accounts (IDAs), a sav-

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New Faces at CDFI Fund

The CDFI Fund welcomes several new employees who have joined in our mission to promote access to capital in America's distressed communities. The following includes only recently hired senior and program staff:

- **Jeffrey Berg**, Legal Counsel, formerly Assistant General Counsel for the Enterprise Foundation
- **Rodger Boyd**, Program Manager, formerly Vice President of Fortech Development Company. He is a member of the Navajo Tribe.
- **Sarah Crowley**, Financial and Programs Analyst, formerly Presidential Management Intern at the US Environmental Protection Agency
- **Steven Laughton**, Deputy Legal Counsel, formerly Senior Attorney in the Treasury's Financial Management Service
- **Rosa Martinez**, Financial and Programs Analyst, formerly at the Ford Foundation in New York
- **Yoo Jin Na**, Financial and Programs Analyst, formerly a Banking Officer in the Midwest Community Finance Group at Bank of America
- **Margaret Nilson**, Program Advisor, formerly a Financial Economist at the Office of Financial Institutions Policy
- **Michael Troop**, Legislative Affairs, formerly in legislative affairs for the Savings and Community Bankers

CDFI Program

Core Component:	NOFA Published	Oct 26, 1998
	Application Deadline	Jan 21, 1999
	Awards Announced	July 1999

Intermediary Component:

NOFA Published	Oct 26, 1998
Application Deadline	Jan 19, 1998
Awards Announced	May 1999

Technical Assistance

Component:	NOFA Published	Jan 1999
	Application Deadline	Apr 1999
	Awards Announced	July 1999

BEA Program

NOFA Published	Sept 1, 1998
Application Deadline	Nov 24, 1998
Final Report/Deadline	July 1999
Awards Announced	Sept 1999

Presidential Awards for Excellence in Microenterprise Development

Competition Opens	Apr 1999
Application Deadline	July 1999
Awards Announced	Nov 1999

- **Pamela Williams**, Financial and Programs Analyst, formerly Associate National Bank Examiner, Office of the Comptroller of the Currency
- **Margaret Woolley**, Financial and Programs Analyst, formerly a Financial Economist at US Treasury's Office of Financial Institutions Policy

- **Sean Zielenbach**, Financial and Programs Analyst, formerly with LISC in Chicago where he was also finishing his Ph.D. at Northwestern University ■

During the past few months, CDFI Fund Director Ellen Lazar and Deputy Director Maurice Jones have had the pleasure of witnessing the work and accomplishments of the Fund's awardees.

In addition, the Fund's program staff has traveled throughout the country to complete the site visits necessary to make the CDFI Program Core Component Awards.

Ellen Lazar speaking at the dedication ceremony of the Family Practice Center of the Jamaica Hospital in Queens, NY. The CDFI Fund awarded \$2.5 million to the Primary Care Development Corporation which, in turn, helped finance the Family Practice Center. Surgeon General Dr. David Satcher (seated far left) was a featured guest at the event.



"What comes through in the site visits that is not reflected in written applications is the enthusiasm of the people who work in community development financial institutions (CDFIs). This commitment to their communities, and their deep knowledge of their markets, is something that mark CDFIs as unique institutions."

Louisa Quittman,
CDFI Fund
Financial and Programs Analyst

"The site visits took me to the South West where I witnessed communities and individuals pursuing their dreams in very different and transforming ways. In Albuquerque, NM, there were small business owners and a women's sewing collaborative. At the Hopi Credit Association in Keams Canyon, AZ, culture and custom is integrated into housing, business, and education lending on the reservation. And in Phoenix, AZ, I met a proud first-time homeowner who didn't believe he would own his own home and now can raise his daughters in the neighborhood in which he grew up. This experience helped to reinforce for me the real value of what the CDFI Fund is about."

Sarah Crowley,
CDFI Fund
Financial and Programs Analyst



Despite a severed achilles tendon, Maurice Jones joined the staff and board of directors of the Jackson/Hinds Minority Capital Fund "MinCap" in Jackson, Mississippi to present a ceremonial check for \$400,000 from the CDFI Fund.



The New Road Community Development Group has renovated several homes like this one for the residents of its community. New Road receives technical assistance from the Virginia Eastern Shore Economic Empowerment and Housing Corp., funded by Rural LISC, a CDFI Fund awardee.

"It's exciting to see the New Road Community take its destiny into its own hands by identifying what they need and rolling up their sleeves to work toward their goal."

Rosa Martinez,
CDFI Fund
Financial and Programs Analyst

"Eddie Alvarez came from the Dominican Republic to Brooklyn five years ago with just a single statue mold and his ambition. ACCION New York, a 1998 CDFI Fund awardee, made several loans to Eddie, enabling him to significantly expand his successful statue-making business. Eddie's enormous factory with its thousands of plaster molds is a credit to him and ACCION."

Margaret Woolley,
CDFI Fund
Financial and Programs Analyst

"MinCap" provided the loans for Bush 4 Pizza in Jackson, MS. Pictured are Theophilus Bush, President, and Vonda Bush, Vice President.



Eddie Alvarez standing in his factory beside some of his statues.

"The Northeast Community Federal Credit Union provides services to a market that otherwise wouldn't be served. A site visit to Chinatown and the Tenderloin gives you a perspective on San Francisco that most people never get."

Sean Zielenbach,
CDFI Fund
Financial and Programs Analyst

The Tin Shing Printing Co. is a family operated business that relies on the Northeast Federal Credit Union for Financing.



Rubin

(continued from cover page)

Spring, MD; Olyyn Lettman, Executive Director, Community First Fund, Lancaster, PA; and Peter Nostrand, Greater Washington Region President, Crestar Bank, Washington, DC.

The CDFI Program leverages federal dollars by requiring that each CDFI provide at least a one-to-one match with funds from non-federal sources for each dollar of assistance it receives. In addition, CDFI Program award recipients are held to performance goals that help ensure that the CDFI Fund's investment will result in significant community impact.

Visit our website at www.treas.gov/cdfi to see descriptions of all 190 awards.

CDFI Fund 1998 Awards Highlights

Core Component

- \$44.3 million awarded
- 42 community development organizations selected

Technical Assistance Component

- \$3 million awarded
- 70 community development organizations selected

Bank Enterprise Award Program

- \$28 million awarded

- 79 banks and thrifts awarded

These awards reflect:

- \$104.2 million in equity investments, grants, loans, deposits, or technical assistance to 89 certified CDFIs across the nation
- \$596 million in loans, investments and financial services in America.

1998 CDFI Program Core Component Awards

ACCION New York, Inc.

Brooklyn, N.Y. \$500,000

ACCION Texas, Inc.

San Antonio, TX \$1,200,000

Anchorage Neighborhood Housing Services, Inc.

Anchorage, AK \$1,100,000

Appalachian Development Federal Credit Union

The Plains, OH \$610,000

Austin Community Development Corporation

Austin, TX \$500,000

Bethex Federal Credit Union

Bronx, NY \$460,000

Cape and Islands Community Development, Inc.

Hyannis, MA \$52,500

Capital District Community Loan Fund

Albany, NY \$290,000

Cascadia Revolving Fund

Seattle, WA 1,170,000

Community Development Ventures, Inc.

Baltimore, MD \$1,250,000

Community Loan Fund of Southwestern Pennsylvania, Inc.

Pittsburgh, PA \$1,250,000

Community Preservation Corporation

New York, NY \$2,000,000

Cooperative Fund of New England

Hartford, CT \$250,000

Delaware Valley Community Reinvestment Fund

Philadelphia, PA \$2,500,000

Enterprise Community Fund

Akron, OH 230,000

Enterprise Corporation of the Delta

Jackson, MS \$2,500,000

The Enterprise Foundation, Inc.

Columbia, MD \$2,500,000

First Bank of the Americas SSB

Chicago, IL \$1,100,000

Hopi Credit Association

Keams Canyon, AZ \$500,000

Illinois Facilities Fund

Chicago, IL \$2,500,000

Lake Agassiz Regional Development Corp.

Fargo, ND \$635,000

Local Initiatives Support Corp.

New York, NY \$1,000,000

Low Income Housing Fund

San Francisco, CA \$2,000,000

McAuley Institute

Silver Spring, MD \$1,246,000

Mountain Economic

Winchester, KY \$250,000

Neighborhood Housing Services of Phoenix, Inc.

Phoenix, AZ \$1,150,000

Neighborhood Housing Services, Inc.

Boise, ID \$720,000

Neighborhood Trust Federal Credit Union

New York, NY \$210,000

New Hampshire Community Loan Fund

Concord, NY \$2,500,000

New Mexico Community Development Loan Fund

Albuquerque, NM \$325,000

Northeast Community Federal Credit Union

San Francisco, CA \$720,000

Northland Foundation

Duluth, MN \$500,000

Riverside County Community Investment Corp.

Riverside, CA \$250,000

Rural Community Assistance Corp.

Sacramento, CA \$2,000,000

Rural Development and Finance Corp.

San Antonio, TX \$500,000

Self-Help Ventures Fund

Durham, NC \$2,000,000

Southern Dallas Development Corp.

Dallas, TX \$850,000

Southern Development Bancorporation

Arkadelphia, AR \$2,500,000

Southern Kentucky Economic Development Corp.

Somerset, KY \$500,000

William Mann, Jr. Community Development Corp.

Fort Worth, TX \$520,000

Women's Self-Employment Project

Chicago, IL \$625,000

Working Capital

Cambridge, MA \$800,000

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1998 CDFI Program
Technical Assistance
Component Awards

Baltimore Regional Community Development Corp.
Baltimore, MD \$33,500

Borinquen Federal Credit Union
Philadelphia, PA \$52,500

Business Invest in Growth
Austin, TX \$44,550

Charlotte-Mecklenburg Housing Partnership, Inc.
Charlotte, NC \$25,000

Chicago Community Loan Fund
Chicago, IL \$38,000

College Station Community Federal Credit Union
College Station, AR \$50,000

Colorado Enterprise Fund
Denver, CO \$50,000

Colorado Rural Housing Development Corp.
Westminster, CO \$23,000

Community Collaboration for Economic Development
Champaign, IL \$25,000

Community Development Venture Capital Alliance
New York, NY \$115,000

Community First Fund
Lancaster, PA \$25,000

Community Works in West Virginia, Inc.
Big Chimney, WV \$50,000

Comunidades Federal Credit Union
Los Angeles, CA \$ 50,932

Cornerstone Homesource Regional Loan Fund
Cincinnati, OH \$35,000

Delta Foundation, Inc.
Greenville, MS \$50,000

Demopolis Federal Credit Union
Demopolis, AL \$25,000

Development Credit Fund, Inc.
Baltimore, MD \$51,246

Enterprise Community Federal Credit Union
Las Vegas, NV \$50,000

Enterprise Development Corp.
The Plains, OH \$37,350

First Combined Community Federal Credit Union
Landover, MD \$45,500

Genesee Co-Op Federal Credit Union
Rochester, NY \$50,000

Growth Finance Corporation of Oxford Hills
South Paris, ME \$49,865

Hawaii Community Loan Fund
Honolulu, HI \$50,000

Home Headquarters, Inc.
Syracuse, NY \$32,000

The Immigrant Center
Honolulu, HI \$44,800

Inglewood Neighborhood Housing Services, Inc.
Inglewood, CA \$43,000

Kekaha Federal Credit Union
Kekaha, HI \$48,000

Laredo-Webb Neighborhood Housing Services, Inc.
Laredo, TX \$57,200

Legacy Bancorp, Inc.
Glendale, WI \$21,500

Lending Enterprise for Neighborhood Development, Inc.
South Bend, IN \$44,000

Lighstone Community Development Corp.
Moyers, WV \$25,000

Local Economic Assistance Program, Inc.
Oakland, CA \$50,000

Local Enterprise Assistance Fund
Boston, MA \$46,500

Lower East Side People's Federal Credit Union
New York, NY \$48,800

Mon Valley Initiative
Homestead, PA \$26,000

Mountain Association for Community Economic Development, Inc.
Berea, KY \$25,000

Neighborhood Housing and Development Corp.
Gainesville, FL \$42,500

Neighborhood Housing Services of Chicago, Inc.
Chicago, IL \$67,700

Neighborhood Housing Services of Toledo, Inc.
Toledo, OH \$50,000

Neighborhood Housing Services of Trenton, Inc.
Trenton, NJ \$50,000

New Community Development Loan Corp.
Newark, NJ \$7,000

New Horizons Community Federal Credit Union
Philadelphia, PA \$51,000

Northeast Louisiana Delta Community Development Corp.
Tallulah, LA \$50,000

Northern California Community Loan Fund
San Francisco, CA \$41,000

NorthSide Community Federal Credit Union
Chicago, IL \$39,500

Omaha 100, Inc.
Omaha, NE \$25,000

O.U.R. Federal Credit Union
Eugene, OR \$48,000

Ponce Neighborhood Housing Services, Inc.
Ponce, PR \$50,000

PPEP Microbusiness and Housing Development Corp., Inc.
Tucson, AZ \$39,450

Progressive Neighborhood Federal Credit Union
Rochester, NY \$50,000

Quitman County Federal Credit Union
Marks, MS \$32,500

Renaissance Economic Development Corp.
New York, NY \$48,000

RNA Community Builders, Inc.
West Rutland, VT \$41,000

Roberto Clemente Federal Credit Union
Bronx, NY \$35,000

Rocky Mountain Mutual Financial Services, Inc.
Denver, CO \$35,500

Sable Bancshares, inc.
Chicago, IL \$29,000

Sacramento Neighborhood Housing Services, Inc.
Sacramento, CA \$50,500

Salt Lake Neighborhood Housing Services, Inc.
Salt Lake City, UT \$42,500

South Dakota Rural Enterprise, Inc.
Spearfish, SD \$50,000

St. Charles Borromeo Federal Credit Union
New York, NY \$50,000

Stillman Community Development Federal Credit Union
Tuscaloosa, AL \$25,000

Sustainable Jobs Corp.
Durham, NC \$50,000

Union Fidelity Fund, Inc.
Belle Glade, FL \$35,000

Union Settlement Federal Credit Union
New York, NY \$53,818

Utica Neighborhood Housing Service, Inc.
Utica, NY \$40,000

Virginia Community Development Fund, Inc.
Richmond, VA \$49,960

Virginia Community Development Loan Fund
Richmond, VA \$35,000

Washington Area Community Investment Fund
Washington, DC \$50,000

Washington County Council on Economic Development
Washington, PA \$42,500

Washington Heights and Inwood Development Corp.
New York, NY \$40,000

1998 Bank Enterprise
Award Program Awards

Androscoggin Savings Bank
Lewiston, ME \$2,250

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Bank of America Community Development Bank
Walnut Creek, CA \$1,513,647

Bank of America, NT & SA
Chicago, IL \$474,777

Bank of America, FSB
Portland, OR \$610,592

Bank of Hawaii
Honolulu, HI \$346,366

Bank of Yazoo City
Yazoo City, MS \$3,750

Bank One, Arizona, NA
Phoenix, AZ \$171,644

Bank One Texas, NA
Dallas, TX \$2,599,075

BankBoston, NA
Boston, MA \$11,250

Caldwell Bank and Trust Company
Columbia, LA \$100,570

Cambridge Savings Bank
Cambridge, MA \$3,668

Central Bank of Kansas City
Kansas City, MO \$858,555

Chase Bank of Texas
Brownsville, TX \$330,000

The Chase Manhattan Bank
New York, NY \$2,215,548

Chinatrust Bank USA
Arcadia, CA \$17,816

Citibank, FSB
San Francisco, CA \$650,698

Citibank, NA
New York, NY \$192,500

Cole Taylor Bank
Skokie, IL \$120,628

Community Bank of the Bay
Oakland, CA \$776,066

Community Capital Bank
Brooklyn, NY \$143,415

Compass Bank
Houston, TX \$409,177

Concordia Bank and Trust Co.
Ferriday, LA \$3,750

Crestar Bank
Washington, DC \$738,856

Deposit Guaranty National Bank
Jackson, MS \$150,000

Evergreen Bank, NA
Glens Falls, NY \$137,763

Farmers Bank and Trust Co.
Blytheville, AR \$3,750

Farmers National Bank
Cynthiana, KY \$85,250

First Bank of Oak Park
Oak Park, IL \$41,840

First National Bank of Chicago
Chicago, IL \$450,000

First of America Bank, NA
Kalamazoo, MI \$81,670

First Union National Bank
Charlotte, NC \$2,154,900

Firststar Bank Milwaukee, NA
Milwaukee, WI \$671,968

Fleet Bank, NA
New York, NY \$88,000

Fremont Investment and Loan
Morgan Hill, CA \$15,948

The Fuji Bank and Trust Co.
New York, NY \$894,375

Gateway National Bank
St. Louis, MO \$52,756

Golden Gate Bank
San Francisco, CA \$11,000

Harris Trust and Savings Bank
Chicago, IL \$5,025

Hibernia National Bank
New Orleans, LA \$406,428

International Bank of Commerce
Brownsville, TX \$55,000

KeyBank, NA
Portland, ME \$491,750

Labe Federal Bank
Chicago, IL \$21,000

LaSalle Bank, NA
Chicago, IL \$122,250

Manufacturers and Traders Trust Co.
New York, NY \$2,911,370

Manufacturers Bank
Los Angeles, CA \$29,588

MBNA America Bank, NA
Wilmington, DE \$451,000

Mercantile Bank, NA
Brownsville, TX \$165,000

Merchants and Farmers Bank
Dumas, AR \$3,750

Mid-Peninsula Bank
Palo Alto, CA \$131,893

National Bank of Greece, Chicago Branch
Chicago, IL \$22,000

Nationsbank, NA
Sarasota, FL \$1,252,500

Northeast Bank
Auburn, ME \$1,575

The Northern Trust Co.
Chicago, IL \$316,825

Norway Savings Bank
Norway, ME \$23,250

Norwest Bank Minnesota, NA
Minneapolis, MN \$7,500

Oceanmark Bank, FSB
North Miami Beach, FL \$26,497

Park Federal Savings Bank
Chicago, IL \$115,500

PFF Bank and Trust
Pomona, CA \$7,764

Planters Bank and Trust Co.
Indianola, MS \$3,750

Republic Bank and Trust Co.
Louisville, KY \$118,140

Republic Bank California, NA
Beverly Hills, CA \$84,408

Republic National Bank
New York, NY \$167,875

Roosevelt Savings Bank
Garden City, NY \$105,911

ShoreBank, Cleveland
Cleveland, OH \$103,619

The South Shore Bank of Chicago
Chicago, IL \$1,060,390

SunTrust Bank, Atlanta
Atlanta, GA \$245,660

SunTrust Bank, Tampa Bay
Tampa, FL \$27,500

Susquehanna Bank
Baltimore, MD \$242,649

Texas State Bank
McAllen, TX \$165,000

Texline State Bank d/b/a

Banco Tejano
Houston, TX \$41,567

Triangle Bank
Raleigh, NC \$110,000

Union Federal Saving Bank of Indianapolis
Indianapolis, IN \$513,871

University Bank
Ann Arbor, MI \$22,130

Vine Street Trust Company
Lexington, KY \$8,250

Wachovia Bank, NA
Durham, NC \$550,000

Wainwright Bank and Trust Co.
Boston, MA \$128,603

Washington Mutual Bank
Seattle, WA \$750,000

Wells Fargo Bank, NA
Los Angeles, CA \$75,000

Western Financial Bank
Irvine, CA \$24,002

IDAS

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ings mechanism for low-income individuals and families. The program, known as the *Assets for Independence Act*, provides for an asset building strategy intended to encourage persons and families with incomes at or below 150 percent of the federal poverty guidelines to save by matching individual savings with public and private monies. These accounts are targeted to high return investments: secondary education, business start-up and purchase of a first home.

The Office of Community Services at the Department of Health and Human Services will administer this four year demonstration program. Congress provided \$10 million in FY 1999 to begin this initiative. To date, more than 26 states have created

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AmeriCorps*VISTA

by Jennifer Smith

AmeriCorps*VISTA Members Create Opportunities in Low-Income Communities

Since 1965, well over 120,000 individuals have served in VISTA (Volunteers in Service to America) helping low-income communities help themselves. Under the AmeriCorps umbrella since 1994, AmeriCorps*VISTA plays a critical role in assisting low-income individuals enter or reenter the workforce through the creation and expansion of job training, job placement, and microenterprise development assistance for individuals transitioning from welfare to work. AmeriCorps*VISTA members serve full-time for one year with a public or private nonprofit organization creating sustainable programs that affect change in low-income communities. According to the 1997 Westat, Inc. Accomplishments Study, in one year 700 AmeriCorps*VISTA members served on nearly 200 economic and community development projects. Through AmeriCorps*VISTA activities, 1,400 businesses agreed to hire 2,600 unemployed candidates, 770 microenterprise businesses were established or expanded, and nearly 500 individuals and businesses obtained development capital. VISTA members placed 3,700 individuals in jobs at an average hourly wage of \$6.77.

Throughout the state of Massachusetts, AmeriCorps*VISTA members assigned to Working Capital, Inc. organize peer lending groups which provide the resources, technical assistance, and support needed to start up businesses and ensure their survival. VISTA members create and implement marketing strategies to recruit entrepreneurs from the low-income community into the program and link the entrepreneurs with universities, business training programs, and other resources to provide maximum support for the entrepreneurs. A recent CDFI Awardee, Working Capital is a nonprofit economic development program that provides loans of \$500 to \$5,000, approved and supported by peers, to small businesses consisting of five or fewer employees.

In ten states, the National Federation of Community Development Credit Unions, a 1997 awardee under the CDFI Fund's Intermediary Program, is sponsoring AmeriCorps*VISTA members who are supporting Individual Development Account (IDA) programs. For every dollar deposited by the account holder, agencies or businesses in the community can match those deposits with cash which can be used for education, job training, purchasing a first home, or capitalizing a small business. Among the program participants is 1998 awardee Appalachian Development Federal Credit Union, in The Plains, Ohio, where long time community resident Brenda Kim serves as a VISTA. Additionally, all community participants receive economic literacy training on how to improve their credit, set up budget and savings schedule, and understand the basics of money management.

For more information about AmeriCorps*VISTA please contact 1-800-942-2677. If you are interested in becoming an AmeriCorps*VISTA project sponsor, please contact the Corporation for National Service office in your state or visit our website at www.americorps.org ■

IDAS (continued from page 8)

policies to encourage the development of IDAs. Separately hundreds of low-income people participate in these savings accounts and millions of dollars from public and private sources are used to match the investment funds.

There are a number of banks and thrift institutions that currently support IDAs by providing banking services to IDA participants, providing matching dollars to IDA contributions, providing account data to community organizations running IDA programs and assisting in the design and implementation of IDA programs. By investing in and managing these accounts IDAs create an opportunity for banks and other financial institutions to gain Community Reinvestment Act credit ■

Certification

(continued from cover page)

development, principally serve and maintain accountability to eligible target markets, be a financing entity, provide development services and neither be a government entity nor controlled by a government entity. These requirements are found in the CDFI Program regulations at 12 CFR § 1805.200 and §§ 1805.701 (b)(1)-(8). Certification does not constitute an opinion by the Fund as to the effectiveness or financial viability of the certified organization.

Q: How many organizations have been certified by the Fund as CDFIs and how can I get a current list of certified CDFIs?

A: As of September 16, 1998, the Fund has certified 262 organizations as CDFIs. These certified CDFIs are located in 44 states, the District of Columbia and Puerto Rico. A complete list of certified CDFIs can be found on the CDFI Fund web site: "www.treas.gov/cdfi". Those CDFIs certified since the last issue of *CDFI Fund Quarterly* are listed on this page.

Q: What are the benefits of certification as a CDFI?

A: There are several important potential benefits of CDFI certification. First, certification makes an organization eligible to apply for funding under the Fund's

CDFI Program. Although organizations applying for CDFI Program funding do not have to be certified at the time of application, to receive an award they must demonstrate to the Fund that they have a plan to meet the eligibility requirements (e.g., become certified) within a certain period of time. Second, since the Bank Enterprise Award (BEA) Program rewards insured depository institutions for increasing their assistance to certified CDFIs, many certified CDFIs are able to increase their fundraising by partnering with insured depository institutions applying under the BEA Program (see article on page 9). Finally, many CDFIs state that they have found that CDFI certification increases their ability to raise funds from sources such as foundations and state and local governments.

Newly Certified CDFIs

Bank of Cherokee County, Inc.
Park Hill, Ok

Birmingham Community Development Corp.
Birmingham, AL

Central Bank of Kansas City
Kansas City, MO

Community Development Financing Corp.
Baltimore, MD

Community Preservation Corp.
New York, NY

Dorchester Bay Neighborhood Loan Fund
Dorchester, MA

First Bank of the Americas S.S.B. (FBA Bancorp, Inc.)
Chicago, IL

Greenwood Community Development Corp.
Tulsa, OK

Haa Yakaawu Financial Corp.
Juneau, AK
Hawaii Community Reinvestment Corp.

Honolulu, HI
Hawaii Community Loan Fund
Honolulu, HI

The Immigrant Center
Honolulu, HI

Impact Seven, Inc.
Almena, WI

Laredo-Webb Neighborhood Housing Services, Inc.
Laredo, TX

Los Angeles Community Reinvestment Committee (DBA Com. Fin. Res. Center)
Los Angeles, CA

Louisiana Community Development Capital Fund BIDCO, Inc.

Baton Rouge, LA
Minority Investment Development Corp.

Providence, RI
Neighborhood Housing Services, Inc.

Boise, ID
Neighborhood Housing Services of Reading Inc.

Reading, PA
North Philadelphia Financial Partnership

Philadelphia, PA
Northern Community Investment Corp.

St. Johnsbury, VT
Primary Care Development Corp.
New York, NY

The Progress Fund
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Rochester, NY
Rural Opportunities Enterprise Center, Inc.

Rochester, NY
Salisbury Neighborhood Housing Services

Salisbury, MD
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Boston, MA

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Juneau, AK
Worker Ownership Resource Center

Geneva, NY

If you do not see an organization listed or would like information on the status of a certification review, please call the Fund at (202) 622-8662 ■

BEA as a Fundraising Tool

by Jeannine Jacokes

Promoting private investment in CDFIs is one of the primary goals of the Bank Enterprise Award Program ("BEA"). BEA provides incentives for FDIC-insured bank and thrifts to invest in CDFIs through equity investments, grants, loans, deposits and technical assistance. Since 1996, BEA awardees have provided a total of \$273 million in financial or technical assistance to CDFIs. In 1998 alone, banks and thrifts participating in the program provided \$140 million in financial support to 90 CDFIs.

BEA has proven to be a successful fund raising tool for CDFIs because it creates a "win-win" scenario for both the CDFI and its bank partners. Bankers report that investing in CDFIs can help them reach new markets that they otherwise could not reach. BEA also provides tools to help bankers meet their community reinvestment goals, enhance the return on their CDFI investment activities, and gain valuable public recognition for their community development activities. CDFIs benefit from the program by utilizing it as a tool for attracting the assistance of banks and thrift investors. Furthermore, monies raised from BEA awardees may be used by CDFIs to meet their matching funds requirements under the CDFI Program, and technical assistance provided by banks has assisted in building the capacity of CDFIs. "BEA has been a valuable program to us for informing financial institutions about our work as a CDFI, as well as bringing in capital in the form of equity, loan and equity equivalents," stated Doug Bystry, President of the Clearinghouse CDFI. Mr. Bystry states further that "the program provides a real benefit to the lenders that are considering an investment in our CDFI." The Clearinghouse CDFI is a start up CDFI which finances affordable housing in Southern California. This CDFI has raised in excess of \$2.5 million in debt capital and \$900,000 in equity from more than 25 banks and thrifts through the BEA Program.

Once a bank receives its BEA award, the Fund places no restrictions on the use of the proceeds. However, many awardees have reported that they used their awards to support new community development activities. In 1997, the Fund surveyed the 1996 BEA awardees and asked how they used their awards. Approximately two-thirds of the respondents reported that they used their awards to support new community development activities.

In 1998, the banks that provided the greatest level of support to CDFIs were Chase Manhattan Bank (\$31.8 million), First Union National Bank (\$28.2 million), The Northern Trust Company (\$6.6 million) and Nationsbank (\$6.1 million). The CDFIs that raised the greatest amount of financial support from BEA awardees were Local Initiatives Support Corporation (\$28.35 million), The Enterprise Foundation (\$16.35 million), Self Help Ventures Fund (\$9 million), Neighborhood Housing Services of Chicago (\$6.5 million), and Greater Brownsville Community Development Corporation (\$6.5 million). "The BEA Program has been a way that lending institutions can begin to be more creative with the types of loans and investment they are making in CDFIs." "I cannot emphasize enough how the program has helped Enterprise market what it does to banks and how it creates financial incentives for banks to invest in communities," stated Susan Newton, director of Finance for the Enterprise Foundation.

There are many opportunities for banks to invest in CDFIs. The Fund has certified over 260 CDFIs nationwide. The Fund publishes a list of certified CDFIs which is updated on a regular basis. On September 1, 1998 the Fund published a Notice of Funds Availability in the Federal Register for the 1999 round of BEA. For the 1999 round, the Fund has \$25 million available for BEA awards. Applications are due on November 24. Applications may be obtained by calling the Fund at (202) 622-8662■

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The Community Development Financial Institutions Fund is a wholly-owned government corporation within the U.S. Department of Treasury. Its vision: An America in which all people have access to capital and financial services. Its mission: Promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding financial service organizations' lending, investment, and services within underserved markets.

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