



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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U.S. TREASURY PROVIDES \$325 MILLION IN BOND GUARANTEES FOR INVESTMENT IN UNDERSERVED COMMUNITIES

WASHINGTON, D.C. – The U.S. Treasury Department today announced that it has guaranteed \$325 million in new bonds to help support economic development opportunities in low-income and underserved communities across the country. The funding, provided through the Community Development Financial Institutions (CDFI) Bond Guarantee Program, is designed to help CDFIs fill a financing gap in underserved areas by providing long-term, fixed rate capital.

“The CDFI Bond Guarantee Program expands Obama Administration efforts to meet the economic and community development needs of underserved urban and rural areas,” said Mary J. Miller, Under Secretary for Domestic Finance at the U.S. Treasury Department. “These borrowers have a national footprint in community development financing and a solid history of delivering innovative financial products that spur job growth, provide small business loans, and finance quality affordable housing, and community facilities. This new tool – the first of its kind by the CDFI Fund – will help these organizations make even more critical investments in communities across the country.”

The CDFI Bond Guarantee Program was established by the Small Business Jobs Act, which directed Treasury to, among other things, guarantee the full amount of bonds issued to support CDFIs that make investments for eligible community and economic development purposes. Those purposes include financing for small businesses, rural infrastructure, day care centers, rental housing, healthcare facilities, senior living and long-term care facilities, charter schools, and commercial real estate in low-income or underserved rural areas, among others.

The eligible CDFIs and qualified issuers in the inaugural round of the CDFI Bond Guarantee Program are:

- ***Clearinghouse CDFI*** - Will receive \$100 million on account of a bond issued by Opportunity Finance Network and guaranteed by Treasury;
- ***Community Development Trust, LP*** - Will receive \$125 million on account of a bond issued by the Community Reinvestment Fund and guaranteed by Treasury; and
- ***Local Initiatives Support Corporation*** and ***Enterprise Community Loan Fund, Inc.*** – Will each receive \$50 million on account of two bonds issued by Bank of America CDFI Funding Corporation and guaranteed by Treasury.

Treasury will announce additional borrowers selected to participate in the program in coming weeks.

The CDFI Bond Guarantee Program will sunset September 30, 2014, unless it is reauthorized by Congress. The President's Fiscal Year 2015 budget proposes to extend the program.

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