

Building Partnerships:

Community
Development
Financial
Institutions
Fund

Putting Capital to Work

Fiscal Year
1999
Annual Report

Department of the Treasury
www.treas.gov/cdfi



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*The Fund's
VISION is an
America in
which all people
have access to
capital and
financial services.*

*The Fund's MISSION is to
promote access to capital and
local economic growth by
directly investing in and
supporting community
development financial
institutions (CDFIs) and by
expanding financial service
organizations' lending,
investment, and services within
underserved markets.*



Message from the Director

Dear Friends:

The CDFI industry has realized tremendous growth over the past year, and I am pleased that the Fund has played such a significant role in facilitating that growth.

In 1999, the Fund awarded \$112 million to more than 250 financial institutions across the nation, representing a 30 percent increase over the previous year. Since 1996, the Fund has invested more than \$300 million in communities throughout the country. This represents more than \$1 billion in overall investments stimulated by the Fund's awards.

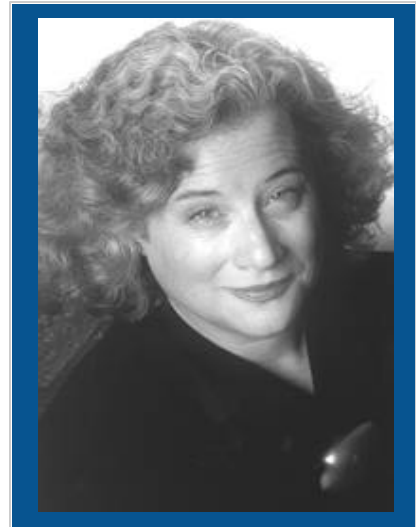
Beyond our actual financial investments, the Fund is doing much to help develop the capacity of institutions to realize their business plans.

In 1999, we launched the Fund's Training Program, which will become fully realized in 2000 as CDFIs throughout the country access resources for their training needs. This program is designed to support the development and delivery of training products and services to better serve CDFIs and other financial service organizations (FSOs) engaged in community development finance.

We are also working to evaluate our investments and determine what our funds have accomplished. We are using a variety of tools, including surveys and case studies, to facilitate this work.

Using surveys, the Fund collected performance and outcome data on 30 of our 31 first-round Core Component awardees. We wanted to know what our \$34 million awarded to them in 1996 had accomplished. In this report you will read the detailed results, but most significantly, since receiving their Fund awards, the 1996 awardees have strengthened their capacity to deliver products and services to their target communities. Their total assets have increased by 122 percent, growing from \$473 million in the aggregate before they received their awards to \$1.05 billion in the aggregate in 1998.

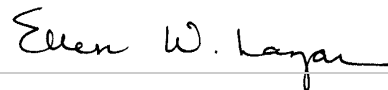
The Fund is moving forward with its Congressional mandate to study barriers to capital and credit in Native American communities. We have conducted 13 meetings with tribal leaders, financial institutions, Federal agencies and regulators, businesses, and community members in many locations throughout the country to help develop our Native American Lending Study and Action Plan. We expect to deliver a preliminary report to the President by the end of this calendar year.



Microenterprise continues to be an important focus for the Fund, as we direct our efforts to increasing technical assistance and capital for microentrepreneurs in poor communities. As directed by President Clinton, the Fund established an Interagency Workgroup on Microenterprise that I co-chair with Charles Tansey, Associate Deputy Administrator, Small Business Administration. The mission of the Workgroup is to coordinate more effectively the work of Federal agencies involved in microenterprise efforts and to develop a coherent framework for Federal government efforts to promote microenterprise. To that end, we have launched a website, www.sba.gov/microenter, that contains descriptions of all Federal microenterprise programs and has links to the agencies that administer them. We receive more than 16,000 hits a month on this site. In FY 2000, we will publish a volume of case studies illustrating microenterprise programs and how they use Federal funding.

In July, I joined the President in the Mississippi Delta and, again, in November in Chicago for the New Markets Initiative — a variety of new efforts to encourage equity investments and technical assistance in distressed areas. The overall goals of this initiative are to stimulate \$15 billion of new private capital investment in underserved communities; to build a network of private investment institutions focused on economic development in underserved areas; and to provide expertise to small businesses that will allow them to use new investment to grow. Continued support for the Fund is part of this initiative.

The support for CDFIs continues to grow – there is a need to augment the traditional banking system with community-based lenders who work at the grass-roots level. In a time of great economic prosperity, community development financial institutions are working to ensure that all Americans have access to capital and credit and that economic vitality is enjoyed in all our communities.



Ellen W. Lazar
Director

Executive Summary and Highlights

The vision of the Community Development Financial Institutions (CDFI) Fund—an America in which all people have access to capital and financial services—was further realized through significant accomplishments in Fiscal Year 1999. The Fund supported an increasing number of community development financial institutions (CDFIs) and financial service organizations (FSOs) in distressed communities throughout the nation. Its efforts created greater access to capital in these communities and, as a result, increased employment and affordable housing, helped revitalize neighborhoods, and strengthened local economies.

During FY 1999, the Fund:

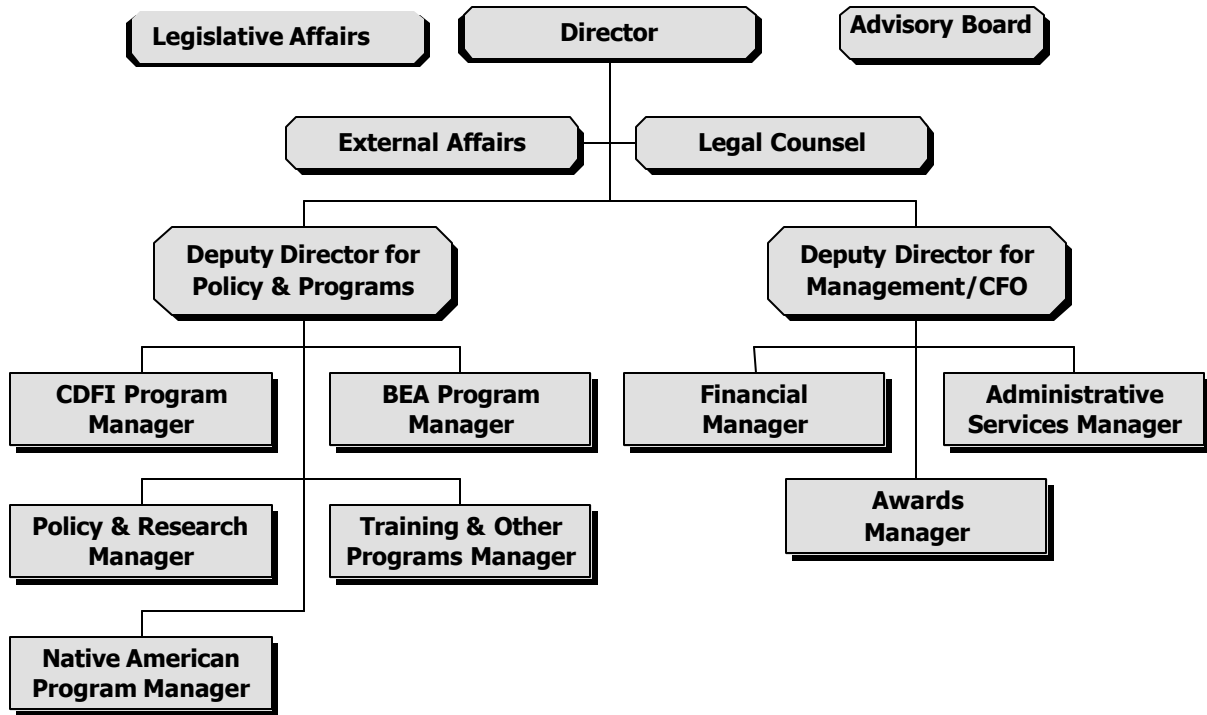
- continued to pursue its primary mission, increasing both the number of awards and amounts invested in CDFIs and FSOs within underserved markets;
- certified 72 CDFIs for a total of 334; an increase of 27 percent over FY 1998;
- met the increased demand for the Bank Enterprise Award Program—a total of more than \$31 million;
- bolstered microenterprise development through Presidential Awards and the Interagency Workgroup—and launched the Workgroup’s Web site at a national conference;
- announced its first training initiative, the Training Program, which invites competitive bids for contracts to provide training and technical assistance to CDFIs, emerging CDFIs, and community-focused FSOs;
- improved measuring and reporting procedures for the CDFI industry, including revision of Fund regulations, applications, and review procedures; reporting on outcomes of awardees; and promoting research and development activities; and
- initiated a broad study of financing opportunities within Native American communities, with the intent of increasing access to capital and credit.

Internally, the Fund improved its financial management systems as well as its procedures for interfacing with major constituents. In FY 1999, the Fund:

- prepared the current set of stand-alone financial statements, which were audited with the Fund receiving an unqualified opinion for the Fund;
- began implementing the programmatic objectives of the FY 1999-2004 Strategic Plan;
- started allocating costs across programs and strategic goals to capture financial information in more useful and consistent categories;
- began upgrading computers and local-area networks as part of a Y2K initiative and systems modernization, and developed a consolidated and integrated management information system; established steering committees to guide development of the CDFI Fund Intranet and the Web site, as well as a Technology Investment Board to review system investments;
- developed a framework for evaluation procedures and operating measures, and strengthened the process of monitoring awards.

Through visionary initiatives and sound administration, the Fund is well positioned to provide improved access to capital and resources for even more communities in the fiscal years that mark the beginning of a new century and millennium.

Organizational Profile



The Community Development Financial Institutions Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. In July 1995, the Fund, a wholly owned government corporation, was placed within the Department of the Treasury. The Fund's executive structure consists of a Director, Deputy Director for Policy and Programs, Deputy Director for Management/Chief Financial Officer, Legal Counsel, and External Affairs Officer. Fund offices are located at 601 Thirteenth Street, NW, Washington, D.C.

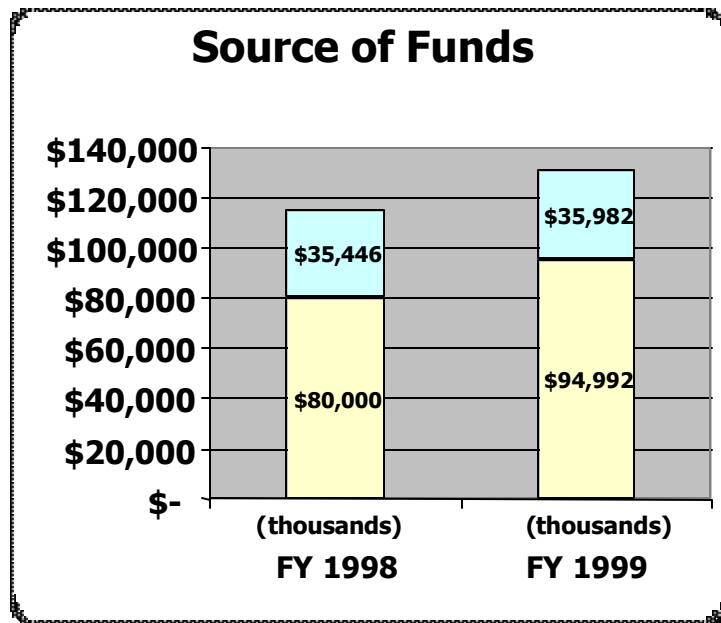
Funding Summary

Sources of Funds

Funds are appropriated annually to the Fund for use during two fiscal years. Therefore, each year's operating level for the Fund may include, in addition to the current year's appropriation, unobligated funds from the prior year's appropriation. The operating level for FY 1999 was comprised of funds from the 1999 appropriation as well as funds carried over from the 1998 appropriation.

For FY 1999, the Fund received an appropriation of \$95 million to be used in FY 1999 and FY 2000. In FY 1998, the Fund received an appropriation of \$80 million, of which the Fund used \$44 million and carried over \$36 million for use in FY 1999.

Source of Funds	FY 1998 (thousands)	FY 1999 (thousands)
Source of Funds		
Appropriations	\$ 80,000	\$ 94,992
Carry-Over from Previous Year	35,446	35,982
Total Funds Available in FY 1999	\$ 115,446	\$ 130,974



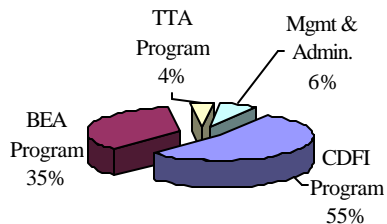
Use of Funds

During FY 1998, the Fund made awards of \$73.9 million and incurred administrative and management expenses of \$5.1 million, for a total of \$79 million.

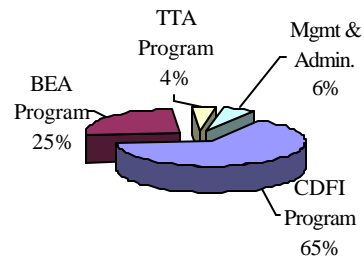
During FY 1999, the Fund made awards of \$117.8 million and incurred administrative and management expenses of \$7.1 million, for a total of \$124.9 million.

Use of Funds		FY 1998 (thousands)	FY 1999 (thousands)
Award			
CDFI Program (including direct loan		\$ 42,952	\$ 81,116
Bank Enterprise Award		27,977	31,689
Training and Technical Assistance		2,985	5,048
Total Award		\$ 73,914	\$ 117,853
Program Management & Administration		5,123	7,061
Total Use of Funds		\$ 79,037	\$ 124,914

FY 1998 Use of Funds



FY 1999 Use of Funds



Message from the Deputy Director for Policy and Programs

At the beginning of FY 1999, the Fund set out to achieve four programmatic goals: 1) strengthen and expand the financial capacity of CDFIs; 2) strengthen the organizational capacity and expertise of CDFIs; 3) expand financial service organizations' (FSOs) community development lending and investments; and 4) strengthen and expand the network of microenterprise development organizations.

By the end of FY 1999, the Fund awarded over \$78 million in Core Component financial and technical assistance to 78 awardees, an increase of 76 percent and 86 percent, respectively, over what the Fund awarded in 1998. It awarded over \$4 million in Technical Assistance Component grants to 89 awardees, an increase of 24 percent and 33 percent, respectively, over what was awarded in 1998. The Fund made \$31.7 million in Bank Enterprise Awards to 103 mainstream financial institutions, an increase of 30 percent and 13 percent, respectively, over what was awarded in 1998. Of all FY 1999 Core and Technical Assistance Component awardees, a total of 21 were microenterprise loan funds - an increase of 31 percent over the number receiving awards in 1998.



The Fund initiated several new activities in FY 1999. Most notably, the Fund launched a Training Program designed to support the development and delivery of training products and services to CDFIs and other FSOs engaged in community development finance. The first contractor under this program will perform a market analysis of the training needs and resources of CDFIs. In FY 1999, the Fund engaged in a comprehensive effort to revise its programs, policies and related documents to achieve efficiencies for Fund applicants and staff. FY 1999 also marked the first time that the Fund administered a survey to its Core component participants to determine the impact of Core Component funds.

These efforts will be continued, enhanced and expanded upon in FY 2000. For instance, the Fund will revise its Technical Assistance Component application. For the first time, the Fund will develop and administer a survey to previous awardees under the BEA Program. The Fund intends to work with the CDFI industry and other public and private funders to develop a research agenda for the field. The Fund will attempt to further a secondary market for community development loans. Finally, the Fund will complete its study on lending and investment practices on Indian reservations and other lands held in trust by the U.S. government.

We are proud of our accomplishments in 1999, and are grateful for the wonderful partners we have acquired doing our work. As we move into the next millennium, we will continue to seek ways to more effectively serve underserved communities across the country.

Maurice A. Jones

Maurice A. Jones

Program Discussion and Analysis

CDFI Fund Program Summary

The Fund makes investments in Community Development Financial Institutions (CDFIs). Through these investments, the Fund seeks to enhance the capacity of CDFIs to address unmet community development finance needs in distressed communities across the country. CDFIs are private, for-profit and nonprofit financial institutions with community development as their primary mission. They include community development banks, community development credit unions, nonprofit loan funds, microenterprise loan funds, and community development venture capital funds.

The Fund administers several programs that further its mission of strengthening CDFIs and promoting access to capital in distressed communities. Fund programs put capital to work by providing financial assistance to both established and emerging CDFIs. In addition, the programs strengthen relationships between CDFIs and mainstream financial institutions and help build the CDFI industry as a whole. During FY 1999, the Fund added a new program—the Training Program—to its ongoing initiatives.

CDFI Program Awards: *Putting Capital to Work*

Core and Intermediary Component Awards – The Fund provides financial assistance on a competitive basis in the form of grants, loans, equity investments, shares, or deposits to certified CDFIs and Intermediary CDFIs. To date, the Fund has awarded \$208.7 million to 205 CDFIs and Intermediary CDFIs.

Technical Assistance Component Awards – The Fund provides technical assistance grants on a competitive basis to certified CDFIs and those in the process of becoming certified. Funds may be used to build organizational capacity or to enhance an organization's ability to serve its target market. To date, the Fund has awarded \$6.98 million to 157 established or emerging CDFIs.

Bank Enterprise Awards: *Building Relationships with Mainstream Financial Institutions*

The ***Bank Enterprise Award Program*** provides financial awards to insured depository institutions in recognition of (1) increased investments in CDFIs or (2) increased lending, services, or investments in distressed communities within their service areas. To date, the Fund has awarded \$88.6 million to 272 Federally insured banks and thrifts.

Building the CDFI Industry: *Expanding Opportunity within Communities*

Microenterprise Development – The Fund promotes the growth of the microenterprise field through its Presidential Awards for Excellence in Microenterprise Development and by co-chairing the Interagency Workgroup on Microenterprise Development.

Training Initiatives – The Fund invites competitive bids for contracts to provide training and technical assistance to CDFIs, emerging CDFIs, and CDFI borrowers and potential borrowers.

Policy and Research Initiatives – The Fund strengthens the field of established and emerging CDFIs by encouraging maximum participation in Fund programs, reporting on the performance of certified CDFIs and the outcomes of Fund investments, and promoting industry-wide research and development activities.

Native American Lending Study – Through 13 national and regional workshops, the Fund is conducting a study to identify barriers to capital and private financing for Native American communities and to determine the impact of such barriers on access to capital and credit.

Louisa Quittman (center), CDFI Fund Program Advisor, pictured on a site visit to Wisconsin Women's Business Initiative Corporation (WWBIC), a 1999 awardee. Pictured on the left is Wendy Werkmeister, President WWBIC, and on the right, Carol N. Maria, Vice President for Lending WWBIC.



Local Initiatives Support Corporation (LISC) a 1999 Awardee, invested in the Puerto Rican Community Day Care (PRCDC) in Trenton, NJ. Pictured at the groundbreaking of a new building with children from the Day care are (left to right) Ana Berdecia, Executive Director, PRCDC; Rosa Martinez, CDFI Fund Financial and Programs Analyst; Carlos Peraza, Director LISC New Jersey Multi-Cities Program, and Amy Gillman, Director LISC Community Investment Collaborative for Kids (CICK).



WWBIC Investment in Martin's Little Angels Daycare Center provides services for many Milwaukee families. Yolanda Martin, Owner, provides a nurturing environment for her daycare children.

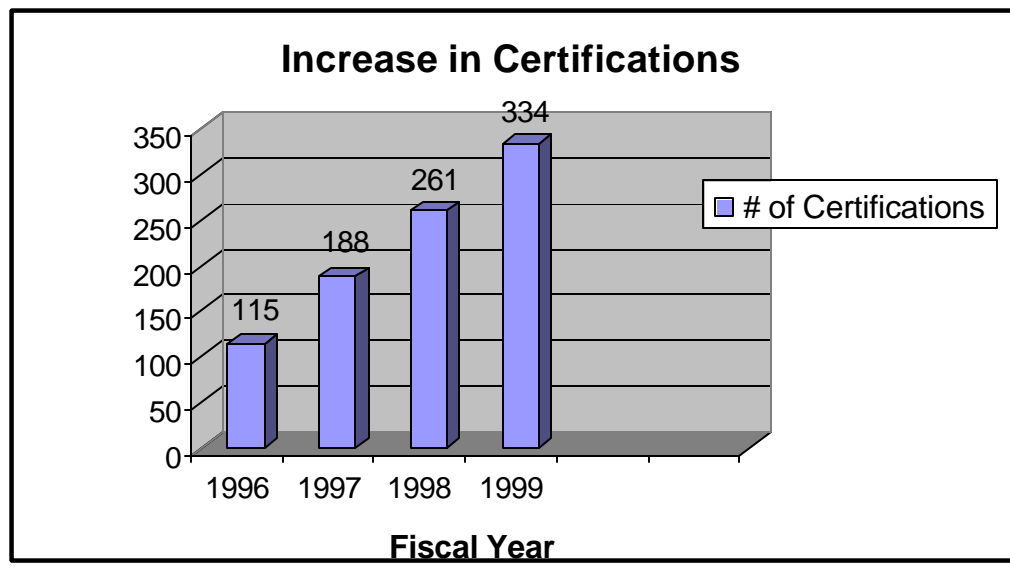
CDFI Certification

For an organization to be certified as a CDFI, it generally must demonstrate that it:

- has a primary mission of promoting community development;
- principally serves a distressed investment area or a targeted population;
- provides financial product and development services as its predominant business activity;
- provides development services (such as technical assistance or loan counseling in conjunction with its loans or investments);
- maintains accountability to its target market; and
- is a non-governmental entity.

In addition to establishing eligibility to receive assistance from the Fund, organizations often seek CDFI certification to leverage funds from non-Federal sources such as banks, foundations, and state and local governments.

The certification of organizations as CDFIs was a priority for the Fund in Fiscal Year 1999. By the end of the fiscal year, the Fund had certified as CDFIs 334 organizations in 47 states, Puerto Rico, and the District of Columbia—a 27 percent increase over the previous year.



CDFI Program - Core Component

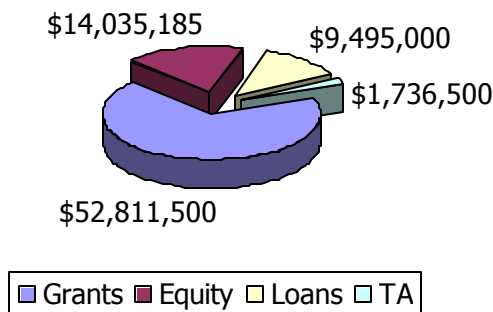
Providing Working Capital for Distressed Communities

The Core Component provides financial assistance awards, on a competitive basis, to CDFIs in the form of loans, equity investments, grants, shares, and deposits, and technical assistance grants. Funding through the Core Component supports CDFIs seeking to build their capacity and enhance their lending, investment, and community development activities. Selection of 1999 Core Component awardees was based on several factors, including, the strength of their financial track records, the capacity of their management, the quality of their Comprehensive Business Plans, their potential to achieve community development impact, and the availability of matching funds in a form and value that is comparable to the Fund's award.

Core Awards for FY 1999.

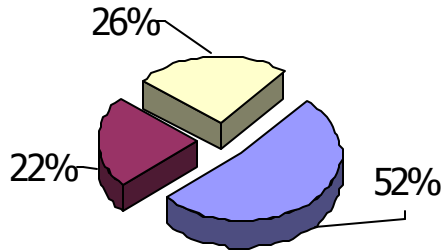
During FY 1999, the Fund committed to provide \$78 million in financial assistance to 78 institutions.

CDFI Core Awards



CDFI Core Program	FY 1999
Total Number of Awardees	78
Total Financial Assistance	\$ 78,078,185
<u>Totals by Types of Awards</u>	
Grants	\$ 52,811,500
Equity Investments	\$ 14,035,185
Loans	\$ 9,495,000
Technical Assistance	\$ 1,736,500

Market Areas Served



■ Urban Areas ■ Rural Areas ■ Mix of Both

Of the Fund's 78 Core Component awardees, 41 serve predominantly urban areas and 17 serve mostly rural markets. The remaining 20 organizations serve a mix of urban and rural markets.

Outreach Workshops. Before applications are due, the Fund goes to various locations throughout the country, conducting workshops to identify and provide information to potential applicants. The Fund conducted 19 Core and Intermediary outreach workshops in FY 1999. The Fund received 152 Core applications requesting a total of \$192 million and eight Intermediary applications requesting a total of \$16 million. This was an increase in the number of applications of 22 percent over FY 1998.

Geographic Diversity. The 78 CDFIs selected for awards in the 1999 Round are headquartered in 28 states as well as in Puerto Rico and the Virgin Islands. The 1999 Round marks the Fund's first Core Component awards to CDFIs based in Indiana, Montana, Oklahoma, South Dakota, Puerto Rico, Utah, and the Virgin Islands. To date, the Fund has provided financial assistance and technical assistance for the CDFI Core Program to a total of 41 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

CDFI Program - Intermediary Component

Providing Working Capital Through Intermediary Resources

The Intermediary Component provides financial assistance on a competitive basis to CDFIs that, in turn, provide financing primarily to other CDFIs and/or support the formation of CDFIs—particularly those that are new, small, or geographically isolated. Intermediary CDFIs provide other CDFIs with capital, operating support, and specialized technical assistance. The Fund initiated the Intermediary Component to serve the CDFI industry more efficiently and effectively. The Intermediary model is increasingly popular among private sector funders of community development organizations.

The application process for the Intermediary Component is comparable to the Core Component. The number of applicants is fewer, however, reflecting the relatively small number of Intermediary CDFIs. In selecting awardees, the Fund considers the extent to which assistance to the Intermediary would add substantial benefits to the CDFI field—benefits above and beyond what the Fund could accomplish through the Core Component.

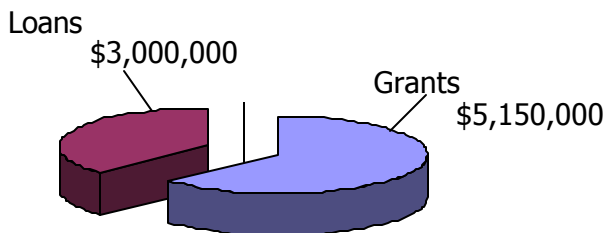
For FY 1999, the Fund received eight Intermediary applications requesting a total of \$16 million in financial assistance. The Fund awarded a total of approximately \$8.2 million to four Intermediary CDFIs in the 1999 Round.

Awards are available in the form of equity investments, grants, loans, and technical assistance. Intermediary awardees are required to obtain matching funds comparable in form and value to the assistance they receive from the Fund.

CDFI Intermediary Program	FY 1999
Applications Received	8
Total Number of Awardees	4
Total Financial Assistance	\$ 8,150,000
<u>Totals by Types of Awards</u>	
Grants	\$ 5,150,000
Loans	\$ 3,000,000

Of the four FY 1999 recipients of Intermediary Component awards, one serves community development credit unions, one serves community development venture capital funds, and the other two principally serve community development loan funds.

CDFI Intermediary Awards



Treasury Secretary Lawrence H. Summers toured PRWT ComServ in center city Philadelphia, a company partially financed by the Delaware Valley Community Reinvestment Fund (DVCRF), a CDFI Fund awardee. Pictured left to right, Secretary Summers, CDFI Fund Director Ellen Lazar, PRWT Executive, Gwendolyn Jenkins, and ComServ employee Maria LeBron.

CDFI Program - Technical Assistance Component

Enhancing Capacity Through Organizational Development

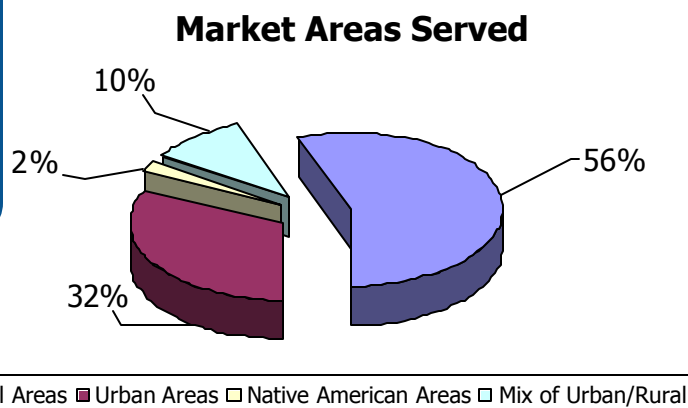
The Technical Assistance (TA) Component enhances the capacity of the CDFI industry by providing organizations with resources to address organizational development needs. Technical assistance grants are awarded on a competitive basis to existing and proposed CDFIs for building organizational capacity to better serve target markets. Most TA Component grants are used for one of three purposes: training staff or board members; acquiring new technology to improve financial management or internal operations; or utilizing outside expertise to build organizational capacity.

In FY 1999, the Fund received 160 Technical Assistance (TA) Component applications requesting more than \$8 million. The Fund awarded 89 grants totalling just over \$4 million.

Applicants selected for awards are in various stages of organizational growth. They include start-up CDFIs that need assistance in sharpening their focus on a target market; established organizations that seek to define new loan products to better serve their clients; and mature organizations that seek to improve efficiency in handling the growth of loan portfolios.

The TA Component application has two critical, substantive parts—a five-year Comprehensive Business Plan and a Technical Assistance Proposal (TAP). The TAP describes the technical assistance necessary to enhance the capacity of an organization to carry out goals described in the Comprehensive Business Plan. Entities proposing to become CDFIs are eligible to apply and must include in their application a course of

Of the Fund's 89 FY 1999 Technical Assistance awardees, 49 (56%) serve predominantly urban areas, and 28 (32%) serve primarily rural markets. The remaining 10 organizations serve a mix of urban and rural markets. Two of the awardees serve Native American reservation populations in the states of Arizona and South Dakota.



action detailing how the entity intends to meet CDFI certification requirements within two years from September 30 of the calendar year in which the applicable application deadline falls.

Of the 89 organizations selected under the Technical Assistance Component, 19 (22%) represent start-ups (awardees that began incurring operating expenses within the last two years).

The application evaluation criteria are similar to those of the Core Component; however, predominant consideration is given to the extent of the applicant's demonstrated capacity needs and the extent and nature of the projected community development impact relative to the amount of technical assistance proposed. There is no requirement for matching funds in the TA Component.

During FY 1999, the Fund provided funds for technical assistance to 89 applicants, totaling approximately \$4 million. Totals for technical assistance awards made in FY 1999 are shown below.

Technical Assistance Program	FY 1999
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Total Number of Awardees	89
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Total Value of Awards	\$4,050,620
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TA awardees will use their grants to support staff or management training, acquire technology to improve financial management or internal operations, or use outside expertise to build organizational capacity in specific areas—all of which build their capacity to put capital to work in distressed communities throughout the nation.

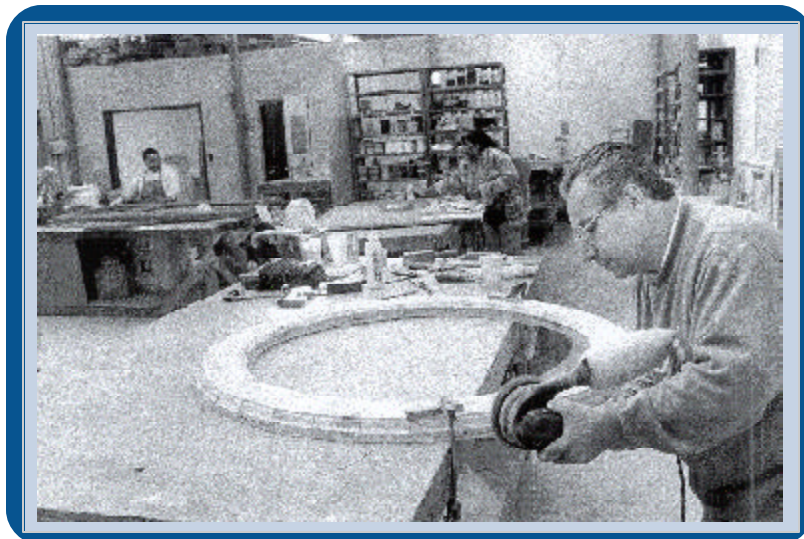
Training Program

Providing Training Opportunities for CDFIs and Financial Service Organizations

Increasing the supply and accessibility of training services can enhance the capacity of the CDFI industry. Toward this end, the Fund launched the Training Program in 1999 to support the development and delivery of training products and services for CDFIs and FSOs engaged in community development finance. In particular, the Training Program is expected to address curriculum development and training delivery, including such diverse methods as classroom instruction, Web-based distance learning, and structured internship-based training. The Training Program is capable of reaching a very broad market since non-CDFI FSOs are among the training audience.

The Training Program began in FY 1999 with the awarding of a contract to Arthur Andersen, LLP to perform a market analysis of the training needs and resources of CDFIs and community-focused FSOs. The analysis also includes entities that provide training to these organizations. The purpose of the market analysis is to obtain data sufficient to determine: (1) the quality and extent of training available for CDFIs and FSOs focused on community development; (2) the training needs of such organizations; (3) impediments to obtaining necessary and adequate training for such organizations; and (4) strategies for eliminating those impediments.

Additionally in 1999, the Fund designed materials to solicit proposals for the development and delivery of specific training to help CDFIs and FSOs. This includes training delivery in analyzing markets, projecting financial positions, and developing organizational infrastructures necessary for effective community development lending.



Greenpoint Manufacturing and Design Center in Brooklyn, NY.

Bank Enterprise Award Program

Partnering Banks and Thrifts with CDFIs to Benefit Communities

Through the Bank Enterprise Award (BEA) Program, the Fund recognizes the key role played by mainstream insured depository institutions—banks and thrifts—in promoting community revitalization. The BEA Program complements the community reinvestment activities of banks and thrifts by providing monetary incentives to expand investments in CDFIs and to increase lending, investment, and service activities in distressed communities. Providing monetary awards for increased community reinvestment leverages the Fund's dollars and puts more capital to work in distressed communities throughout the nation.

As mainstream financial institutions seek to meet community reinvestment goals, the BEA Program has become a key tool for channeling investments to high-impact community development activities. Each year more institutions participate in the program, and more dollars are invested in CDFIs and distressed communities.

All depository institutions insured by the Federal Deposit Insurance Corporation are eligible to apply to the BEA Program. The Fund determines awards based on increase in the total dollar value of activities within an assessment period compared with the value of activities during the same period in the previous year. In general, awards range from five to 33 percent of the dollar value of the increased activities, depending on the type of activity and whether the applicant is a certified CDFI. Eligible activities include providing financial or technical assistance to CDFIs, as well as lending, investing, or providing services in distressed communities. These are generally defined as areas with a poverty rate of at least 30 percent and an unemployment rate that is at least one and one-half times the national average.

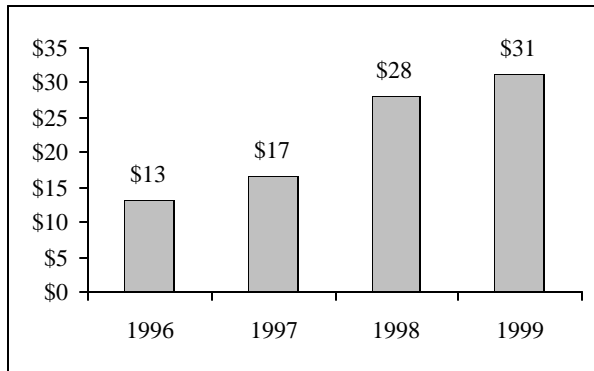
The Fund selected 103 insured depository institutions to receive a total of approximately \$31.7 million under the FY 1999 Bank Enterprise Award (BEA) Program.

The BEA Program continues to be an important tool for insured depository institutions seeking innovative ways to meet their community reinvestment goals. The 1999 round had an increase in the number of applicants (138) as well as the number of awardees (103) over the 1998 Round (104 and 79, respectively). The Fund used carry-over monies to meet every applicant's requested award, for a total

BEA Program	Round 1999
Total Number of Awardees	103
Total Value of Awards	\$31,689,777

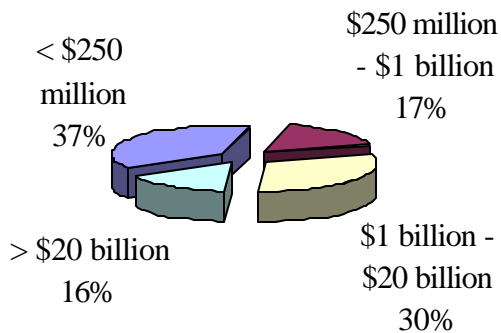
amount of more than \$31 million. Awards ranged from \$2,000 to \$5 million, with an average of \$307,668.

In each BEA round, the Fund rewards more insured depository institutions for putting their capital to work in distressed communities.

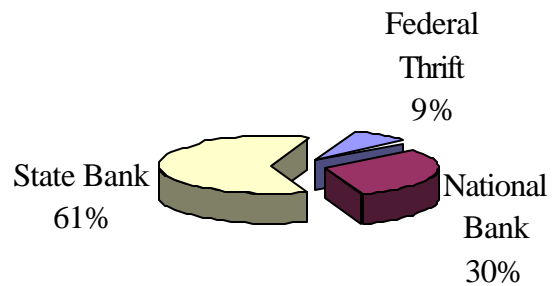


In terms of asset size and bank type, a range of insured depository institutions participate in the BEA Program.

BEA Awardees by Asset Size



BEA Awardees by Type



Through the BEA Program, insured depository institutions are encouraged to build relationships with CDFIs. BEA awardees have invested \$166 million in partnerships with CDFIs and put more than \$717 million in capital to work in distressed communities.

The total volume of new activity in distressed communities by insured depository institutions reached \$199.1 million, and the increase in investments, grants, and support activities to certified CDFIs totaled \$112.3 million. A total of 95 certified CDFIs received support from BEA awardees.

Microenterprise Development

Presidential Awards for Excellence in Microenterprise Development

The annual, non-monetary Presidential Awards for Excellence in Microenterprise Development recognize organizations that demonstrate excellence and leadership in promoting microenterprise development. These awards reflect the Administration's ongoing commitment to advancing the role of microenterprise development in enhancing economic opportunities for all Americans, especially those, such as low-income people, who lack access to traditional sources of credit and business development assistance. By recognizing outstanding organizations, the program promotes "best practices" in the microenterprise development field in the United States and brings wider public attention to the important role of microenterprise development in the domestic economy.

Applications are reviewed by a panel of Fund staff as well as experts in microenterprise development from the Federal government and the private sector, including researchers, funders, and practitioners.

Five award categories reflect the diverse and challenging issues facing the field of microenterprise development. Four of the five categories are awards to practitioner organizations—entities that provide microentrepreneurs both access to credit and access to training, counseling, and technical assistance. Awards are given for *Excellence in Providing Access to Capital*, *Excellence in Poverty Alleviation*, *Excellence in Developing Entrepreneurial Skills*, and *Excellence in Program Innovation*. In addition, organizations that support the efforts of practitioner organizations through financial assistance, technical assistance, research, or other activities are eligible for awards for *Excellence in Public or Private Support*.

Presidential Awardee Profiles

Established in 1987, the ***Micro Industry Credit Rural Organization*** (MICRO) of Tucson, Arizona, is one of the oldest Hispanic development organizations and one of the longest-standing microenterprise loan funds in the nation. MICRO is recognized as a Presidential Awardee in the Access to Capital award category for its best practices as a high impact, credit-oriented model in promoting microentrepreneurship in low-income, rural Arizona communities.

The ***Detroit Entrepreneurship Institute, Inc.*** (DEI) of Detroit, Michigan, provides a one-stop shop for aspiring microentrepreneurs. Created in 1990, DEI is recognized as a Presidential Awardee in the Developing Entrepreneurial Skills award category for providing a uniquely comprehensive range of training, technical assistance, and business support services targeted to welfare recipients and low-income individuals.

Providing microentrepreneurs with the building blocks for success is the cornerstone of the **Northeast Entrepreneur Fund, Inc. (NEF)** of Virginia, Minnesota. Created in 1989, NEF is recognized as a Presidential Awardee in the Developing Entrepreneurial Skills award category for its strong commitment to developing and implementing impact measures for assessing the performance of training-based microenterprise programs. It was also recognized for providing an effective and flexible model for delivering skill-development services to rural entrepreneurs.

The **Institute for Social and Economic Development (ISED)** of Iowa City, Iowa, was founded in 1989 and has proven its long-term staying power while maintaining its strong commitment to serving a low-income clientele. ISED is recognized as a Presidential Awardee in the Poverty Alleviation award category for its success in serving poverty-income clients, its effective program design, and its commitment to promoting the evolution of the microenterprise field through impact measurement.

Founded in 1978, the **Corporation for Enterprise Development (CFED)** of Washington, D.C., has been one of the leading lights in the U.S. microenterprise industry. CFED is recognized in the Public or Private Support award category for its steadfast and longstanding commitment to low-income people and its vision, creativity, and initiative in moving the microenterprise industry to new heights at every stage of its development.

The **Montana Microbusiness Finance Program (MMFP)** of Helena, Montana, builds the capacity of local organizations to promote community asset-building and microbusiness ownership. Created in 1991, MMFP is recognized in the Public or Private Support award category as a state-sponsored model for creating and growing microenterprises in a rural state.



Interagency Workgroup on Microenterprise Development

The Interagency Workgroup on Microenterprise Development was established in 1998 to coordinate the work of Federal agencies involved in microenterprise efforts and to develop a coherent framework for Federal government efforts to promote microenterprise.

The Workgroup, established in response to a Presidential directive to the Fund, is co-chaired by Ellen Lazar, Director of the Fund, and Charles Tansey, Associate Deputy Administrator, U.S. Small Business Administration.

The Workgroup includes participants from several Federal agencies and departments and established three committees: Policy, Regulatory, and Education. Through these committees, the Workgroup examines Federal policies that affect microenterprise and address discrepancies in definitions and reporting standards among Federal programs that support microenterprise development. The Workgroup plans to publish a policy paper and a matrix of program funding and constituent needs in the Spring of 2000.

In May 1999, Ellen Lazar launched the Interagency Workgroup's Web site at an annual conference in Chicago for the Association for Enterprise Opportunity (AEO), a national trade association for microenterprise organizations. The Web site, located at www.sba.gov/microenter, features descriptions of participating Federal programs and provides links to the agencies' websites.



Mauro Leija, Owner/Director, Study Hall Daycare, is shown with some of the children that benefit from a business he started with the help of ACCION Texas, a CDFI Fund awardee. Mr. Leija was one of three featured speakers at the Fund's 1999 Recognition Ceremony for awardees held at the Treasury Department in Washington DC.

Photo on opposite page - clockwise from top left: John Else (ISED), Rhonda Auten, and First Lady Hillary Rodham Clinton; Carol Willoughby, President Clinton, and Mary Mathews (President, NEF); Frank Ballesteros (PPEP), Cecilia Torres, and First Lady Hillary Rodham Clinton; First Lady Hillary Rodham Clinton, Robert Friedman (CFED), and President Clinton; Cathy McClelland (DEI), Jacqueline Tucker, and President Clinton; Heidi and Kevin Snyder, President Clinton, and Robyn Hampton (MMFP).

Policy and Research Initiatives

Building the CDFI Industry

The Fund represents the largest single source of capital and technical assistance funding available to established and emerging CDFIs. As such, the Fund's policy and research agenda plays a vital role in building the CDFI industry. In FY 1999, the Fund began several initiatives designed to sustain and expand the field of CDFIs. These initiatives include revising the Fund's regulations, applications, and related review procedures to facilitate maximum participation in Fund programs; measuring and reporting on the performance and outcomes of Core Component awardees; and promoting industry-wide research and development activities.

Program Revisions – With three years of certification, funding, and monitoring experience behind it, the Fund recognized in 1999 that its applicants would benefit from a comprehensive review of its certification and funding processes. Beginning in March, the Fund solicited input from applicants and awardees, funding application reviewers, and Fund staff about ways to improve documents and processes to ensure that they are well coordinated and more easily understood. With this feedback, the Fund implemented significant revisions to its certification and Core Component applications, application review criteria, awards closing procedures, and reporting requirements for Core awardees. The changes have been incorporated into revised regulations, NOFAs (Notices of Funds Availability), and applications for the FY 2000 Core funding round.

Reporting Performance and Outcomes – With more than 300 organizations certified as CDFIs and new applications for certification arriving regularly, the Fund has information on more CDFIs than any other entity in the country. In FY 1999, the Fund worked with the CDFI industry to improve the quality of data collected from certified CDFIs, and developed a brief questionnaire that will produce aggregate, standardized data from every certified CDFI, representing the most comprehensive data available on the industry to date. The data will enable the Fund to report on the volume of CDFI lending and investing, portfolio quality, community development impact indicators, capital managed by CDFIs, and basic CDFI financial indicators.

In FY 1999, the Fund worked closely with the CDFI industry to develop an in-depth survey to collect performance and outcome data from its Core awardees. A pilot survey was completed by the Fund's 1996 Core awardees, and preliminary findings demonstrate that recipients have accomplished significant community development impact over the past three years. The Fund will continue to work with the CDFI industry to refine this survey and will administer it annually to all Core awardees.

CDFI ANNUAL SURVEY RESULTS

1996 Core Awardees Put Capital to Work

- *30 Core awardees made community development loans and investments that totaled \$565 million.*
- *These loans and investments helped create or expand 1,895 microenterprises and 1,148 businesses; create or retain 12,412 jobs; and develop 8,617 units of affordable housing, 98 childcare centers serving 7,168 children, 17 healthcare facilities serving 32,723 clients, and 170 additional community, cultural, human services, and educational facilities.*
- *30 awardees provided business training, credit counseling, homebuyer training, and other development services to 10,641 individuals.*
- *70 percent of the clients of the 1996 awardees are low-income individuals; 60 percent are minority individuals; 50 percent are women; 53 percent live in the inner city; 11 percent live in rural communities; and 36 percent live in suburban areas.*

The awardees' total assets increased by 122 percent, growing from an aggregate of \$473 million before they received awards to \$1.05 billion in 1998.

Research and Development – The Fund is working with the CDFI industry and other major funders to develop an industry-wide research agenda. The Fund has solicited input from practitioners to identify gaps in existing research and is preparing to address the research needs that have surfaced. The Fund has also initiated in-house research activities that examine the impact of CDFIs on local economies.

Native American Lending Study

Creating Opportunity Through Understanding

The Fund conducted 13 national and regional workshops to identify barriers to capital and private financing for Native American and Native Hawaiian communities. The study aims to determine the impact of such barriers and devise an action plan for their elimination. The Fund is also developing a survey to gather further information from organizations that were not able to participate in the workshops. Information gleaned from the workshops and survey will form the core of a central database for the study.

Each workshop involved representatives from Tribal organizations, banks, nonprofits, Native American businesses, and Federal and state agencies. After identifying the barriers to financing, workshop participants developed strategies for eliminating the obstacles and expanding access to capital and credit.



Native American Lending Study Workshop, Honolulu, Hawaii



Native American Lending Study Workshop,
Seattle, Washington



Native American Lending Study Workshop,
Oklahoma City, Oklahoma



Native American Lending Study Workshop, Albuquerque, New Mexico

**Number of Financial Institutions Receiving CDFI Fund Awards in Each State
(since the Fund's inception)**

States/Territories	Programs					TOTAL
	Core	Intermediary	Technical Assistance	Bank Enterprise	Micro-enterprise	
Alaska	3		1			4
Alabama	2		3			5
Arkansas	3		2	7		12
Arizona	4		3	4		11
California	17		9	39		65
Colorado	3		4	18		25
Connecticut	3		2	1		6
District of Columbia	2		1	4	2	9
Delaware	1			2		3
Florida	5		7	6		18
Georgia	1			3		4
Hawaii			4	2		6
Iowa					1	1
Idaho	1					1
Illinois	10		7	34	1	52
Indiana	2		2	2		6
Kansas	1			3		4
Kentucky	9		4	15		28
Louisiana			1	8		9
Massachusetts	11		5	8	1	25
Maryland	4	1	4	4		13
Maine	3		2	13		18
Michigan	2			3	1	6
Minnesota	9		2	1	1	13
Missouri			2	6		8
Mississippi	5		2	5		12
Montana	1			1	1	3
North Carolina	10		5	9	1	25
North Dakota	1					1
Nebraska		1	1	1	1	4
New Hampshire	3					3
New Jersey	3		4	1		8
New Mexico	3		1	1	1	6
Nevada			1			1
New York	27	3	25	36		91
Ohio	5		5	3		13
Oklahoma	2			5		7
Oregon	1		1	5		7
Pennsylvania	14	2	14	1		31
Puerto Rico	1		1			2
Rhode Island	1					1
South Carolina			1			1
South Dakota	1		2	1		4
Tennessee						0
Texas	10		10	13		33
Utah	1		3	1		5
Virginia	2		5			7
U.S. Virgin Islands	1					1
Vermont	5		3			8
Washington	4		6	2	1	13
Wisconsin	2		1	4		7
West Virginia			2			2
Wyoming						0

Message from the Deputy Director for Management/CFO

I am pleased to present the Fiscal Years 1999 and 1998 audited financial statements for the Community Development Financial Institutions Fund. These statements were prepared by KPMG Peat Marwick LLP, whose audit resulted in an unqualified opinion for the Fund. No material weaknesses or reportable conditions were identified. This achievement is a testament to the tireless efforts of Fund staff.

As stated by Director Lazar in the annual assurance statement, the Fund has reasonable assurance that it is in compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Federal Financial Management Improvement Act (FFMIA). The Fund's systems of internal management, accounting, and administrative control are operating effectively. Organizational policies and procedures are in place to ensure that programs achieve their intended results; resources are used consistent with the mission; programs and resources are protected from waste, fraud, abuse, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported, and used for decision making.

Fund managers worked vigorously in Fiscal Year 1999 to build an efficient, relationship-based organization that focuses on quality in administering financial assistance awards, valuing customer satisfaction, and ensuring compliance with applicable rules and regulations. As the Fund continues to grow and mature, we are becoming more adept in recognizing forces that affect rising workloads and changing expectations. We have positioned ourselves to meet the demands of today and the challenges of tomorrow.

While the Fund's accomplishments are many over the past year, the future holds numerous challenges. We continue to deal with the ongoing administrative, budgetary, and economic issues of a vibrant and dynamic organization. We will continue working during the next year to improve our processes and enhance our information and financial management systems to support the Fund's initiatives and meet the needs of our constituents.

We hope this report is useful and informative. Many thanks go to the Fund's hard-working management team for their contributions and commitment during this past fiscal year. Because of their efforts, my transition as the Fund's Chief Financial Officer was seamless, and we were able to produce the Fiscal Year 1999 report in a timely and professional manner. My personal thanks to the entire Fund staff.



A handwritten signature in dark ink that reads "Owen M. Jones".

Owen M. Jones
Deputy Director for Management
and Chief Financial Officer

Financial Management

Discussion and Analysis

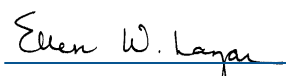
The Fund's financial statements in this annual report represent the third set of stand-alone statements prepared by the Fund since its inception in FY 1995. With these audited financial statements and stand-alone annual report, the Fund, a wholly owned government corporation within the Department of the Treasury, is complying with its enabling legislation and conforming to the spirit of the CFO Act of 1990 and the Government Performance and Results Act (GPRA) of 1993.

KPMG Peat Marwick, LLP, audited the Fund's stand-alone financial statements for FY 1999. The audits resulted in unqualified opinions for the Fund.

Department of the Treasury Community Development Financial Institutions Fund

*Annual Assurance Statement
Fiscal Year 1999*

As the Director of the Community Development Financial Institutions Fund, I have established management controls that reasonably ensure that the Fund's obligations and costs comply with applicable laws assets are safeguarded against waste, loss, unauthorized or misappropriation; and revenues and expenditures are properly recorded and accounted for. The results indicate that the Fund's system of internal management, accounting and administrative control in effect during the fiscal year that ended September 30, 1999, taken as a whole, support my conclusion that management controls are in place and operating effectively. Furthermore, I can provide reasonable assurance that the objectives of Sections 2 and 4 of the FMFIA were achieved; and the Fund's financial management systems comply substantially with Federal financial management systems statutory requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.


Ellen W. Lazar
Director

The CDFI Fund's Financial Management System

Since the beginning of the Fund, accounting services were performed in other Treasury Offices, however, for FY 1999, accounting services were contracted through a reimbursable agreement with the Bureau of the Public Debt's Administrative Resource Center (ARC) in Parkersburg, West Virginia. The Fund's Financial Management System, therefore, includes the records and transactions maintained by ARC in its Federal Financial System (FFS), as well as all the procedures performed by the Fund's financial management staff in Washington, D.C. The Fund's financial management staff is directly responsible for administrative control of funds, financial planning, and formulation and execution of the budget, as well as preparation, reconciliation, review, and analysis of financial statements.

Strategic Plan for Fiscal Years 1999-2004

Access to capital and financial services helps alleviate poverty and ensure economic growth in America's most distressed communities. By investing in CDFIs and expanding financial service organizations' lending, investment, and services in underserved markets, the Fund helps create and retain jobs, develop affordable housing, revitalize neighborhoods, and build local economies. The Fund's new FY 1999–2004 Strategic Plan sets forth a road map for cultivating and suggesting a dynamic and vibrant community development finance industry. The plan identifies four programmatic goals:

1. Strengthen and expand the financial capacity of CDFIs.
2. Strengthen the organizational capacity and expertise of CDFIs to better serve their markets.
3. Expand financial service organizations' community development lending and investments.
4. Strengthen and expand the network of microenterprise development organizations and promote microentrepreneurship.

The Fund supports CDFIs and other members of the financial services industry that engage in community development finance, and this support ultimately increases access to capital within underserved communities. As the Fund enters the 21st century, it will continue to assist traditional financial institutions and CDFIs in their important work of helping America's economically distressed communities participate in the economic mainstream.

Cost Allocations

During FY 1999, the Fund began to allocate costs across programs and strategic goals and to separate program management from administrative expenses. As a result, the Fund is now capturing financial information by strategic goals, individual award programs (i.e., CDFI Program and BEA Program), budget object classes, and internal activities (i.e. outreach, workshops, publications). Then it reconciles the different views with its appropriation and general ledger. This new costing methodology is reflected in three separate funding tables included in the Congressional Budget Submission.

Systems Modernization

As part of a Y2K initiative and systems modernization, the Fund began to upgrade its computers and local area networks in FY 1999. The Electronic Resource Information Center (ERIC) systems modernization was initiated in FY 1999 and will serve as the Fund's awards management information system to provide a consolidated and integrated database for all of the Fund's programs. Data used in support of the award process in each Fund program are being loaded into ERIC. This will provide the Fund with an accurate and reconcilable database to support decisions related to awardee selection. All workload and performance measurement statistics used in the budgetary process will be produced from this new management information system. A requirement analysis is being performed by the ERIC Steering Committee, which is comprised of program, legal and management staff.

In addition to the ERIC Steering Committee, other steering committees have been formed to guide the development of the Fund Intranet's and website. The Fund has also established a Technology Investment Board Executive Committee (TIBEC). The TIBEC provides oversight and decision making for the investment of Information Technology (IT) resources and ensures the appropriate use and allocation of IT resources as determined by available budgets and organizational goals and priorities. IT management and staff participate in committee meetings as technical advisors.

Workload Assessments

The Fund is developing a framework for long-term evaluation of the results, or outcomes, of CDFI awardees' work in their communities. Program evaluation will seek information regarding the accomplishments of Fund-assisted CDFIs and the outcomes of Fund assistance on an institution's capacity to serve its market. In FY 1999, the Fund also began to develop internal operating measures for various stages of the awards and disbursement process. These measures will be used for answering customer queries, evaluating the Fund's resource management efforts, and determining adequate levels of program management support.

Awards Monitoring

The process of monitoring awards has been strengthened by the addition of an Awards Monitoring system that logs all reporting requirements and ensures they have been met by award recipients. The Awards Manager is responsible for determining if award recipients are delinquent in submitting required reports and, if so, for notifying them. The Awards Monitoring system includes a "Compliant Watch" for awardees that have been designated, through qualitative and quantitative reviews, for additional monitoring.

Management Responsibilities

CDFI Fund management is responsible for the fair presentation of information contained in the principal financial statements, in conformity with the accounting hierarchy described in Note 1, Summary of Significant Accounting Policies, which constitutes an "Other comprehensive basis of accounting." Management is also responsible for the fair presentation of the Fund's performance measures in accordance with Office of Management and Budget requirements. The quality of the Fund's internal control structure rests with management, as does responsibility for identification and compliance with pertinent laws and regulations.

Limitations of the Financial Statements

Financial statements included as part of this total package present the financial position and operational results of the Fund for the year ended September 30, 1999, pursuant to the requirements of the Government Management Reform Act of 1994. While the financial statements have been prepared from records in accordance with the formats prescribed by the Office of Management and Budget Bulletin No. 97-01, "Form and Content of Agency Financial Statements," the statements are different from financial reports prepared from the same records used to monitor and control budgetary resources that are subsequently presented in Federal budget documents. Therefore, readers are advised that direct comparisons are not possible between figures found in this report and

similar financial concepts found in the FY 1999 Budget of the United States Government. In addition, the financial statements should be reviewed with the realization that they are for a sovereign entity (the United States Government), that liabilities not covered by budgetary resources reported in the financial statements cannot be liquidated without the enactment of an appropriation, and that the payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

Reports from the Auditors



2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report on Financial Statements

The Inspector General, U.S. Department of the Treasury, and
Director, Community Development Financial Institutions Fund:

We have audited the accompanying statements of financial position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of September 30, 1999 and 1998, and the related statements of operations and changes in net position, and cash flows for the years then ended. These financial statements are the responsibility of the CDFI Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of the Treasury's Community Development Financial Institutions Fund at September 30, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 7, 2000 on our consideration of the CDFI Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information preceding the financial statements contained on pages 3 through 34, and presented in the appendices on pages 50 through 63, is not a required part of the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.

KPMG LLP

January 7, 2000



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2001 M Street, N.W.
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Independent Auditors' Report on Internal Control over Financial Reporting

The Inspector General, U.S. Department of the Treasury, and
Director, Community Development Financial Institutions Fund:

We have audited the financial statements of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of and for the year ended September 30, 1999, and have issued our report thereon dated January 7, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended.

The CDFI Fund's management is responsible for establishing and maintaining internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that:

- Transactions are executed in accordance with laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the financial statements, and certain other laws, regulations, and government-wide policies identified by the OMB as applicable to the CDFI Fund;
- Assets are safeguarded against loss from unauthorized acquisition, use or disposition; and
- Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in internal controls, fraud may nevertheless occur and not be detected. Also, projection of any evaluation of internal controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit, we considered the CDFI Fund's internal control over financial reporting by obtaining an understanding of the CDFI Fund's significant internal controls, determined whether these internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin 98-08, as amended. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on the internal controls over financial reporting. Consequently, we do not provide an opinion on internal controls.



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Our consideration of internal controls over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses, under standards issued by the American Institute of Certified Public Accountants and OMB Bulletin No. 98-08, as amended. Material weaknesses are conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. We noted no matters involving the internal control and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving internal controls and their operation that we have reported to the management of the CDFI Fund in a separate letter dated January 7, 2000.

This report is intended solely for the information and use of the CDFI Fund's management, the U.S. Department of the Treasury's Office of Inspector General, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 7, 2000



2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report on Compliance with Laws and Regulations

The Inspector General, U.S. Department of the Treasury, and
Director, Community Development Financial Institutions Fund:

We have audited the financial statements of the U.S. Department of the Treasury's Community Development Financial Institutions Fund (the CDFI Fund) as of and for the year ended September 30, 1999, and have issued our report thereon dated January 7, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 98-08, *Audit Requirements for Federal Financial Statements*, as amended.

The management of the CDFI Fund is responsible for complying with applicable laws and regulations. As part of obtaining reasonable assurance about whether the CDFI Fund's financial statements are free of material misstatement, we performed tests of the CDFI Fund's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts, and certain other laws and regulations specified in OMB Bulletin 98-08, as amended, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to the CDFI fund. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion.

The results of our tests of compliance with the laws and regulations described in the preceding paragraph, exclusive of FFMIA, disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 98-08, as amended.

Under FFMIA, we are required to report whether the CDFI Fund's financial management systems substantially comply with (1) Federal financial management systems requirements, (2) Federal accounting standards, and (3) the United States Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance using the implementation guidance for FFMIA included in Appendix D of OMB Bulletin 98-08, as amended.

The results of our tests disclosed no instances in which the CDFI Fund's financial management systems did not substantially comply with the requirements discussed in the preceding paragraph.

This report is intended solely for the information and use of the CDFI Fund's management, the U.S. Department of the Treasury Office of the Inspector General, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 7, 2000



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Financial Statements and Notes

Community Development Financial Institutions Fund
Statements of Financial Position
As of September 30, 1999 and 1998

	1999	1998
Assets		
Current Assets		
Fund Balance with Treasury (Note 2)	\$ 155,468,946	\$ 145,218,555
Advances and Prepayments	2,498,726	240,907
Accounts Receivable	33,854	22,820
Total Current Assets	<u>158,001,526</u>	<u>145,482,282</u>
Long-Term Assets		
Loans Receivable, net of allowance for uncollectible accounts of \$2,737,035 in 1999 and 1,566,500 in 1998	8,211,106	4,699,500
Investments (Note 3)	18,383,447	10,681,900
Total Long-Term Assets	<u>26,594,553</u>	<u>15,381,400</u>
Total Assets	<u>\$ 184,596,079</u>	<u>\$ 160,863,682</u>
Liabilities and Net Position		
Current Liabilities		
Accounts Payable	\$ 1,008,988	\$ 658,996
Awards Payable	37,408,030	37,313,585
Debt (Note 4)	8,569,939	4,592,211
Accrued Payroll	209,601	144,815
Accrued Annual Leave	216,200	134,979
Total Current Liabilities	<u>47,412,758</u>	<u>42,844,586</u>
Long-Term Liabilities		
Awards Payable	5,455,223	5,594,542
Total Long-Term Liabilities	<u>5,455,223</u>	<u>5,594,542</u>
Total Liabilities	<u>52,867,981</u>	<u>48,439,128</u>
Commitments (Note 5)		
Net Position (Note 6)	<u>131,728,098</u>	<u>112,424,554</u>
Total Liabilities and Net Position	<u>\$ 184,596,079</u>	<u>\$ 160,863,682</u>

Community Development Financial Institutions Fund
Statements of Operations and Changes in Net Position
Years Ended September 30, 1999 and 1998

	1999	1998
Revenue and Financing Sources		
Appropriated Capital Used	\$ 81,986,544	\$ 56,778,840
Interest, Non-Federal	136,922	95,406
Interest , Federal	217,355	113,000
Dividend	<u>7,828</u>	<u>5,550</u>
Total Revenue and Financing Sources	\$ <u>82,348,649</u>	\$ <u>56,992,796</u>
Expenses		
CDFI Grants	\$ 35,970,658	\$ 23,169,583
BEA Grants	31,079,892	28,721,757
Native American Lending Study	429,764	0
Administrative (Note 7)	6,885,497	4,960,747
Allowance for Bad Debts	<u>1,170,535</u>	<u>666,500</u>
Total Operating Expenses	75,536,346	57,518,587
Federal Financing Bank/Treasury Borrowing Interest	513,807	290,441
Other Interest	<u>408</u>	<u>6</u>
Total Expenses	<u>76,050,561</u>	<u>57,809,034</u>
Surplus/(Shortage) of Revenue and Financing Sources Over Expenses	\$ <u><u>6,298,088</u></u>	\$ <u><u>(816,238)</u></u>
Changes in Net Position		
Net Position, Beginning of Year	\$ 112,424,554	\$ 90,019,632
Surplus/(Shortage) of Revenue and Financing Sources Over/(Under) Total Expenses	6,298,088	(816,238)
Other Changes (Note 8)	<u>13,005,456</u>	<u>23,221,160</u>
Net Position, End of Year	\$ <u><u>131,728,098</u></u>	\$ <u><u>112,424,554</u></u>

Community Development Financial Institutions Fund
Statements of Cash Flows
Years Ended September 30, 1999 and 1998

	1999	1998
Cash Flows From Operations		
Surplus/(Shortage) of Revenue and Financing Sources Over Expenses	\$ <u>6,298,088</u>	\$ <u>(816,238)</u>
Adjustments Affecting Cash Flow		
Appropriated Capital Used	(81,986,544)	(56,778,840)
Increase in Advances and Prepayments	(2,257,819)	(202,783)
(Decrease) in Accounts Receivable	(11,034)	(7,960)
Increase in Allowance for Bad Debts/Subsidy	1,170,535	666,500
Increase in Accounts Payable and Accrued Payroll	414,778	202,362
(Decrease) in Interest Payable		(251,970)
Increase (Decrease) in Awards Payable	(44,874)	23,878,940
Increase in Accrued Annual Leave	<u>81,221</u>	<u>73,252</u>
Net Cash Used by Operations	\$ <u>(76,335,649)</u>	\$ <u>(33,236,737)</u>
Cash Flows from Investing Activities		
Purchase of Investments	\$ (7,701,547)	\$ (4,685,000)
Direct Loans Disbursed	<u>(4,682,141)</u>	<u>(2,666,000)</u>
Net Cash Used by Investing Activities	\$ <u>(12,383,688)</u>	\$ <u>(7,351,000)</u>
Cash Flows from Financing Activities		
Appropriations Received	94,992,000	80,000,000
Borrowings from Treasury	<u>3,977,728</u>	<u>879,610</u>
Net Cash Provided by Financing Activities	<u>98,969,728</u>	<u>80,879,610</u>
Net Change in Fund Balance with Treasury	10,250,391	40,291,873
Fund Balance with Treasury, Beginning of Year	<u>145,218,555</u>	<u>104,926,682</u>
Fund Balance with Treasury, End of Year	<u>\$ 155,468,946</u>	<u>\$ 145,218,555</u>
Supplemental Disclosures:		
Interest Paid	\$ 514,215	\$ 542,417

Community Development Financial Institutions Fund
Notes to the Financial Statements
Years Ended September 30, 1999, and 1998

Note 1 Summary of Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared to report the financial position, results of operations, and cash flows of the Community Development Financial Institutions Fund (the CDFI Fund). The U.S. Department of the Treasury's (the Treasury) Bureau of the Public Debt-Franchise Services provides administrative accounting services to the CDFI Fund. These financial statements summarize the administrative accounting records maintained by the Bureau of the Public Debt-Franchise Services in its Federal Financial System and are presented in accordance with the CDFI Fund's accounting policies which are summarized in this note.

Reporting Entity

The CDFI Fund was created as a bipartisan initiative in the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law No. 103-325). The CDFI Fund was originally created to be a separate, independent wholly owned government corporation subject to the audit and reporting requirements of the Government Corporation Control Act (31 U.S.C. 9105 and 9106). However, the CDFI Fund was placed in the Department of the Treasury (Chapter X of title I, Public Law No. 104-19) and began operations as of July 27, 1995.

The CDFI Fund operates various programs aimed at expanding the availability of credit, investment capital, and financial and other services in distressed urban, rural, and Native American communities. The CDFI Fund is intended to help create a national network of financial institutions dedicated to community development that leverages private resources (financial and human) to address community development needs.

The CDFI Program uses limited public resources to invest in private, for-profit and non-profit financial institutions. This investment helps build the capacity of local CDFIs by leveraging large amounts of private capital and builds on private-sector talent, creativity, and leadership. CDFI program awards may take the form of grants, direct loans, equity investments, or technical assistance to eligible financial institutions.

The Bank Enterprise Awards (BEA) Program provides incentives to insured depository institutions (banks and thrifts) to invest in CDFIs and to increase their lending and financial services in distressed communities. Program participants are selected based on projected achievements. The awards are given only after the activities have been implemented successfully, to ensure that only completed activities are recognized and that the CDFI Fund's limited dollars are effectively leveraged with private capital.

The CDFI Fund has developed the Presidential Awards for Excellence in Microenterprise Development under the authority of a 1995 Presidential Memorandum to the Secretary of the Treasury. This Microenterprise initiative is designed to help improve the quality of organizations that provide financing and services to the nation's smallest businesses. These non-monetary awards are designed to provide recognition and share lessons learned from outstanding programs in the field of microenterprise development.

Basis of Accounting

The CDFI Fund's accounting policies conform to generally accepted accounting principles. The CDFI Fund's financial statements are presented on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Revenue and Financing Sources

The CDFI Fund receives the majority of its funding through appropriations from the U.S. Congress. The CDFI Fund receives two-year appropriations that may be used, within statutory limits, for operating expenditures. Appropriations are recognized as revenues to the extent expenses covered by budgetary resources are incurred.

Occasionally the CDFI Fund receives dividends on its equity investments and may use those funds for operating expenditures. Additional revenues are obtained from interest received on direct loans to the public and on uninvested funds in the direct loan financing account with the Treasury.

Fund Balance with Treasury

The CDFI Fund does not maintain cash in commercial bank accounts. The Treasury processes cash receipts and disbursements. Fund Balance with Treasury is comprised primarily of appropriated and borrowed funds (financing and program accounts) which are available to pay current liabilities and finance authorized award and purchase commitments.

Investments

The CDFI Fund provides assistance to certain for-profit CDFI Program awardees by purchasing non-voting equity and convertible debt securities. The CDFI Fund considers convertible subordinated debentures to be equity investments because they exhibit sufficient characteristics of equity securities. For example, convertible subordinated debentures entitle the CDFI Fund to any dividends in the non-voting common stock into which it is convertible as if the CDFI Fund had converted the debentures into such stock prior to the declaration of the dividend. The CDFI Fund is prohibited by its enabling legislation from owning more than 50 percent of the equity of awardees and can not control its operations. The objective of the CDFI fund is to provide capital and not to share in earnings of its equity awardees.

Equity investments are initially recorded at cost, adjusted to market value based on reported market prices or other relevant financial information available for the investees at each year end. Reported market prices are not available for the CDFI Fund's equity securities. Due to the short duration the investments have been held by the CDFI Fund, financial information is not relevant for determining a market value. At September 30, 1999, and 1998, cost and market values are considered the same.

Loans Receivable

The CDFI Fund provides assistance by making direct loans to certain CDFI Program awardees. Loans are reported as receivables when disbursed, reduced by a 25 percent default allowance. The Office of Management and Budget negotiated with the CDFI Fund a 25 percent default allowance to estimate future losses if adequate historical information is not available. Due to the short length of time the loans have been outstanding, adequate historical information is not available. The majority of direct loans made by the CDFI Fund require balloon payments at maturity. The earliest maturity date for repayment is the year 2002.

Interest Receivable

Interest income is accrued at the contractual rate on the outstanding loan receivable principal balances.

Property and Equipment

Administrative offices are located in office space leased through the General Services Administration. GSA charges the CDFI Fund rent that approximates the commercial rental for similar properties. Equipment purchased, transferred or donated with a cost greater than or equal to \$50,000 per unit and a useful life of two years or more is capitalized at cost and depreciated. Other equipment is expensed when purchased. The CDFI Fund has no capitalizable equipment or other property as of September 30, 1999. Normal maintenance and repairs are expensed as incurred.

Debt

Debt represents borrowings payable to the Treasury which were made to fund direct loans made by the CDFI Program. Principal repayments to the Treasury are required to be made based on the collections of loans receivable.

Annual, Sick, and Other Leave

Annual leave and compensatory leave is accrued as a liability when earned, and the accrual is reduced as leave is taken. The balance in this accrued liability account is computed using current pay rates. Sick leave and other types of non-vested leave are expensed as the leave is taken.

Retirement Plans

CDFI Fund employees participate in the Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS). The FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security, automatically cover most employees hired after December 31, 1983. Employees hired prior to January 1, 1984, elected to join either FERS and Social Security or remain in CSRS.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established, and the CDFI Fund makes a mandatory one percent contribution to this account. In addition, the CDFI Fund makes matching contributions, ranging from one to four percent, for FERS eligible employees who contribute to their TSP account. Matching contributions are not made to the TSP accounts established by CSRS employees.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program for retirement. In these instances, the CDFI Fund remits the employer's share of the required contribution. For CDFI Fund employees participating in CSRS, the CDFI Fund makes matching contributions to CSRS equal to 8.51 percent of base pay.

Awards Payable

CDFI program grant expense is recognized and awards payable are recorded when the CDFI Fund is made aware, in writing, of the awardee's matching funds commitment and an executed agreement is signed. BEA grants expense is recognized and awards payable are recorded at the end of the assessment period in which the awardees demonstrate completion of qualified activities.

Tax Status

The CDFI Fund, as a government corporation, is not subject to federal, state, or local income taxes and, accordingly, no provision for income tax is recorded.

Contingencies

The CDFI Fund may be a party in various administrative proceedings, legal actions, and claims brought by or against it. The CDFI Fund's management and legal counsel are unaware of any contingencies that would materially affect the CDFI's financial position or results of operations.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Note 2 Fund Balance with Treasury

Fund balance with Treasury as of September 30, 1999, and 1998 is comprised of the following components:

	1999	1998
Obligated	\$ 137,225,200	\$ 103,655,804
Available-unobligated	16,499,458	40,823,760
Unobligated-unavailable	<u>1,744,288</u>	<u>738,991</u>
Total Fund Balance w/Treasury	\$ 155,468,946	\$ 145,218,555

Fund balance with Treasury includes appropriated and borrowed funds available to pay liabilities and to finance authorized award and purchase commitments.

Note 3 Investments

Investments as of September 30, 1999, and 1998 are as follows:

	1999	1998
Equity		
Less than 20 Percent Ownership	\$ 9,374,465	\$ 4,746,900
21 to 50 Percent	5,685,100	3,935,000
Debentures	2,573,882	2,000,000
Certificates of Deposits	<u>750,000</u>	<u>-</u>
Total Investments	\$ 18,383,447	\$ 10,681,900

Equity includes non-voting common stock of for-profit CDFI Program awardees. The CDFI Fund is prohibited by its enabling legislation from owning more than 50 percent of the equity of awardees and can not control its operations.

Equity also includes non-interest bearing convertible subordinated debentures. One is valued at \$2 million to mature January 2048 with the option to convert into 200,000 shares of non-voting class B common stock at a \$10 per share conversion price. The other is valued at \$573.8 thousand to mature December 2013 with the option to convert into 1,434,706 shares of non-voting class E common stock. These securities are valued at acquisition cost.

Investments also include certificates of deposit in federal credit unions with dividend rates ranging from 2.5 to 5.0 percent.

Note 4 Debt

Debt as of September 30, 1999, and 1998 is as follows:

	1999	1998
Beginning Balance	\$ 4,592,211	\$ 3,712,601
New Borrowings	4,123,913	879,610
Repayments	<u>(146,185)</u>	<u>-</u>
Ending Balance	\$ 8,569,939	\$ 4,592,211

In fiscal year 1999, the CDFI Fund borrowed \$3,966,285 to finance current year direct loan commitments and \$157,628 to meet annual interest payments due to the Treasury, at interest rates ranging from 5.11% to 5.81% depending upon maturity dates. Principal of \$146,185 was repaid based on collection of direct loans receivable and deobligation of a previous loan obligation

In fiscal year 1998, the CDFI Fund borrowed \$797,970 to finance current year direct loan commitments and \$81,640 to meet annual interest payments due to the Treasury, at interest rates of 5.98% and 6.89%. No principal was collected on direct loans receivable; consequently, the CDFI Fund did not repay any debt.

Note 5 Commitments

Operating Lease

The CDFI Fund leases office space in the Homer Building located in Washington DC at 601 13th Street NW from the General Services Administration. During the year, the CDFI Fund entered into an equipment lease with Xerox Corporation. The office space and equipment leases terminate January 8, 2002 and January 25, 2002, respectively. Future payments due for operating leases on office space and equipment as of September 30, 1999, are as follows:

Fiscal Year	Cost
2000	\$ 703,342
2001	716,906
2002	<u>165,008</u>
Total	\$ 1,585,256

Award and Purchase Commitments

As of September 30, 1999, authorized award commitments amounted to \$116,263,403 and purchase commitments amounted to \$1,587,136.

Note 6 Net Position

The components of net position as of September 30, 1999, and 1998 are as follows:

	1999	1998
Unexpended Appropriations		
Unobligated Available	\$ 17,003,756	\$ 42,116,201
Unobligated Expired	1,744,288	738,991
Undelivered Orders	97,818,731	60,706,129
Cumulative Results of Operations	<u>15,161,323</u>	<u>8,863,233</u>
Net Position	\$ 131,728,098	\$ 112,424,554

Note 7 Administrative Expenses

Administrative expenses by object classification for the years ended September 30, 1999 and 1998 are as follows:

	1999	1998
Personnel Compensation	\$ 2,723,825	\$ 1,609,161
Personnel Benefits	763,139	347,201
Travel and Transportation of Persons	218,155	134,130
Transportation of Things	29,435	18,274
Rents, Communications, and Utilities	778,024	449,748
Printing and Reproduction	193,747	173,800
Other Services	1,655,105	1,898,883
Supplies and Materials	27,454	97,425
Acquisition of Machinery and Equipment	<u>496,613</u>	<u>232,125</u>
Total Administrative Expense	\$ 6,885,497	\$ 4,960,747

Other services include management support and contractual services, training, repairs and maintenance, and leasehold improvements.

Note 8 Other Changes in Net Position

Other changes in net position for the years ended September 30, 1999, and 1998 are as follows:

	1999	1998
Increase:		
Appropriation Received	\$ 94,992,000	\$ 80,000,000
Decrease:		
Appropriation Used	<u>81,986,544</u>	<u>56,778,840</u>
Net Change	\$ <u>13,005,456</u>	\$ <u>23,221,160</u>

Appendix A FY 1999 Awards

FY 1999 CDFI Program Core & Intermediary Components Award Recipients

Alternatives Federal Credit Union
Ithaca, NY \$1,700,000

BAC Funding Corporation
Miami, FL \$1,000,000

**Biddeford-Saco Area Economic
Development Corp.**
Saco, ME \$610,000

Borinquen Federal Credit Union
Philadelphia, PA \$240,000

Boston Community Capital, Inc.
Boston, MA \$1,000,000

Boston Community Loan Fund, Inc.
Boston, MA \$1,000,000

**California Coastal Rural
Development Corp.**
Salinas, CA \$300,000

**Calvert Social Investment
Foundation**
Bethesda, MD \$1,500,000

Cascadia Revolving Fund
Seattle, WA \$2,000,000

**Charlotte-Mecklenburg Housing
Partnership, Inc.**
Charlotte, NC \$1,100,000

**Clearinghouse Community
Development Financial Institution**
Lake Forest, CA \$2,000,000

Coastal Enterprises, Inc.
Wiscasset, ME \$2,500,000

Colorado Enterprise Fund
Denver, CO \$500,000

**Commercial and Industrial Capital
Corp.**
Staten Island, NY \$700,000

**Community Development Venture
Capital Alliance, The**
New York, NY \$3,400,000

Community First Fund
Lancaster, PA \$350,000

Community Investment Corporation
Chicago, IL \$2,000,000

**Community Lending & Investment
Corporation of New Jersey**
Jersey City, NJ \$2,450,000

Community Preservation Corp.
New York, NY \$2,000,000

Community Ventures Corp.
Lexington, KY \$1,000,000

Corporation for Supportive Housing
New York, NY \$2,000,000

Florida Community Capital Corp.
Orlando, FL \$2,500,000

**Funding Partners for Housing
Solutions**
Ft. Collins, CO \$650,000

**Greater New Haven Community
Loan Fund, Inc.**
New Haven, CT \$250,000

Homesteaders Federal Credit Union
New York, NY \$200,000

**Indianapolis Neighborhood
Housing Partnership, Inc.**
Indianapolis, IN \$1,000,000

**Inglewood Neighborhood Housing
Services, Inc.**
Inglewood, CA \$1,300,000

**Institute for Community Economic,
Inc.**
Springfield, MA \$450,000

**Jackson/Hinds Minority Capital
Fund, Inc.**
Jackson, MS \$450,000

Jobs for Fall River, Inc.
Fall River, MA \$380,000

**Kentucky Highlands Investment
Corp.**
London, KY \$1,200,000

Legacy Bancorp, Inc.
Milwaukee, WI \$1,500,000

**Lenders for Community
Development**
San Jose, CA \$1,175,000

Local Initiatives Support Corp.
New York, NY \$1,000,000

**Massachusetts Housing Investment
Corp.**
Boston, MA \$1,000,000

Michigan Housing Trust Fund
Lansing, MI \$520,000

**Midwest Minnesota Community
Development Corp.**
Detroit Lakes, MN \$600,000

**Minnesota Investment Network
Corp.**
Minneapolis, MN \$2,000,000

Mission Community Bank, N.A.
San Luis Obispo, CA \$530,000

Mon Valley Initiative
Homestead, PA \$400,000

**Montana Community Development
Corp.**
Missoula, MT \$460,000

Murex Investments, Inc.
Philadelphia, PA \$300,000

**National Community Capital
Association**
Philadelphia, PA \$1,500,000

**National Federation of Community
Development Credit Unions**
New York, NY \$1,750,000

**Near Eastside Community Federal
Credit Union**
Indianapolis, IN \$758,000

**Neighborhood and Family
Investment Fund**
Harvey, IL \$300,000

**Neighborhood Housing Services of
Santa Fe, Inc.**
Santa Fe, NM \$1,340,500

**Neighborhood Housing Services of
Toledo, Inc.**
Toledo, OH \$2,250,000

**Neighborhood Housing Services/
OKC, Inc.**
Oklahoma City, OK \$118,500

**New Hampshire Community Loan
Fund**
Concord, NH \$1,500,000

Nonprofit Facilities Fund (NFF)
New York, NY \$1,900,000

**Northcountry Cooperative
Development Fund, Inc.**
Minneapolis, MN \$310,000

Northeast Entrepreneur Fund, Inc.
Virginia, MN \$368,000

**Northeast South Dakota Economic
Corp.**
Sisseton, SD \$550,000

**Northern California Community
Loan Fund**
San Francisco, CA \$500,000

**Northern Community Investment
Corp.**
St. Johnsbury, VT \$645,000

**Ponce Neighborhood Housing
Services, Inc.**
Ponce, PR \$300,000

**PPEP Microbusiness and Housing
Development Corp.**
Tuscon, AZ \$1,000,000

**Renaissance Economic Development
Corp.**
New York, NY \$340,000

Rural Enterprises of Oklahoma, Inc.
Durant, OK \$1,500,000

**Salt Lake Neighborhood Housing
Services, Inc.**
Salt Lake City, UT \$2,000,000

**San Antonio Business Development
Fund**
San Antonio, TX \$250,000

**School Workers Federal Credit
Union**
Charlotte, NC \$1,550,000

Southern Development Bancorporation

Arkadelphia, AR \$450,185

Sustainable Jobs Corp.

Durham, NC \$2,250,000

United Bank of Philadelphia

Philadelphia, PA \$3,000,000

Utica Neighborhood Housing Services, Inc.

Utica, NY \$400,000

Vermont Community Loan Fund, Inc.

Montpelier, VT \$1,050,000

Virgin Islands Capital Resources, Inc.

St. Thomas, VI \$770,000

Working Capital Florida

Miami, FL \$450,000

*FY 1999 CDFI Program
Technical Assistance
Component Award
Recipients*

Adirondack Economic Development Corp.

Saranac Lake, NY \$53,000

Aliquippa Alliance for Unity & Development, Inc.

Aliquippa, PA \$25,000

Audubon Partnership for Economic Development LDC

New York, NY \$44,600

Bethex Federal Credit Union

Bronx, NY \$108,700

CAMBA Economic Development Corp.

Brooklyn, NY \$50,000

Carolina Capital Investment Corp.

Columbia, SC \$68,500

Cascadia Revolving Fund

Seattle, WA \$50,000

CDCLI Funding Corp.

Centereach, NY \$27,500

Colorado Housing Enterprises, Inc.

Westminster, CO \$46,500

Community Capital Works

Philadelphia, PA \$45,000

Community Equity Investments, Inc.

Pensacola, FL \$50,000

Community Loan Fund of

Southwestern PA, Inc.

Pittsburgh, PA \$48,400

Community Ventures Corp.

Lexington, KY \$50,000

Connecticut Housing Investment Fund, Inc.

Hartford, CT \$50,000

Corporation for Economic Development of Harris County, Inc.

Houston, TX \$40,000

Covenant Community Capital Corp.

Houston, TX \$42,000

Credit, Inc.

Bronx, NY \$50,000

Dorchester Bay Neighborhood Loan Fund

Dorchester, MA \$42,000

East Carolina Community Development, Inc.

Beaufort, NC \$38,000

East Harlem Business Capital Corp.

New York, NY \$30,000

East Williamsburg Valley Industrial Development Corp.

Brooklyn, NY \$45,000

Economic Opportunities Fund

Philadelphia, PA \$40,000

Fairbanks Neighborhood Housing Services, Inc.

Fairbanks, AK \$45,000

Great Rivers Community Capital

St. Louis, MO \$20,000

Greater Brownsville Community Development Corp.

Brownsville, TX \$56,500

Greater New Haven Community Loan Fund, Inc.

New Haven, CT \$45,500

Homesteaders Federal Credit Union

New York, NY \$35,000

Hope Unity Fund, Inc.

Gadsden, AL \$25,000

Hopi Credit Association

Keams Canyon, AZ \$40,000

Housing and Economic Development Financial Corp.

Kansas City, MO \$39,000

Housing Partnership Development Fund

Boston, MA \$75,000

Illinois Ventures for Community Action

Springfield, IL \$27,250

La Casa Federal Credit Union

Newark, NJ \$45,000

Lafayette Neighborhood Housing Services, Inc.

Lafayette, IN \$40,000

Lee County Employment & Economic Development Corp.

Fort Myers, FL \$45,000

Lenders for Community Development

San Jose, CA \$42,180

Lokahi Pacific

Wailuku, HI \$75,000

Low Income Housing Fund

San Francisco, CA \$50,000

Lower East Side People's Federal Credit Union

New York, NY \$66,740

MetroAction, Inc.

Scranton, PA \$37,400

Miami-Dade County Affordable Housing Foundation, Inc.

Miami, FL \$46,850

Minnesota Investment Network Corp.

Minneapolis, MN \$42,500

Mountain Association for Community Economic Development

Berea, KY \$50,000

Murex Investment, Inc.

Philadelphia, PA \$50,000

NCP Community Development FCU

Norfolk, VA \$10,000

Neighborhood Housing Services of Provo, Inc.

Provo, UT \$45,000

Neighborhood Housing Services of Richmond

Richmond, VA \$20,000

Neighborhood Housing Services of Waco, Inc.

Waco, TX \$50,000

Neighborhood Housing Services of Asheville, NC

Asheville, NC \$50,000

North Carolina Community Development Initiative Capital, Inc.

Raleigh, NC \$38,350

Northeast Ventures Corporation

Duluth, MN \$45,000

Northern Community Investment Corp.

St. Johnsbury, VT \$50,000

Northwest Ohio Development Agency

Toledo, OH \$50,000

Piedmont Housing Alliance

Charlottesville, VA \$50,100

Primary Care Development Corp.

New York, NY \$41,000

Project Enterprise

New York, NY \$50,000

Rural Development & Finance Corp.

San Antonio, TX \$52,700

Rural Enterprise Development Corp.
Bloomsburg, PA \$50,000

Rural Opportunities Enterprise Center, Inc.
Rochester, NY \$65,000

Sable Bancshares, Inc.
Chicago, IL \$21,250

Salisbury Neighborhood Housing Services
Salisbury, MD \$49,000

San Antonio Business Development Fund
San Antonio, TX \$50,000

Scranton Neighborhood Housing Services, Inc.
Scranton, PA \$50,000

Self-Employment Loan Fund, Inc.
Phoenix, AZ \$29,000

Smohomish County Private Industry Council
Everett, WA \$50,000

Southeast Texas Community Development Financial Institution, Inc.
Beaumont, TX \$25,000

Southern Dallas Development Corp.
Dallas, TX \$40,000

Southern Development Bancorporation
Arkadelphia, AR \$50,000

Tampa Bay Black Business Investment Corp.
Tampa, FL \$47,600

Technical Resources, Inc.
Philadelphia, PA \$39,500

TELACU Community Capital
Los Angeles, CA \$75,000

The Business Loan Fund of the Palm Beaches, Inc.
West Palm Beach, FL \$50,000

The Columbus Growth Fund, Inc.
Columbus, OH \$25,000

The Housing Foundation, Inc.
Lexington, KY \$50,000

The Lakota Fund
Kyle, SD \$47,000

Timber Country Community Federal Credit Union
Morton, WA \$46,000

Union County Economic Development Corp.
Union, NJ \$50,000

Utah Microenterprise Loan Fund
Salt Lake City, UT \$39,000

Vermont Development Credit Union
Burlington, VT \$52,000

Washington Association of Minority Entrepreneurs
Yakima, WA \$37,000

Washington Community Alliance for Self-Help
Seattle, WA \$40,000

Washington Community Development Loan Fund
Seattle, WA \$50,000

WCHR Securities, Inc.
Worcester, MA \$41,000

Western Maine Finance
S. Paris, ME \$50,000

Western Massachusetts Enterprise Fund, Inc.
Greenfield, MA \$50,000

Wisconsin Women's Business Initiative Corp.
Milwaukee, WI \$40,000

Women's Economic Self-Sufficiency Team
Albuquerque, NM \$47,000

Women's Economic Ventures of Santa Barbara
Santa Barbara, CA \$50,000

Women's Venture Fund, Inc.
New York, NY \$50,000

*FY 1999 Bank Enterprise
Award Program Award
Recipients*

Allstate Federal Savings Bank
Northbrook, IL \$22,000

Arizona Bank
Tucson, AZ \$51,643

Astoria Federal Savings & Loan Association
Lake Success, NY \$1,513,473

Bank Leumi
Chicago, IL \$143,150

Bank of America NT & SA
Chicago, IL \$302,421

Bank of Anguilla
Anguilla, MS \$3,750

Bank of Blue Valley
Overland Park, KS \$33,000

Bank of Hawaii
Honolulu, HI \$33,344

Bank of Tokyo-Mitsubishi Trust Company
New York, NY \$85,955

Bank One Arizona, N.A.
Phoenix, AZ \$7,500

Bank One Kentucky, N.A.
Louisville, KY \$11,000

Bank One Texas, N.A.
Dallas, TX \$489,550

Bankers Trust Company
New York, NY \$487,325

Blackfeet National Bank
Browning, MT \$66,000

Caldwell Bank & Trust Company
Columbia, LA \$80,853

Central Bank of Kansas City
Kansas City, MO \$372,927

Centura Bank
Rocky Mount, NC \$905,204

Chemung Canal Trust Company
Elmira, NY \$113,795

Citibank FSB
San Francisco, CA \$595,720

Citibank, N.A.
New York, NY \$542,110

Citizens Bank of Connecticut
New London, CT \$38,500

City National Bank
Los Angeles, CA \$83,888

Cole Taylor Bank
Skokie, IL \$356,393

Commonwealth Bank & Trust Company
Louisville, KY \$11,000

Community Bank of the Bay
Oakland, CA \$186,064

Community Bank, N.A.
Canton, NY \$119,229

Community Capital Bank
Brooklyn, NY \$423,412

Community Savings Bank
Chicago, IL \$33,000

Compass Bank
Birmingham, TX \$2,204,441

Crestar Bank
Washington, DC \$181,026

Douglass National Bank
Kansas City, KS \$198,000

Eldorado Bank
Laguna Hills, CA \$22,000

Evergreen Bank
Glens Falls, NY \$13,174

Farmers & Merchants Bank and Trust
Hagerstown, MD \$436,590

Farmers First Bank
Lititz, PA \$2,250

First American National Bank of Pennsylvania
Everett, PA \$30,246

First Capital Bank of Kentucky
Louisville, KY \$16,500

First Federal Florida
Lakeland, FL \$36,675

First National Bank in Blytheville

Blytheville, AR \$3,750

First National Bank of Morton Grove

Morton Grove, IL \$11,000

First National Bank of Omaha

Omaha, NE \$62,019

First Savings Bank

Britton, SD \$11,000

FIRSTAR Bank Milwaukee, N.A.

Milwaukee, WI \$6,375

FirstBank North

Westminster, CO \$5,500

FirstBank of Arapahoe County

Littleton, CO \$5,500

FirstBank of Arvada

Arvada, CO \$5,500

FirstBank of Aurora

Aurora, CO \$5,500

FirstBank of Boulder

Boulder, CO \$8,250

FirstBank of Breckenridge

Breckenridge, CO \$11,000

FirstBank of Cherry Creek

Denver, CO \$5,500

FirstBank of Colorado Springs

Colorado Springs, CO \$5,500

FirstBank of Colorado

Lakewood, CO \$22,000

FirstBank of Denver

Denver, CO \$5,500

FirstBank of Lakewood

Lakewood, CO \$5,500

FirstBank of Littleton

Littleton, CO \$5,500

FirstBank of Longmont

Longmont, CO \$8,250

FirstBank of Northern Colorado

Ft. Collins, CO \$11,000

FirstBank of South Jeffco

Littleton, CO \$8,250

FirstBank of Tech Center

Greenwood Village, CO \$5,500

FirstBank of Wheat Ridge

Wheat Ridge, CO \$8,250

Fleet Bank

New York, NY \$462,000

Fremont Investment & Loan

Morgan Hill, CA \$1,034,998

Glens Falls National Bank and Trust Company

Glens Falls, NY \$283,810

Heritage Bank of Commerce

San Jose, CA \$382,505

Hibernia National Bank

New Orleans, LA \$150,129

Imperial Bank

Inglewood, CA \$26,850

International Bank of Chicago

Chicago, IL \$509,495

Intrust Bank

Wichita, KS \$32,625

Key Bank USA

Cleveland, OH \$110,000

Key Bank, N.A.

Portland, ME \$208,277

Laredo National Bank

Laredo, TX \$493,052

Louisville Community Development Bank

Louisville, KY \$623,149

Manufacturers Bank

Los Angeles, CA \$134,130

Marquette National Bank

Chicago, IL \$157,000

MBNA America Bank

Wilmington, DE \$247,500

Mid-City National Bank of Chicago

Chicago, IL \$24,025

National Bank of Greece Boston

Boston, MA \$11,000

NationsBank, N.A.

Sarasota, FL \$5,104,263

Neighborhood National Bank

San Diego, CA \$1,108,248

Northern Trust Bank of Arizona, N.A.

Phoenix, AZ \$138,673

Northern Trust Company

Chicago, IL \$1,286,460

Northern Trust Bank California

Los Angeles, CA \$22,404

Pacific Century Bank, N.A.

Encino, CA \$31,295

People's Heritage Savings Bank

Portland, ME \$37,500

PNC Bank FSB

Philadelphia, PA \$29,750

PNC Bank, N.A.

Louisville, KY \$176,000

Pulaski Bank & Trust Company

Little Rock, AR \$11,933

Republic Bank California, N.A.

Beverly Hills, CA \$444,250

Republic National Bank of New York

New York, NY \$1,753,575

Ridgewood Savings Bank

Ridgewood, NY \$238,118

South Shore Bank of Chicago

Chicago, IL \$1,225,755

Standard Federal Bank

Troy, MI \$1,122,886

SunTrust Bank, Atlanta

Atlanta, GA \$1,483,182

Susquehanna Bank

Baltimore, MD \$75,418

Texline State Bank d/b/a Banco

Houston, TX \$38,261

Troy Savings Bank

Troy, NY \$468,747

U.S. Bank

Johnstown, PA \$355,916

Union Federal Savings Bank of**Indianapolis**

Indianapolis, IN \$115,530

Wainwright Bank and Trust

Boston, MA \$80,690

Washington Mutual Bank

Seattle, WA \$510,000

Washington Mutual Bank FSB

Salt Lake City, UT \$120,000

West Town Savings Bank

Cicero, IL \$95,000

Appendix B
Certified CDFIs
(as of September 30, 1999)

Alabama

Birmingham Community Development Corporation
Birmingham, AL

Demopolis Federal Credit Union
Demopolis, AL

Federation of Greene County Employees Federal Credit Union
Eutaw, AL

Prichard Federal Credit Union
Prichard, AL

Stillman Community Development Federal Credit Union
Tuscaloosa, AL

Alaska

Alaska Growth Capital BIDCO, Inc.
Anchorage, AK

Anchorage Neighborhood Housing Services, Inc.
Anchorage, AK

Haa Yakaawu Financial Corporation
Juneau, AK

Tinaa Corporation
Juneau, AK

Tlingit-Haida Regional Housing Authority
Juneau, AK

Arizona

Hopi Credit Association
Keams Canyon, AZ

Arizona Multibank CDC
Phoenix, AZ

Neighborhood Housing Services of Phoenix, Inc.
Phoenix, AZ

PPEP Microbusiness and Housing Development Corporation, Inc.
Tucson, AZ

First American Credit Union
Window Rock, AZ

Arkansas

Southern Development Bancorporation
Arkadelphia, AR

College Station Community Federal Credit Union
College Station, AR

California

Inglewood Neighborhood Housing Services, Inc.
Inglewood, CA

Clearinghouse Community Development Financial Institution
Lake Forest, CA

Caribbean-American Credit Union
Los Angeles, CA

Community Thrift & Loan
Los Angeles, CA

Comunidades Federal Credit Union
Los Angeles, CA

FAME Assistance Corporation (d.b.a. FAME Renaissance)
Los Angeles, CA

Los Angeles Community Reinvestment Committee (d.b.a. Community Finance Resource Center)
Los Angeles, CA

NHS Neighborhood Lending Services, Inc.
Los Angeles, CA

South Central People's Federal Credit Union
Los Angeles, CA

Community Bank of the Bay
Oakland, CA

Pasadena Development Corporation
Pasadena, CA

Riverside County Community Investment Corporation
Riverside, CA

Rural Community Assistance Corporation
Sacramento, CA

ACCION San Diego
San Diego, CA

Neighborhood Bancorp
San Diego, CA

Neighborhood National Bank
San Diego, CA

Low Income Housing Fund
San Francisco, CA

Mission Area Federal Credit Union
San Francisco, CA

Northeast Community Federal Credit Union
San Francisco, CA

Northern California Community Loan Fund
San Francisco, CA

Lenders for Community Development
San Jose, CA

Santa Cruz Community Credit Union
Santa Cruz, CA

Colorado

Colorado Enterprise Fund
Denver, CO

Mutual Financial Services, Inc.
Denver, CO

Funding Partners for Housing Solutions
Loveland, CO

Saguache County Credit Union
Moffat, CO

Connecticut

Bridgeport Neighborhood Fund, Inc.
Bridgeport, CT

Connecticut Housing Investment Fund, Inc.
Hartford, CT

Cooperative Fund of New England
Hartford, CT

Greater New Haven Community Loan Fund, Inc.
New Haven, CT

Housing Development Fund of Lower Fairfield County, Inc.
Stamford, CT

Need Action Federal Action Credit Union
Waterbury, CT

Delaware

Delaware Community Investment Corporation (DCIC)
Wilmington, DE

First State Community Loan Fund
Wilmington, DE

Intrust USA, Ltd.
Wilmington, DE

District of Columbia

CityFirst Bank of D.C., N.A
Washington, DC

Cornerstone, Inc.
Washington, DC

FINCA USA, Inc.
Washington, DC

Housing Assistance Council
Washington, DC

Raza Development Fund, Inc.
Washington, DC

Unitarian Universalist Affordable Housing Corporation
Washington, DC

Washington Area Community Investment Fund
Washington, DC

Florida

Metro Broward Economic Development Corporation
Ft. Lauderdale, FL

Lee County Employment and Economic Development Corporation
Ft. Myers, FL

Neighborhood Housing & Development Corporation
Gainesville, FL

BAC Funding Corporation
Miami, FL

Metro Savings Bank, F.S.B.
Orlando, FL

Community Equity Investments, Inc.
Pensacola, FL

Florida Community Loan Fund, Inc.
St. Petersburg, FL

Tampa Bay Community Reinvestment Corporation
Tampa, FL

The Business Loan Fund of the Palm Beaches, Inc.
West Palm Beach, FL

Georgia

Community Redevelopment Loan & Investment Fund, Inc.
Atlanta, GA

Mutual Federal Savings Bank
Atlanta, GA

Savannah Community Development Corporation
Savannah, GA

Unified Singers Federal Credit Union
Thomasville, GA

Hawaii

Hawaii Community Loan Fund
Honolulu, HI

Hawaii Community Reinvestment Corporation
Honolulu, HI

The Immigrant Center
Honolulu, HI

Kekaha Federal Credit Union
Kekaha, HI

Lokahi Pacific
Wailuku Maui, HI

Idaho

Neighborhood Housing Services, Inc.
Boise, ID

Illinois

Community Collaboration for Economic Development
Champaign, IL

ACCION Chicago
Chicago, IL

Austin/West Garfield Federal Credit Union
Chicago, IL

Chicago Association of Neighborhood Development Organizations
Chicago, IL

Chicago Community Loan Fund
Chicago, IL

Christian Hope Credit Union
Chicago, IL

Community Investment Corporation
Chicago, IL

FBA Bancorp, Inc.
Chicago, IL

First Bank of the Americas S.S.B
Chicago, IL

Illinois Facilities Fund
Chicago, IL

International Bank of Chicago
Chicago, IL

International Bank of Chicago Parent Company Bancorp, Inc.
Chicago, IL

Israel Methcomm Federal Credit Union
Chicago, IL

National Community Investment Fund
Chicago, IL

National Equity Fund, Inc.
Chicago, IL

Neighborhood Housing Services of Chicago, IL
Chicago, IL

Neighborhood Lending Services
Chicago, IL

Nonprofit Financial Center
Chicago, IL

NorthSide Community Federal Credit Union
Chicago, IL

Partners for Community Investment (d.b.a. FaithCorp Fund)
Chicago, IL

Sable Bancshares, Inc.
Chicago, IL

Shorebank Corporation, The
Chicago, IL

South Shore Bank of Chicago, The
Chicago, IL

Women's Self-Employment Project (WSEP)
Chicago, IL

Neighborhood and Family Investment Fund
Harvey, IL

Indiana

Eastside Community Fund, Inc.
Indianapolis, IN

Indianapolis Neighborhood Housing Partnership
Indianapolis, IN

Near Eastside Community Federal Credit Union
Indianapolis, IN

Lafayette Neighborhood Housing Services, Inc.
Lafayette, IN

Kansas

Douglas Bancorp, Inc.
Kansas City, KS

Douglas National Bank
Kansas City, KS

Communities United Credit Union
Wichita, KS

Community Housing Services Wichita/Sedgwick County
Wichita, KS

Kentucky

Central Appalachian People's Federal Credit Union
Berea, KY

Federation of Appalachian Housing Enterprises
Berea, KY

Human/Economic Development Corporation
Berea, KY

Mountain Association for Community Economic Development
Berea, KY

Community Ventures Corporation
Lexington, KY

Housing Foundation, Inc., The
Lexington, KY

Kentucky Highlands Investment Corporation
London, KY

Louisville Community Development Bank
Louisville, KY

Louisville Development Bancorp, Inc.
Louisville, KY

Southern Kentucky Economic Development Corporation
Somerset, KY

Mountain Economic Development Fund, Inc.
Winchester, KY

Louisiana

Gulf Coast Business and Industrial Development Corporation
Baton Rouge, LA

Louisiana Community Development Capital Fund BIDCO, Inc., The
Baton Rouge, LA

Northeast Louisiana Delta Community Development Corporation
Tallulah, LA

Maine

Waldo Community Development Credit Union
Belfast, ME

Western Maine Finance
S. Paris, ME

Biddeford-Saco Area Economic Development Corporation
Saco, ME

Coastal Enterprises, Inc.
Wiscasset, ME

Maryland

Baltimore Regional Community Development Corporation
Baltimore, MD

Community Development Financing Corporation
Baltimore, MD

Community Development Ventures, Inc.
Baltimore, MD

Development Credit Fund, Inc.
Baltimore, MD

Enterprise Foundation, The
Columbia, MD

Enterprise Social Investment Corporation
Columbia, MD

First Combined Community Federal Credit Union
Landover, MD

Salisbury Neighborhood Housing Services
Salisbury, MD

McAuley Institute
Silver Spring, MD

Massachusetts

Boston Bank of Commerce
Boston, MA

Local Enterprise Assistance Fund
Boston, MA

Massachusetts Housing Investment Corporation
Boston, MA

South End Federal Credit Union
Boston, MA

Working Capital
Cambridge, MA

Dorchester Bay Neighborhood Loan Fund
Dorchester, MA

Jobs for Fall River, Inc.
Fall River, MA

Western Massachusetts Enterprise Fund, Inc.
Greenfield, MA

Cape and Islands Community Development, Inc.
Hyannis, MA

Boston Community Capital, Inc.
Jamaica Plain, MA

Boston Community Loan Fund
Jamaica Plain, MA

Boston Community Ventures Fund
Jamaica Plain, MA

D. Edward Wells Federal Credit Union
Springfield, MA

Institute for Community Economics, Inc.
Springfield, MA

Michigan

Neighborhoods Inc. of Battle Creek
Battle Creek, MI

Greater Detroit BIDCO, Inc.
Detroit, MI

Community Capital Development Corporation
Flint, MI

Michigan Housing Trust Fund
Lansing, MI

Minnesota

Northwest Minnesota Foundation
Bemidji, MN

Anoka Sherburne County Capital Fund
Coon Rapids, MN

Midwest Minnesota Community Development Corporation
Detroit Lakes, MN

Northeast Ventures Corporation
Duluth, MN

Northland Foundation
Duluth, MN

Central Minnesota Initiative Fund
Little Falls, MN

Initiative Foundation
Little Falls, MN

Minneapolis Consortium of Community Developers
Minneapolis, MN

Northcountry Cooperative Development Fund
Minneapolis, MN

Southside Neighborhood Housing Services of Minneapolis, Inc.
Minneapolis, MN

Wendell Phillips Community Development Federal Credit Union
Minneapolis, MN

Neighborhood Development Center, Inc.
St. Paul, MN

Northeast Entrepreneur Fund, Inc.
Virginia, MN

Mississippi

Delta Foundation, Inc.
Greenville, MS

ECD Investments, LLC
Jackson, MS

Enterprise Corporation of the Delta
Jackson, MS

Jackson/Hinds Minority Capital Fund, Inc.
Jackson, MS

Quitman County Federal Credit Union
Marks, MS

East Mississippi Development Corporation
Meridian, MS

Missouri

Central Bank of Kansas City
Kansas City, MO

Montana

Blackfeet National Bank
Browning, MT

**Montana Community
Development Corporation**
Missoula, MT

Nebraska

Omaha 100, Incorporated
Omaha, NE

**Nebraska Microenterprise
Partnership Fund**
Rosalie, NE

Nevada

**Enterprise Community Federal
Credit Union**
Las Vegas, NV

New Hampshire

**New Hampshire Community Loan
Fund**
Concord, NH

New Jersey

Camden Community Credit Union
Camden, NJ

**Cooperative Business Assistance
Corporation**
Camden, NJ

**New Community Development
Loan Corporation**
Newark, NJ

**New Community Federal Credit
Union**
Newark, NJ

**Community Loan Fund of New
Jersey, Inc.**
Trenton, NJ

New Mexico

ACCION New Mexico
Albuquerque, NM

**New Mexico Community
Development Loan Fund**
Albuquerque, NM

New York

**Capital District Community Loan
Fund**
Albany, NY

**BHA Residents Community
Development Federal Credit Union**
Binghamton, NY

Bethex Federal Credit Union
Bronx, NY

Credit Incorporated
Bronx, NY

**Roberto Clemente Federal Credit
Union**
Bronx, NY

ACCION New York
Brooklyn, NY

**Brooklyn Ecumenical Federal
Credit Union**
Brooklyn, NY

**Central Brooklyn Federal Credit
Union**
Brooklyn, NY

Community Capital Bank
Brooklyn, NY

**North/East Brooklyn Community
Capital Corporation**
Brooklyn, NY

**Regional Economic Development
Assistance Corporation**
Brooklyn, NY

**Jubilee Community Loan Fund,
Inc.**
Buffalo, NY

CDCLI Funding Corporation
Centereach, NY

**Nassau-Suffolk Business
Development Fund, LLC**
Centereach, NY

**Worker Ownership Resource
Center**
Geneva, NY

Westchester Housing Fund, Inc.
Hawthorne, NY

Alternatives Federal Credit Union
Ithaca, NY

**Greater Jamaica Local
Development Company, Inc.**
Jamaica, NY

**Central Harlem Local
Development Corporation**
New York, NY

**Community Preservation
Corporation**
New York, NY

**Corporation for Supportive
Housing**
New York, NY

Grow America Fund, Inc.
New York, NY

**Homesteaders Federal Credit
Union**
New York, NY

**Local Initiatives Support
Corporation**
New York, NY

**Lower East Side People's Federal
Credit Union**
New York, NY

**National Federation of Community
Development Credit Unions**
New York, NY

**Neighborhood Housing Services of
New York City**
New York, NY

**Neighborhood Trust Federal
Credit Union**
New York, NY

Nonprofit Facilities Fund
New York, NY

Parodneck Foundation, Inc., The
New York, NY

**Primary Care Development
Corporation**
New York, NY

Project Enterprise
New York, NY

**Renaissance Economic
Development Corporation**
New York, NY

Seedco
New York, NY

**St. Charles Borromeo Federal
Credit Union**
New York, NY

**Union Settlement Federal Credit
Union**
New York, NY

**Washington Heights and Inwood
Development Corporation**
New York, NY

Women's Venture Fund, Inc.
New York, NY

**Long Island Small Business
Assistance Corporation**
Plainview, NY

**Genesse Co-Op Federal Credit
Union**
Rochester, NY

**Greater Rochester Housing
Partnership, Inc.**
Rochester, NY

Progressive Neighborhood FCU
Rochester, NY

**Rural Opportunities Enterprise
Center, Inc.**
Rochester, NY

**Adirondack Economic
Development Corporation**
Saranc Lake, NY

Home Headquarters, Inc.
Syracuse, NY

Syracuse Neighborhood Housing Services, Inc.
Syracuse, NY

Utica Neighborhood Housing Service, Inc.
Utica, NY

Leviticus 25:23 Alternative Fund, Inc.
Yonkers, NY

North Carolina

Tri County Credit Union
Ahoskie, NC

Charlotte-Mecklenburgh Housing Partnership, Inc.
Charlotte, NC

School Workers Federal Credit Union
Charlotte, NC

Self-Help Credit Union
Durham, NC

Self-Help Ventures Fund
Durham, NC

Sustainable Jobs Fund, LP
Durham, NC

Chowan Credit Union
Edenton, NC

College Heights Credit Union
Fayetteville, NC

Gateway Community Development Credit Union
Henderson, NC

Rowan-Iredell Area Credit Union
Salisbury, NC

St. Luke Credit Union
Windsor, NC

Micro-Enterprise Loan Program of Winston-Salem Forsyth County, Inc.
Winston-Salem, NC

Victory-Masonic Mutual Credit Union
Winston-Salem, NC

North Dakota

Lake Agassiz Regional Development Corporation
Fargo, ND

Ohio

Enterprise Community Fund
Akron, OH

Cornerstone Homesource Regional Loan Fund
Cincinnati, OH

Faith Community United Credit Union, Inc.
Cleveland, OH

Shorebank, Cleveland
Cleveland, OH

The Columbus Growth Fund, Inc.
Columbus, OH

Appalachian Development Federal Credit Union
The Plains, OH

Enterprise Development Corporation
The Plains, OH

Neighborhood Housing Services of Toledo, Inc.
Toledo, OH

Toledo Urban Federal Credit Union
Toledo, OH

Oklahoma

Rural Enterprises, Inc.
Durant, OK

Neighborhood Housing Services of Oklahoma City, Inc.
Oklahoma City, OK

Bank of Cherokee County, Inc.
Park Hill, OK

Cherokee Nation Economic Development Trust Authority
Tahlequah, OK

Greenwood Community Development Corporation
Tulsa, OK

Tulsa Economic Development Corporation
Tulsa, OK

Oregon

O.U.R. Federal Credit Union
Eugene, OR

Albina Community Bancorp
Portland, OR

Pennsylvania

Aliquippa Regional Credit Union
Aliquippa, PA

Community Financial Resources, Inc. (CFR)
Barnesboro, PA

The Progress Fund
Hollidaysburg, PA

Mon Valley Initiative
Homestead, PA

Community First Fund
Lancaster, PA

Berean Federal Savings Bank
Philadelphia, PA

Borinquen Federal Credit Union
Philadelphia, PA

Delaware Valley Community Reinvestment Fund
Philadelphia, PA

National Community Capital Association (formerly NACDLF)
Philadelphia, PA

New Horizons Community Federal Credit Union
Philadelphia, PA

North Philadelphia Financial Partnership
Philadelphia, PA

Philadelphia Neighborhood Housing Services, Inc.
Philadelphia, PA

United Bank of Philadelphia
Philadelphia, PA

Community Loan Fund of Southwestern Pennsylvania, Inc.
Pittsburgh, PA

Neighborhood Housing Services of Reading, Inc.
Reading, PA

Washington County Council on Economic Development
Washington, PA

Puerto Rico

Corporacion Para El Desarrollo Economico, Urbano Y Vivienda E Industrial
Catano, PR

Ponce Neighborhood Housing Services, Inc.
Ponce, PR

Rhode Island

Minority Investment Development Corporation
Providence, RI

South Dakota

South Dakota Rural Enterprise, Inc.
Sioux Falls, SD

Northeast South Dakota Economic Corporation
Sisseton, SD

Tennessee

Bethlehem Community Development Credit Union
Chattanooga, TN

Chattanooga Community Development Financial Institution
Chattanooga, TN

**Chattanooga Neighborhood
Enterprise**
Chattanooga, TN

Texas

**Austin Community Development
Corporation**
Austin, TX

Businesses Invest in Growth (BIG)
Austin, TX

**East Austin Community Federal
Credit Union**
Austin, TX

**Greater Brownsville Community
Development Corporation**
Brownsville, TX

**Neighborhood Housing Services of
Dimmit County, Inc.**
Carrizo Springs, TX

**Southern Dallas Development
Corporation**
Dallas, TX

ACCION El Paso
El Paso, TX

**William Mann Jr. Community
Development Corporation**
Forth Worth, TX

**Greater Houston Small Business
Equity Fund, Inc.**
Houston, TX

**The Corporation for Economic
Development of Harris County,
Inc.**
Houston, TX

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

McAllen Affordable Homes, Inc.
McAllen, TX

**Mexican American Network of
Odessa, Inc.**
Odessa, TX

ACCION Texas, Inc.
San Antonio, TX

**Rural Development & Finance
Corporation**
San Antonio, TX

**San Antonio Business
Development Fund, Inc.**
San Antonio, TX

**Heart of Texas Business Resource
Center**
Waco, TX

**Weslaco Catholic Federal Credit
Union**
Weslaco, TX

Utah

**Salt Lake Neighborhood Housing
Services, Inc.**
Salt Lake City, UT

**Utah Microenterprise Loan Fund
(UMLF)**
Salt Lake City, UT

Vermont

**Vermont Development Credit
Union**
Burlington, VT

**Vermont Community Loan Fund,
Inc.**
Montpelier, VT

**Northern Community Investment
Corporation**
St. Johnsbury, VT

Virginia

**Ethiopian Community
Development Council, Inc.**
Arlington, VA

Piedmont Housing Alliance
Charlottesville, VA

**Newport News Neighborhood
Federal Credit Union**
Newport News, VA

**Neighborhood Housing Services of
Richmond, Inc.**
Richmond, VA

**Virginia Community Development
Fund, Inc.**
Richmond, VA

**Virginia Community Development
Loan Fund**
Richmond, VA

Washington

**Snohomish County Private
Industry**
Everett, WA

Shorebank Enterprise Pacific
Ilwaco, WA

Cascadia Revolving Fund
Seattle, WA

**Seattle Economic Development
Fund**
Seattle, WA

**Washington Association of
Minority Entrepreneurs, Inc.**
Yakima, WA

West Virginia

**Community Works in West
Virginia, Inc.**
Big Chimney, WV

**Lightstone Community
Development Corporation**
Moyers, WV

Wisconsin

Impact Seven, Inc.
Almena, WI

The Dane Fund
Madison, WI

Legacy Bancorp, Inc.
Milwaukee, WI

**Martin Luther King Economic
Development Corporation**
Milwaukee, WI

Ways to Work
Milwaukee, WI

Racine Development Group
Racine, WI

Appendix C

Glossary of Terms

Bank: Any Insured Depository Institution (IDI) as defined in 12 U.S.C. 1813. These include commercial banks and noncommercial banking institutions, which may be known as savings and loan associations, mutual savings banks, or thrift institutions.

Capital: In general, the amount invested in a business, which may include, among other things, an owner's equity in the business, the total assets of the business, credit or funds available for investment or funds invested in a business, and the sum total of corporate stock.

CDFI: Community Development Financial Institution - a nongovernmental entity that meets the following eligibility criteria (and is certified by the CDFI Fund as such): (i) it must have a primary mission of promoting community development; (ii) it must serve an eligible investment area or targeted population; (iii) its predominant business activity must be the provision of loans or certain equity investments; (iv) in conjunction with its loans or development investments, it must provide activities and services that promote community development (financial management technical assistance, financial or credit counseling, for example); and (v) it must maintain accountability to residents of the investment area or targeted population through representation on its governing board or otherwise. Certain additional eligibility criteria apply if the entity is a depository institution holding company or an insured depository institution. The CDFI Fund's requirements for CDFI certification and eligibility are found at 12 CFR 1805.200.

CDFI Fund: A wholly owned Government corporation in the Department of Treasury, created to promote economic revitalization and community development through investment in and assistance to CDFIs. It was created by, and has the specific legal duties and responsibilities specified in, the Riegle Community Development and Regulatory Improvement Act of 1994.

Community Development Advisory Board: The Community Development Advisory Board advises the CDFI Fund Director on the policies of the CDFI Fund. It consists of 15 members including the Secretaries of Agriculture, Commerce, Housing and Urban Development, Interior, and Treasury, or their

designees; the Administrator of the Small Business Administration or designee; and nine private citizens appointed by the President of the United States, to represent a national geographic representation and racial, ethnic and gender diversity.

Community Development Bank: Any Insured Depository Institution (IDI) as defined in 12 U.S.C. 1813. These include commercial banks and noncommercial banking institutions, which may be known as savings and loan associations, mutual savings banks, or thrift institutions, which focuses on serving Low-Income or otherwise distressed communities. Many Community Development Banks are CDFIs.

Community Development Credit Union: A Credit Union (see below), which focuses on serving Low-Income or otherwise distressed communities. Many Community Development Credit Unions are CDFIs; many are also designated as Low-Income Credit Unions per 12 U.S.C. 1757.

Community Development Venture Capital Fund: An entity whose predominant business activity is the provision of equity investments which result in community development benefits, as well as financial returns.

Community Reinvestment Act (CRA): The Community Reinvestment Act of 1977, Public Law 95-128, requires each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities, including low- and moderate - income neighborhoods, in which they are chartered, consistent with the safe and sound operation of the financial institution. (12 U.S.C. 2901)

Credit Union: A not-for-profit cooperative association that provides depository services and credit to members as defined in 12 U.S.C. 1752.

Equity: The raising of capital by a corporation issuing or selling its stock (in contrast with "debt," which is the raising of capital by issuing bonds or borrowing money), conveying an ownership interest in the company. For the purposes of the BEA Program, grants to non-profit entities and certain equity-like loans may be considered equity investments in CDFIs.

Financial Service Organization (FSO): A financial institution that provides a variety of financial services to the public. FSOs include credit unions and Insured Depository Institutions.

Financial Services: Services provided by Financial Service Organizations, including checking accounts, savings accounts, check cashing, money orders, certified checks, automated teller machines, deposit-taking and safe deposit box services. For the purposes of the BEA Program, such services must be provided to low- and moderate-income persons in distressed communities.

Insured Depository Institutions: See Bank on previous page.

Intermediary CDFI: A CDFI meeting the criteria for certification (see CDFI), that provides financing primarily to other CDFIs and/or to support the formation of CDFIs. These Intermediary CDFIs play a critical role in providing financial and technical assistance to CDFIs and CDFIs in formation—especially those that are new, small, or geographically isolated.

Investment Area: A geographic area served by a CDFI that meets certain “distress” requirements, as defined in 12 C.F.R. 1805.301.

Loan Fund: An entity, usually a non-profit entity, which is neither an Insured Depository Institution nor a Credit Union, whose primary business is the provision of loans. Many CDFIs are Loan Funds.

Microenterprise: A sole proprietorship, partnership, family business, or an incorporated entity that has not more than five employees, including the owner(s), does not generally have access to the commercial banking sector, and has use for and/or seeks a loan of \$25,000 or less.

Microenterprise Development: Activities to support or strengthen Microenterprises, including the provision of credit, training, counseling and technical assistance.

Microenterprise Loan Fund or Microloan Fund: A Loan Fund which has the primary activity of providing loans to Microenterprises.

Notice of Funds Availability (NOFA): A notice published in the [Federal Register](#), inviting applicants to submit applications to be selected for financial and technical assistance under the CDFI

and BEA programs, among others. The NOFA also provides information on eligibility, type of assistance, application packet requirements, and how applications will be evaluated and selected.

Round: Each application and award is identified with a funding round that corresponds to the year a Notice of Funds Availability (NOFA) is issued. For example, the Fund has issued three NOFAs that are identified as the 1996 Round, the 1997 Round and the 1998 Round. A Round is not tied to one fiscal year or one calendar year. In other words, the Fund may make awards and obligations for a Round in the Fiscal Year after the issuance of the NOFA and obligations may be incurred in more than one appropriation and operating level for a given Round.

Share or Share Certificate: Evidence of money held by a credit union, equivalent to a deposit in an Insured Depository Institution. Low-Income Credit Unions may accept non-member deposits, generally from institutions, for the purposes of increasing the capital available to the Credit Union.

Target Market: Investment Area(s) and/or Targeted Population(s) principally served by a CDFI.

Targeted Population: A population served by a CDFI, which need not be limited to a particular geographic area. Such a Targeted Population may be low-income individuals or an identifiable group of individuals who lack adequate access to loans or equity investments.

Technical Assistance (TA): Activities that enhance the capacity of an organization to carry out its business and purpose, such as training of management and other personnel, the development of programs, loan or investment loan products, improving financial management and internal operations, and enhancing an organization’s community development impact. Technical Assistance provided by a CDFI, FSO, or an organization involved in Microenterprise Development may be to businesses or Microenterprises for the purposes of developing a successful business, to individuals to assist in managing personal finances, or for similar purposes.

Thrift: See Bank on previous page.

Advisory Board (1999 - 2000)



The Community Development Advisory Board was established by Section 104(d) of the Community Development Banking and Financial Institutions Act of 1994 to advise the Director of the Fund on policies regarding Fund activities. The Advisory Board meets at least once per year and consists of 15 members: the Secretaries of the Departments of Agriculture, Commerce, Housing and Urban Development, Interior, and Treasury or their designees; the Administrator of the Small Business Administration or his or her designee; and nine private citizens who are appointed by the

President and are selected, to the maximum extent practicable, to provide for national geographic representation and racial, ethnic, and gender diversity. The private citizens include two officers of existing community development financial institutions; two officers of insured depository institutions; two officers of national consumer or public interest organizations; two individuals who have expertise in community development; and one individual who has personal experience and specialized expertise in the unique lending and community development issues confronted by Indian tribes on Indian reservations.

Members 1999 -2000

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Program Officer
Charles Stewart Mott Foundation

Frank T. Ballesteros

Deputy Chief Executive Officer
PPEP Microbusiness and Housing and
Development Corporation, Inc.

Arthur C. Campbell

Deputy Under Secretary for Rural
Economic & Community Development
U.S. Department of Agriculture

Cardell Cooper

Assistant Secretary for the Office of
Community Planning and Development
U.S. Department of Housing and Urban
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Connie E. Evans

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Women's Self-Employment Project

Clara G. Miller

Chair of the Board
National Community Capital Association

George Gover

Director of Economic Development,
Bureau of Indian Affairs
U.S. Department of Interior

Chester J. Straub, Jr.

Deputy Assistant Secretary, Office of
Program Operations
Economic Development Administration
U.S. Department of Commerce

George P. Surgeon

Chief Financial Officer
Shorebank Corporation

Charles Tansey

Associate Deputy Administrator
U.S. Small Business Administration

John E. Taylor

President and CEO
National Community Reinvestment
Coalition

CDFI Fund Staff

Lehn Benjamin
Financial and Program Analyst

James Berg
Financial and Program Analyst

Jeffrey Berg
Legal Counsel

David Bowers
Financial and Program Advisor

Rodger Boyd
Program Manager

Barbara Brennan
Budget Analyst

Ronald Chung-A-Fung
Attorney Advisor

Fredric Cooper
Program Manager

Sarah Crowley-Geisler
Financial and Program Analyst

Donna Fabiani
Financial and Program Advisor

Joseph Firschein
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Program Manager

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Financial and Program Analyst

Maurice Jones
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Owen Jones
Deputy Director for Management/CFO

Terry Keyfauver
Computer Specialist

Patricia Krackov
Financial and Program Advisor

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Director

William Luecht
External Affairs Specialist

Rosa Martinez
Financial and Program Analyst

Ashanti McCallum
Legal Assistant

Jean Morrow
Awards Manager

Yoo Jin Na
Financial and Program Analyst

Margaret Nilson
Financial and Program Advisor

Deattra Perkins
Financial and Program Analyst

Janis Peterson
Awards Management Specialist

Donna Prokop
Awards Management Specialist

Louisa Quittman
Financial and Program Analyst

Kurt Rakouskas
Administrative Services Specialist

Dawn Reiff
Financial and Program Analyst

Enitza Rodriquez
Accounting Technician

Lisa Salzman
Financial and Program Analyst

Jay Santiago
Administrative Specialist

Carolyn Smith
Procurement Specialist

Deborah Smith
External Affairs Specialist

John Smith
Office Support Assistant

Paula Smith
Presidential Management Intern

Helen Szablya
External Affairs Officer

Yvette Toliver
Office Support Assistant

Michael Troop
Legislative Affairs

Jennifer Westerbeck
Financial and Program Analyst

Pamela Williams
Financial and Program Analyst

LaSean Young
Administrative Services Specialist

Sean Zielenbach
Financial and Program Analyst

For Additional Information Contact:

External Affairs Office
Community Development Financial Institutions Fund
601 Thirteenth Street, Suite 200 South
Washington, DC 20005

(202) 622-8662 Phone
(202) 622-7754 Fax

Or visit our Web site at: www.treas.gov/cdfi