



A YEAR OF
INVESTMENT

18





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CDFI Program awardees reported over **\$11.1 billion** of lending and investment activity in 2018.

EXECUTIVE SUMMARY

In FY 2018, the CDFI Fund built on a strong history of investment and impact in distressed and underserved communities by providing roughly \$345 million in awards and loans, \$150 million in bond guarantees, and \$3.5 billion in New Markets Tax Credit allocations to community development organizations across the country.

CDFI Fund awards have leveraged billions of dollars in private sector investment, and have expanded the capacity of community development organizations to finance businesses, develop affordable housing and underwrite locally-driven revitalization initiatives. In particular, CDFI Program awardees reported in 2018 over \$11.1 billion of lending and investment activity, which was put to use to finance nearly 16,000 businesses, over 33,000 affordable housing units and provide financial literacy training to over 340,000 individuals in low-income neighborhoods, areas of persistent poverty, and communities lacking access to traditional financial services providers.

New Markets Tax Credit Program allocatees reported nearly \$4 billion in investments in low-income communities this year, which helped finance the development of more than 12.4 million square feet of commercial real estate, including nearly 6.4 million square feet of manufacturing space and the generation of over 39,000 permanent and construction jobs.

Throughout 2018, the CDFI Fund worked hard to support CDFIs and community development organizations to generate more impact and to enable their potential for growth. The CDFI Fund:

- ▶ Continued deployment of vital resources targeted to Persistent Poverty Counties and highly distressed communities. One-third of fiscal year 2018 CDFI and NACA Program award recipients committed to serve Persistent Poverty Counties; more than 16 percent of total fiscal year 2017 BEA Program awards were committed to Persistent Poverty Counties; and more than 73 percent of NMTC Program investments reported in 2018 were deployed in highly distressed communities.
- ▶ Provided the first-ever Disability Funds-Financial Assistance awards to certified CDFIs to support the expansion of financial services and products to persons with disabilities.
- ▶ Began the design phase of a new Capacity Building Initiative aimed at increasing the capacity of CDFIs to achieve the best outcomes in the communities they serve.
- ▶ Made substantial strides to improve the quality of CDFI Fund's data by finalizing implementation of the Awards Management Information System (AMIS). AMIS will result in better decision-making and delivery of program resources, consolidation of compliance reporting functions, and streamlining of CDFI certification application submission.

The outcomes and impacts highlighted in the Year in Review are the results of the dedicated efforts of CDFIs and community-based development organizations nationwide that use CDFI Fund resources to deliver vital access to capital to distressed and underserved communities.

Please read further and learn more about the CDFI Fund's accomplishments and investments in FY 2018. For more information about our work, please visit our website at www.cdfifund.gov.



OVERVIEW

CDFI FUNDS MISSION AND VISION

The vision of the CDFI Fund is an America in which all people and communities have access to the investment capital and financial services they need to prosper. Its mission is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The CDFI Fund works to spur economic growth, job creation, and opportunity in our nation's distressed and underserved communities by offering targeted resources and innovative programs to leverage federal dollars with private sector capital. The CDFI Fund supports mission-driven financial institutions that take a market-based approach to supporting economically underserved communities. These organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing.

The CDFI Fund generates economic opportunity in underserved low-income communities by expanding access to credit, capital and local economic growth through the following programs:

- 1. Bank Enterprise Award Program:** provides monetary awards to federally-insured banks for increasing their investments in distressed communities and/or CDFIs.
- 2. Capital Magnet Fund:** provides awards to CDFIs and non-profit affordable housing organizations for the development, preservation, rehabilitation, and purchase of affordable housing and for related economic development in low-income communities.
- 3. CDFI Bond Guarantee Program:** provides a source of long-term capital for CDFIs by guaranteeing bonds issued to support CDFIs that make investments for eligible community or economic development purposes.

- 4. Community Development Financial Institutions Program:** provides Financial Assistance and Technical Assistance awards to help certified and emerging CDFIs sustain and expand their services and build their technical capacity.
- 5. Native American CDFI Assistance Program:** provides Financial Assistance and Technical Assistance awards to build the capacity of CDFIs serving Native American, Alaska Native, and Native Hawaiian communities.
- 6. New Markets Tax Credit Program:** provides tax credit allocation authority to certified Community Development Entities (CDEs), enabling them to attract investment from the private sector and reinvest the funds in low-income communities.

These awards are provided each year through competitive application processes. The CDFI Fund also provides a variety of informational resources, including webinars, online application materials, and Program Help Desks, to assist applicants through the application process.



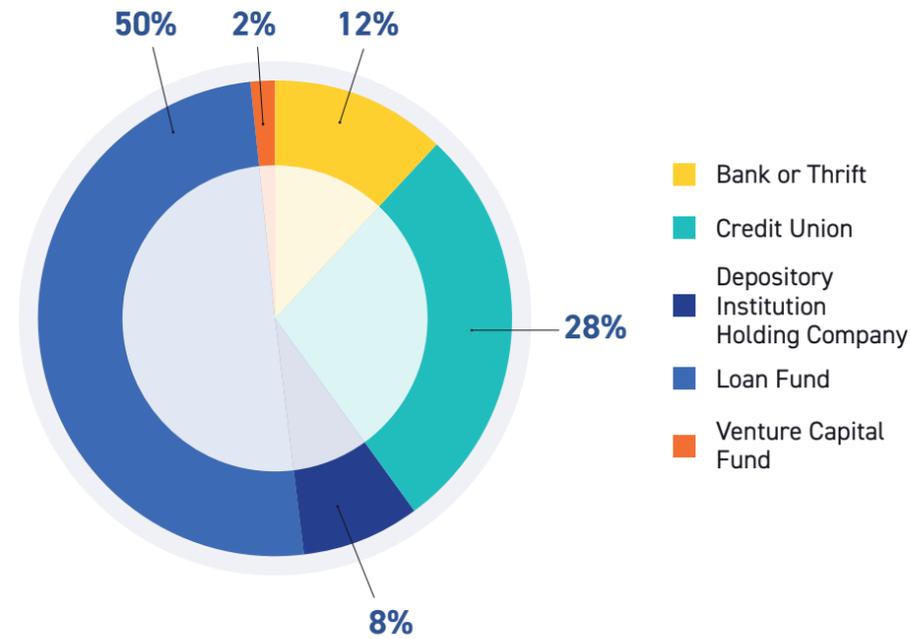
WHAT ARE CDFIS?

Community Development Financial Institutions (CDFIs) share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. CDFIs include banks, credit unions, loan funds, or venture capital providers. CDFIs support the creation of small businesses and local jobs, and the development of affordable housing, community facilities and schools—all in places where economic opportunity is needed most.

A network of more than 1,100 CDFIs operates in rural and urban areas across the country. They bridge diverse private and public sector investors to create economic opportunity in low-income communities. In order to become a certified CDFI, an organization must meet the following seven criteria:

1. Be a legal entity;
2. Have a primary mission of promoting community development;
3. Principally serving an investment area or targeted population;
4. Be an insured depository institution, or otherwise have the offering of financial products and services as its predominant business activity;
5. Provide development services (such as technical assistance or counseling) in conjunction with its financing activity;
6. Maintain accountability to its target market; and
7. Be a non-governmental entity and not be controlled by any governmental entities.

TYPES OF CERTIFIED CDFIS (PERCENTAGE BY TYPE OF 1,112 CERTIFIED CDFIS AS OF SEPTEMBER 30, 2018)



THE CDFI FUND'S BUDGET

The U.S. Congress appropriates the CDFI Fund's budget on an annual basis. The budget is divided between program and administrative expenses. Program funds are used for program awards – grants, loans, deposits, equity investments, and capacity building. Administrative funds are used to cover the costs to administer all CDFI Fund programs. New Markets Tax Credits are authorized separately and the bond guarantees are provided at no net cost to the government.

In FY 2018, the CDFI Fund was appropriated \$250 million as follows:

/// FUNDING ALLOCATION (IN \$ MILLIONS)

| | FY 2017 | FY 2018 |
|---------------------------|--------------|--------------|
| Administration | \$26 | \$27 |
| BEA Program | \$23 | \$25 |
| CDFI Program | \$183.5 | \$182 |
| Native Initiatives | \$15.5 | \$16 |
| Total | \$248 | \$250 |





The CDFI Fund awarded nearly **\$22.8 million** to **113** financial institutions in June 2018.



BANK ENTERPRISE AWARD PROGRAM

www.cdfifund.gov/bea

The Bank Enterprise Award Program (BEA Program) emphasizes the key role that traditional financial institutions play in community development. The BEA Program provides monetary awards to FDIC-insured banks and thrifts for increasing their investments in CDFIs or in their own community development activities in highly distressed communities.

Since its inception, BEA Program awardees have received more than \$470 million for increasing their investments in certified CDFIs (through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance); and for increasing their lending, investment, and service activities in communities where at least **30 percent of the residents have incomes at or below the national poverty level** and where **unemployment is at least 1.5 times the national average**.

Awards are then reinvested in these distressed communities, which helps accelerate the growth of businesses, creation of jobs, development of affordable housing, and availability of financial services.

The CDFI Fund opened the FY 2017 award round in September 2017 and awarded nearly \$22.8 million to 113 financial institutions in June 2018. The CDFI Fund opened the FY 2018 application round of the BEA Program in July 2018.

BANK ENTERPRISE AWARD ACTIVITY IN PERSISTENT POVERTY COUNTIES

By Congressional direction, 10 percent of the awarded funds must support investments that serve populations living in persistent poverty counties for the FY 2017 round. Persistent Poverty Counties (PPCs) are defined as counties where 20 percent or more of the population has lived in poverty over the past 30 years, as measured by the U.S. Census Bureau.

More than two-thirds of the FY 2017 awardees (76) will deploy in excess of \$3.7 million in PPCs—16.4 percent of the total amount awarded, exceeding the 10 percent Congress mandated BEA Program award recipients deploy in PPCs.

Applicants to the FY 2017 BEA Program round reported that more than \$340.5 million in transactions, or 41 percent of their activity, were in PPCs.



\$340
MILLION

OF FY 2017 BEA PROGRAM APPLICANTS' ACTIVITIES WERE IN PPCS.

16.4%

OF FY 2017 AWARDED FUNDS SERVE PPCS

\$470
MILLION

IN BEA AWARDS SINCE INCEPTION

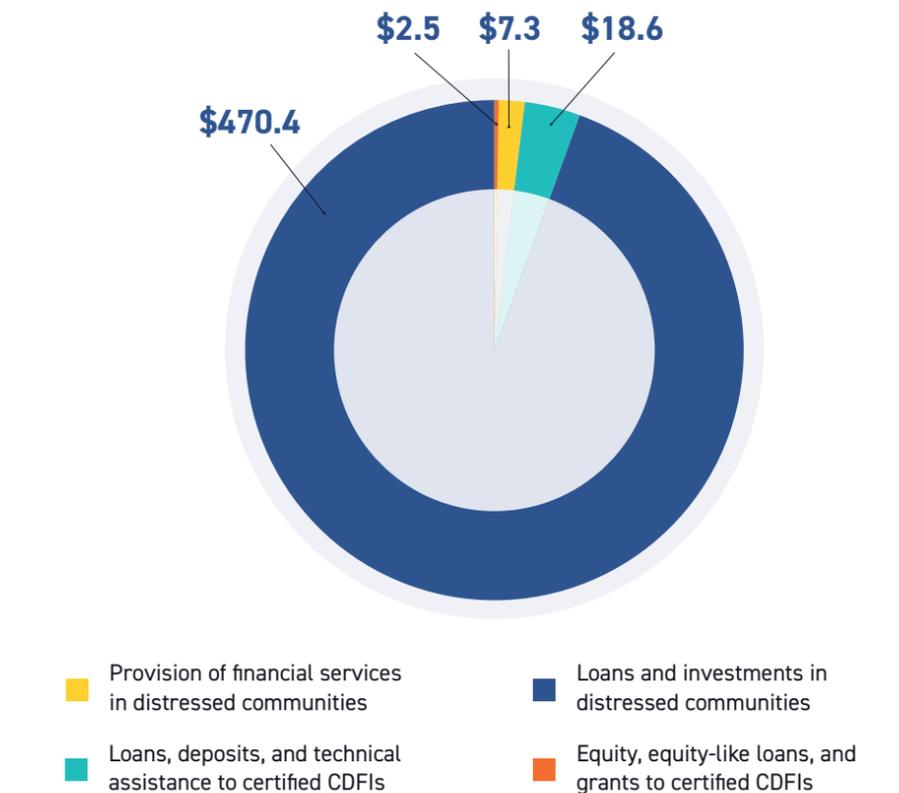
SUPPORTING CERTIFIED CDFIS

Certified CDFIs that receive investments, loans, or technical assistance from BEA Program applicants are known as CDFI Partners. For the FY 2017 award round, 38 BEA Program applicants provided nearly \$23 million in investments, loans, or technical assistance to 28 CDFI Partners.¹

| CDFI PARTNER ORGANIZATION TYPE | NUMBER OF CDFI PARTNERS | AMOUNT OF INVESTMENTS, LOANS, OR TECHNICAL ASSISTANCE |
|--|-------------------------|---|
| Bank or Thrift; Depository Institution Holding Company | 1 | \$1.1 million |
| Credit Union | 11 | \$13.3 million |
| Loan Fund | 15 | \$7.6 million |
| Venture Capital Fund | 1 | \$1 million |

¹ Source: FY 2017 BEA Program Award Book, www.cdfifund.gov/bea

FY 2017 BEA PROGRAM AWARD RECIPIENT YEAR-OVER-YEAR INCREASE IN QUALIFIED ACTIVITIES (IN \$ MILLIONS)





FY 2017 awardees project they will leverage an estimated \$3.2 billion in public and private investment.²

FY 2017 award recipients plan to develop more than 21,000 affordable housing units.

Capital Magnet Fund awards leverage a return of more than **20 to 1.**

CAPITAL MAGNET FUND

www.cdfifund.gov/cmfi

Authorized under the Housing and Economic Recovery Act of 2008, the Capital Magnet Fund provides competitive awards to CDFIs and non-profit housing organizations to attract private capital to finance affordable housing and economic development activities.

Funds can be used to establish a variety of financing tools, including capitalizing affordable housing and revolving loan funds, loan-loss reserves, risk-sharing loans and loan guarantees.

Award recipients are required to leverage their Capital Magnet Fund dollars at a ratio of at least ten to one. However, anticipated leverage rates are substantially higher. Of the roughly \$291.5 million the CDFI Fund has awarded through the Capital Magnet Fund in three funding rounds,³ award recipients project attracting public and private sector leverage of over \$6 billion, leveraging a return of more than twenty to one.

The leverage requirement multiplies the impact of Capital Magnet Fund resources, ensuring that more low-income people across the country have access to affordable housing.

Past Capital Magnet Fund awardees have reported more than 13,300 affordable homes under development or completed between 2010 and 2017.⁴ This includes more than 11,700 rental homes and more than 1,600 homeowner occupied homes for low-, very low-, and extremely low-income families.

On March 16, 2018, the Capital Magnet Fund awarded \$120 million to 40 organizations through the FY 2017 round of the program—the CDFI Fund received applications from 120 organizations requesting nearly \$540 million. These 40 Award recipients plan to serve 41 states (including the District of Columbia) and 20 percent of the recipients plan to invest the majority of their award in non-metropolitan area.

² Awardees project that 78 percent of the investment will be private.

³ FYs 2010, 2016 and 2017

⁴ Source: FY 2018 CDFI Fund Agency Financial Report and only reflects FY 2010 awardee reported outcomes. FY 2016 & FY 2017 awardees are anticipated to begin reporting actual outcomes to the CDFI Fund in FY 2019.



CDFI BOND GUARANTEE PROGRAM

www.cdfifund.gov/bond

Established by the Small Business Job Act of 2010, the CDFI Bond Guarantee Program responds to the critical market demand for long-term, low-cost capital that can be used to spur economic growth in low-income communities — at no cost to taxpayers.

Through the program, the Secretary of the Treasury provides a 100 percent guarantee of bonds issued by Qualified Issuers. The Qualified Issuers use the bond proceeds to finance loans to Eligible CDFIs, which then use the funds to make loans in underserved communities. Eligible CDFIs are certified CDFIs that participate in the CDFI Bond Guarantee Program.

Pending Congressional authorization, each year the Secretary of the Treasury may guarantee up to five bonds each at a minimum of \$100 million. The total of all bonds cannot exceed \$500 million.⁵

In FY 2018, the CDFI Fund closed one bond transaction, and the Secretary issued the corresponding guarantee of \$150 million. Since its inception, the total amount of bonds closed and corresponding guarantees exceeds **\$1.5 billion**.

To date, participating CDFIs have lent more than **\$727 million, or 48 percent of the total amount of the bonds⁶**, in rural, urban, and Native communities across the country. Benefiting organizations include charter schools, rental housing facilities, commercial real estate, health care facilities, senior living and long-term care facilities, small businesses, daycare centers, not-for-profit organizations, and financing entities.

CDFI BOND GUARANTEE PROGRAM DISBURSEMENTS BY ASSET CLASS AS OF SEPTEMBER 30, 2018

| ASSET CLASS | SINCE INCEPTION DISBURSEMENTS (\$ MILLIONS) | PROPOSED DISBURSEMENTS (\$ MILLIONS) | GEOGRAPHY (BASED ON YTD DISBURSEMENTS) |
|---|---|--------------------------------------|---|
| Charter Schools | \$226.27 | \$426.83 | AZ, CA, CO, CT, FL, IL, MD, MI, MN, MO, NJ, NY, OH, PA, TN |
| Rental Housing | \$196.20 | \$356.88 | AL, AZ, CA, DC, IL, KY, MA, MI, MN, NJ, NM, NY, PA, TX, WI, WV, UT |
| Commercial Real Estate | \$121.83 | \$318.61 | AZ, CA, IL, MI, NJ, NC, NV, OK, PA, (Tribal Communities in NV and OK) |
| CDFI to Financing Entity (Owner Occupied Homes 99.3% and Commercial Real Estate 0.7%) | \$73.39 | \$154.30 | FL, IN, IL, KY, MD, MA, NJ, RI, TN, VA, WV (all home mortgages except NJ) |
| Healthcare Facilities | \$36.07 | \$85.97 | CA, DC, IL, PA, WI |
| Not-for-Profit Organizations | \$34.88 | \$80.55 | AZ, CA, MA, MI, NV, NY, PA |
| Senior Living and Long Term Care | \$13.59 | \$45.65 | CA, NV |
| Small Business | \$14.41 | \$26.58 | CA, KY, PA, CO |
| Daycare Centers | \$10.95 | \$16.63 | CA, KY, NY, NM |
| Totals | \$727.59 | \$1,512.00 | |

⁵ Congress establishes the total authorization level for the CDFI Bond Guarantee Program each year as part of the annual appropriations process. For FY 2018, Congress authorized the CDFI Bond Guarantee Program at \$500 million.

⁶ Source: FY 2018 CDFI Fund Agency Financial Report.



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

www.cdfifund.gov/cdfi

Through the Community Development Financial Institutions Program (CDFI Program), the CDFI Fund provides monetary awards to build the capacity of CDFIs to serve low-income people and communities that lack access to affordable capital, credit, and financial services.

The CDFI Fund provides two primary types of monetary awards through the CDFI Program: Financial Assistance (FA) awards and Technical Assistance (TA) awards. The CDFI Program awarded **\$165 million** in FA and TA awards to CDFIs in FY 2018. CDFIs use these funds to:

- ▶ Promote economic development by supporting small businesses, creating jobs, and developing commercial real estate.
- ▶ Develop affordable housing and promote home ownership.
- ▶ Provide community development financial services, including basic banking services, financial literacy programs, and alternatives to predatory lending.

The CDFI Fund also provides Healthy Food Financing Initiative-Financial Assistance (HFFI-FA) awards, to support the healthy food financing activities of CDFIs; Disability Funds-Financial Assistance (DF-FA) awards, to support CDFIs that finance projects and services that assist individuals with disabilities; and Persistent Poverty County-Financial Assistance (PPC-FA) awards, to support CDFIs that provide Financial Products in Persistent Poverty Counties (PPCs).

FINANCIAL ASSISTANCE AWARDS

The CDFI Fund makes Financial Assistance awards in the form of investments, loans, deposits, and grants to help existing CDFIs. A CDFI that receives a Financial Assistance award is required to match the award dollar-for-dollar with non-Federal funds. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in their communities.

In FY 2018, the CDFI Fund received Financial Assistance applications from **364 community organizations** requesting more than **\$326 million** in funding. Through a rigorous selection process, the CDFI Fund awarded **\$159.9 million** to **221 organizations** throughout the United States.



Since the CDFI Program's inception in 1994, organizations have received more than **\$2.3 billion in Financial Assistance and Technical Assistance awards.**

In FY 2018, the CDFI Fund received 68 applications requesting nearly \$8.3 million in Technical Assistance grants, and selected 43 organizations to receive awards totaling \$5.1 million.

TECHNICAL ASSISTANCE AWARDS

Through the Technical Assistance component of the CDFI Program, the CDFI Fund provides grants to build the capacity of startup and existing CDFIs. Unlike Financial Assistance awards, Technical Assistance grants do not require a match of non-Federal funds.

The grants can be used for a variety of purposes, including staff salaries, benefits, training, professional services, supplies, and equipment. Technical Assistance award recipients often use funds to analyze their target markets, develop lending procedures, and to build staff lending capacity. More established CDFIs use Technical Assistance awards to develop new products, to serve their market in new ways, or to enhance the efficiency of their operations with upgrades to their computer hardware or software.

HEALTHY FOOD FINANCING INITIATIVE

The Healthy Food Financing Initiative (HFFI) provides flexible Financial Assistance awards to CDFIs that invest in businesses that help increase access to healthy and affordable food in low-income communities.

In FY 2018, the CDFI Fund awarded \$22 million in HFFI Financial Assistance Awards to help 14 CDFIs finance healthy food activities. These awards will contribute to investments in both retail projects, such as small green grocers or large supermarkets in low-income, low-access markets; and non-retail projects, such as production and distribution facilities.⁷

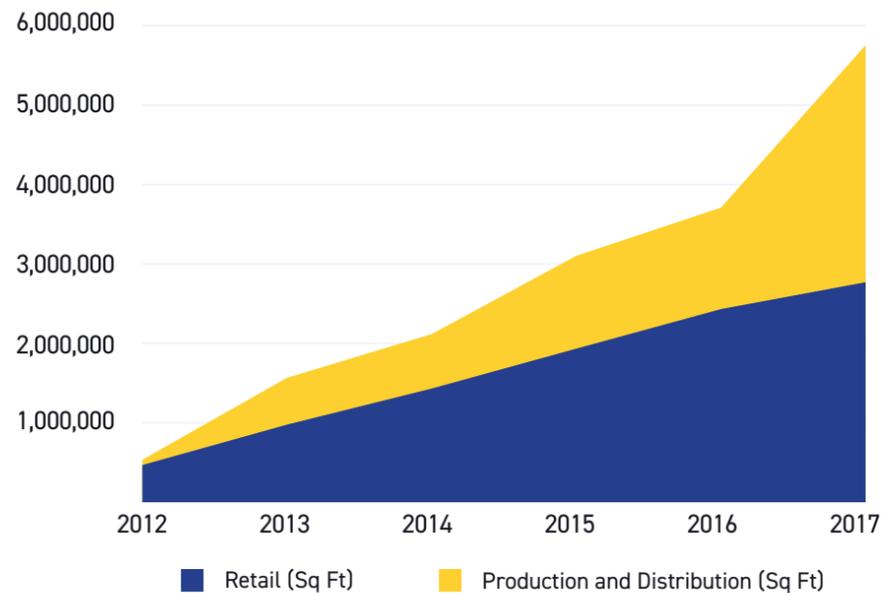
⁷ Source: FY 2018 CDFI Fund Agency Financial Report



FROM 2012 TO 2017, PREVIOUS HFFI AWARD RECIPIENTS HAVE:

- ▶ Originated \$207.5 million in loans and investments
- ▶ Invested in 145 retail projects for a total of \$169.5 million
- ▶ Invested in 182 non-retail projects for a total of \$37.9 million
- ▶ Led to the creation of 5,754,689 square feet of new healthy food outlets (retail and non-retail)

HEALTHY FOOD FINANCING INITIATIVE PROJECTS (CUMULATIVE 2012-2017)



DISABILITY FUNDS FINANCIAL ASSISTANCE

In FY 2018, the CDFI Fund provided the first Disability Funds Financial Assistance (DF-FA) awards through the competitive CDFI Program round. 33 organizations requested \$15.2 million in DF-FA awards; the CDFI Fund awarded 15 CDFIs \$5 million.

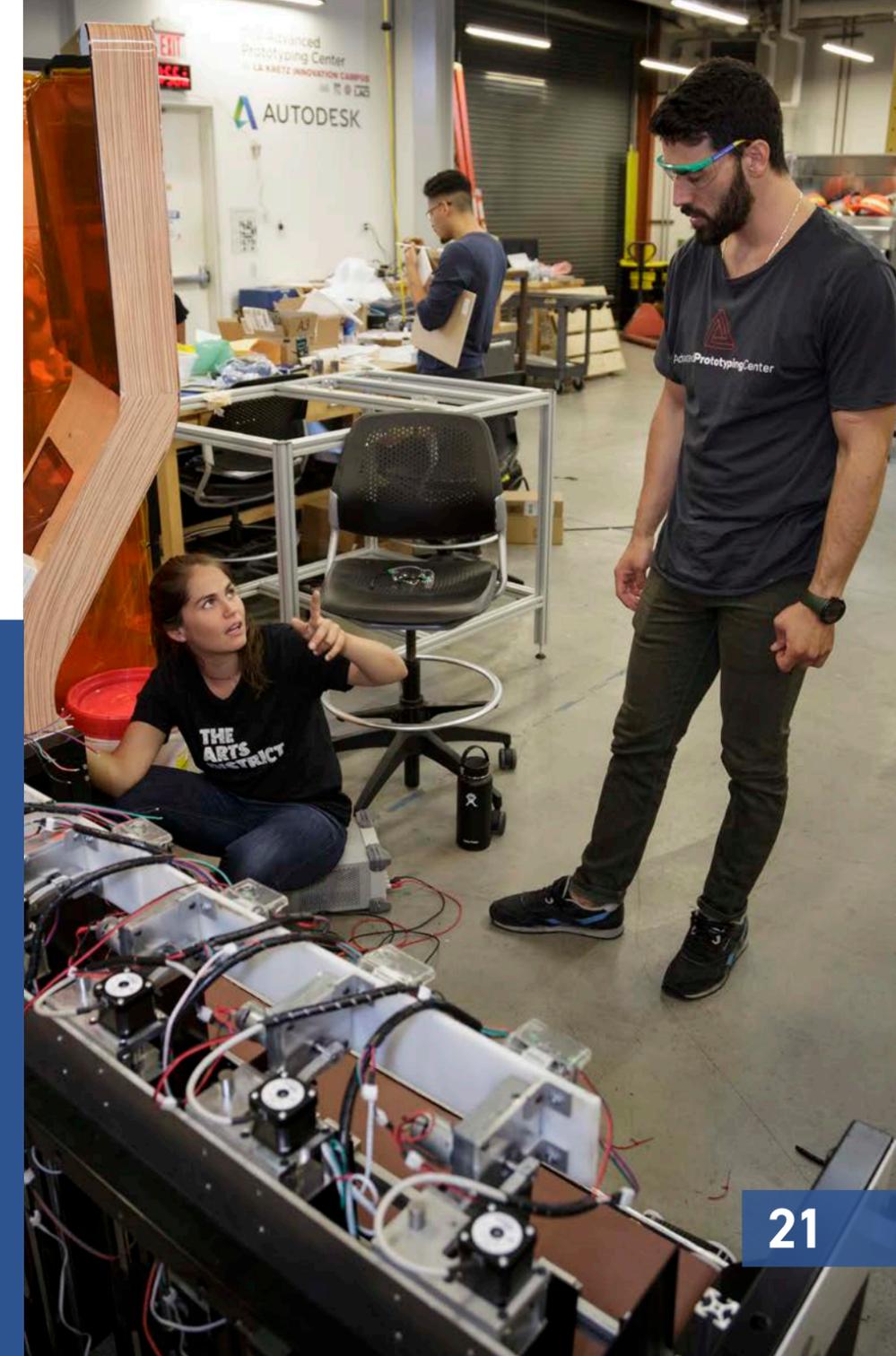
DF-FA awardees will use the funds to enhance their capacity to address the challenges of individuals with disabilities, such as: asset development; affordable, accessible, and safe housing; employment opportunities; or access to assistive products and services that support health and community living.

PERSISTENT POVERTY COUNTY FINANCIAL ASSISTANCE

By Congressional direction, 10 percent of the awarded funds must support investments that serve populations living in persistent poverty counties for the FY 2018 round. Persistent Poverty Counties (PPCs) are defined as counties where 20 percent or more of the population has lived in poverty over the past 30 years.

For the FY 2018 CDFI Program and NACA Program awardees combined, one third of the awardees committed to serving PPCs—89 CDFIs and Native CDFIs received \$19.6 million in PPC-FA awards specifically for investments in PPCs. In addition, 10 organizations headquartered in PPCs received FY 2018 CDFI Program or NACA Program Technical Assistance awards.

In total, CDFIs have invested or lent over \$7.7 billion, or 23 percent of their cumulative financing activity, in PPCs.

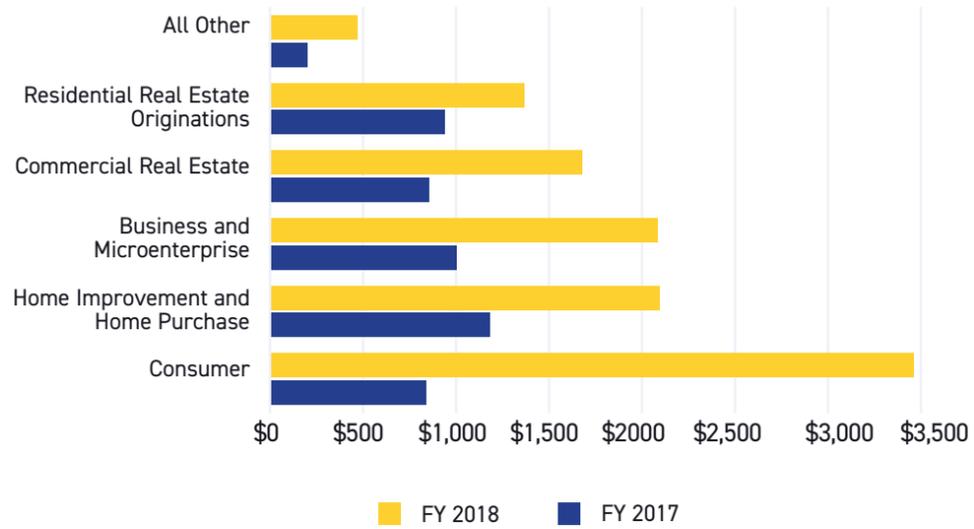


MEASURING SUCCESS

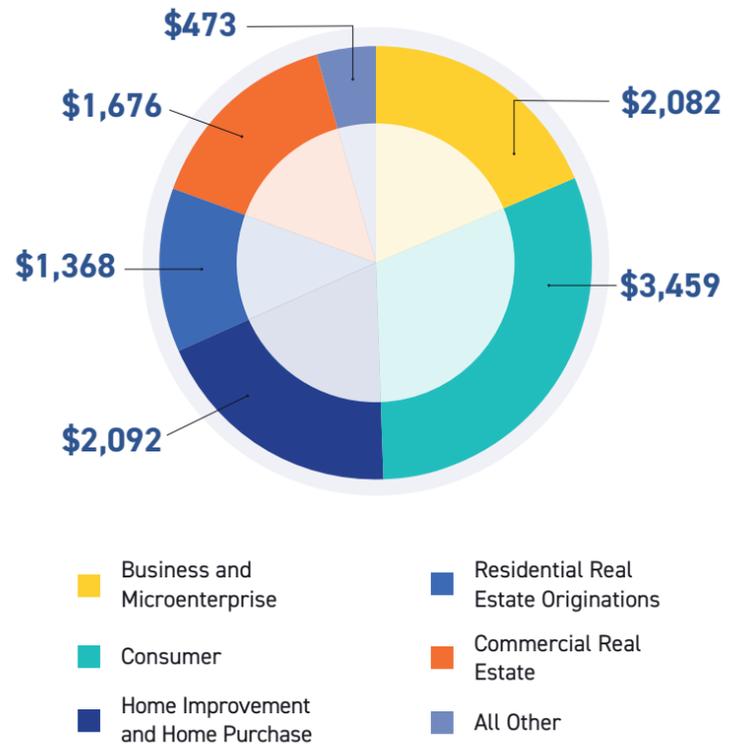
Organizations that receive Financial Assistance and Technical Assistance awards report their annual performance to the CDFI Fund. These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

Below are some top performance measures for CDFI Program awardees for FY 2018, based on program activities reported in 2017.⁸

CDFI PROGRAM AWARDEE INVESTMENTS FY 2018 V. FY 2017 (IN MILLIONS)



LOANS AND INVESTMENTS OF PREVIOUS CDFI PROGRAM AWARDEES FOR FY 2018 (IN MILLIONS) (BASED ON PROGRAM ACTIVITIES REPORTED IN 2017)



⁸ Source: CDFI Fund FY 2018 Agency Financial Report





/// LENDING AND INVESTING ACTIVITY

| LENDING AND INVESTING ACTIVITY | 2016 | 2017 | 2018 |
|---|------------------------|------------------------|-------------------------|
| Business and Microenterprise Originations | \$897,374,265 | \$1,001,974,765 | \$2,082,684,593 |
| Consumer Originations | \$36,679,549 | \$842,153,822 | \$3,459,307,869 |
| Home Improvement and Home Purchase Originations | \$806,855,800 | \$1,179,972,030 | \$2,092,387,671 |
| Residential Real Estate Originations | \$895,115,942 | \$942,065,450 | \$1,368,516,112 |
| Commercial Real Estate Originations | \$744,107,009 | \$858,010,673 | \$1,676,391,890 |
| All Other Originations | \$238,443,992 | \$205,374,955 | \$473,416,057 |
| Amount of Total Loans/Investments Originated | \$3,618,576,557 | \$5,029,551,695 | \$11,152,704,192 |

⁹ Source: CDFI Fund FY 2018 Agency Financial Report; numbers are approximate

ANNUAL PERFORMANCE OF CDFI PROGRAM AWARDEES (2017 ACTIVITY REPORTED IN FY 2018)⁹





Since the Program's inception in 2001, the number of certified Native CDFIs has increased from 7 to 73 as of the end of FY 2018.

The CDFI Fund received **53 NACA Program applications** requesting **\$33.7 million**; the CDFI Fund awarded **38 organizations** a total of **\$15.1 million** for both Financial Assistance and Technical Assistance funding.

NATIVE INITIATIVES

www.cdfifund.gov/native

Native Communities, including Native American, Alaskan Native, and Native Hawaiian communities, often face formidable barriers to accessing capital and basic financial services.

The CDFI Fund's Native Initiatives help to increase access to credit, capital, and financial services in these communities by supporting the creation and expansion of Native CDFIs—specialized, mission-driven organizations that finance businesses, create jobs, establish and improve affordable housing, and provide financial services and financial education in Native Communities.

The main component of the Native Initiatives is the Native American CDFI Assistance Program (NACA Program), which provides Financial Assistance and Technical Assistance awards to increase the number and capacity of Native CDFIs, as well as Persistent Poverty County Financial Assistance awards.

¹⁰ Source: FY 2018 CDFI Fund Agency Financial Report

¹¹ Source: CDFI Fund FY 2018 Agency Financial Report; numbers are approximate

MEASURING SUCCESS

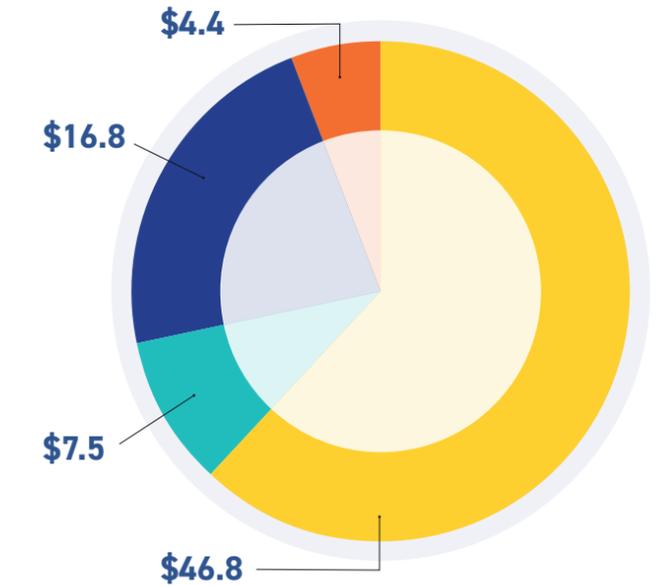
The performance results reported by NACA Program awardees in FY 2018 show that Native CDFIs originated loans or investments totaling \$75.5 million based on their portfolio of activities in 2017.¹⁰

ANNUAL PERFORMANCE OF NACA PROGRAM AWARDEES¹¹

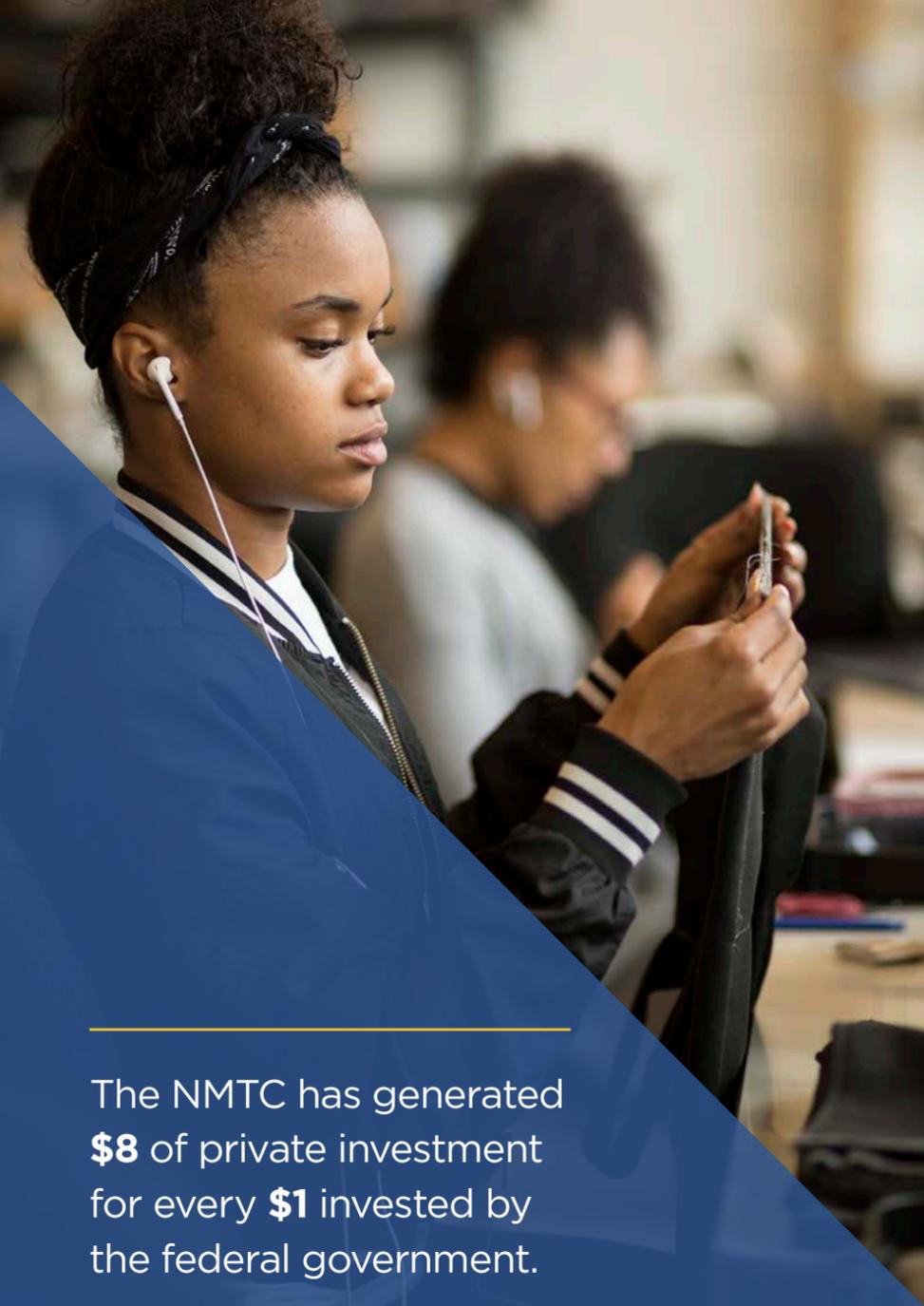
| LENDING AND INVESTING ACTIVITY | 2017 ACTIVITY REPORTED IN FY 2018 |
|------------------------------------|-----------------------------------|
| Total loans/Investments Originated | \$75.5 million |
| Financial Literacy Training | 17,200 individuals |
| Individual Development Accounts | 1,300 |



LOAN AND INVESTMENTS OF PREVIOUS NACA PROGRAM AWARDEES REPORTED IN FY 2018 (IN MILLIONS) (BASED ON PROGRAM ACTIVITIES FROM 2017)



- Business and Microenterprise
- Home Improvement and Home Purchase Loans
- Consumer Loans
- Other



NEW MARKETS TAX CREDIT PROGRAM

www.cdfifund.gov/nmtc

Established in 2000, the New Markets Tax Credit Program (NMTC Program) helps economically distressed communities attract private investment capital by offering federal tax credits to fill project financing gaps enabling investors to make larger investments than would otherwise be possible.

NMTC Program investments in low-income community businesses such as community facilities, manufacturing, technology and mixed-use projects create jobs and provide greater access to housing, healthcare, education and retail services.

Through the NMTC Program, the CDFI Fund allocates tax credit authority to certified Community Development Entities (CDEs) by a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business in a low-income community. CDEs use their authority to offer tax-credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to businesses operating in distressed areas that have more competitive terms and flexibility than market-rate products.

The NMTC has generated **\$8** of private investment for every **\$1** invested by the federal government.

Since the inception of the NMTC Program in 2000, the CDFI Fund has completed 14 allocation rounds and has made 1,105 awards totaling \$54 billion in tax allocation authority. **The NMTC has generated \$8 of private investment for every \$1 invested by the federal government.**

Since the Program's inception, NMTCs have generated more than \$48.6 billion in investments in low-income communities and businesses, resulting in the creation or retention of over 800,000 permanent and construction jobs, and the construction or rehabilitation of more than 205 million square feet of commercial real estate.

| | | |
|------------------------|---------------------------------|---|
| \$48.6 | 800k | 205 |
| BILLION IN INVESTMENTS | PERMANENT AND CONSTRUCTION JOBS | MILLION SQ FT OF COMMERCIAL REAL ESTATE |

CY 2017 AWARD ROUND

The CDFI Fund announced the calendar year (CY) 2017 round awards of the NMTC Program on February 13, 2018. The CDFI Fund received a total of 230 applications requesting an aggregate total of \$16.2 billion in NMTC Allocation Authority. The CDFI Fund awarded 73 CDEs \$3.5 billion in NMTC Allocation Authority. The CDEs are headquartered in 29 states, Guam, and the District of Columbia.

ANNUAL PERFORMANCE OF NMTC PROGRAM ALLOCATEES¹²

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund. Annual performance data represents the allocatees' data reported for FY 2018 (completed in calendar year 2017).

| LENDING AND INVESTING ACTIVITY | FY 2017 ACTIVITIES (REPORTED IN 2018) |
|--------------------------------------|---------------------------------------|
| Loan/Investment Volume ¹³ | \$3.99 billion |
| Number of Loans/Investments | 1,374 |
| Jobs Created ¹⁴ | 9,400 |
| Projected Construction Jobs | 29,800 |
| Sq. Ft. of Commercial Real Estate | 12.5 million |
| Businesses Financed | 680 |
| Affordable Housing Units Financed | 470 |

¹² Source: CDFI Fund FY 2018 Agency Financial Report; numbers are approximate
¹³ Qualified Low-Income Community Investments
¹⁴ At end of reporting period



IMPACT

The following statistics measure the work of the CDFI Fund and the CDFIs and CDEs that have received awards through the CDFI Fund's programs. However, the true impact of this work cannot be measured by statistics alone. Each CDFI certified, each dollar invested, each business financed, and each unit of affordable housing created represents a vital step in the transformation of a community.

/// KEY HISTORICAL DATA (CUMULATIVE BY PROGRAM)¹⁵ CERTIFIED CDFIS

| | |
|-------|--|
| 196 | Total number of certified CDFIs in 1997 |
| 1,112 | Total number of certified CDFIs at the end of FY 2018, including 73 Native CDFIs |
| 83 | Number of CDFIs certified in FY 2018 |

/// AWARDS, ALLOCATIONS, AND GUARANTEES SINCE INCEPTION

| | |
|-----------------|---|
| \$291.5 million | Capital Magnet Fund awards |
| \$470 million | BEA Program awards |
| \$1.5 billion | Bond Guarantees through the CDFI Bond Guarantee Program |
| \$2.47 billion | CDFI Program and NACA Program awards |
| \$54 billion | Allocated in tax credit investment authority through the NMTC Program |

/// CUMULATIVE AWARD RECIPIENT INVESTMENTS¹⁶

| | |
|-----------------|---|
| \$207.5 million | Healthy Food Financing Initiative Awardee Investments (FY 2012-FY 2017) |
| \$619.3 million | NACA Program Awardee Investments (FY 2010-FY 2018) |
| \$32 billion | CDFI Program Awardee Investments (FY 2010-FY 2018) |
| \$48.6 billion | NMTC Program Awardee Investments (FY 2003-FY 2018) |

¹⁵ Source: FY 2018 CDFI Fund Agency Financial Report

¹⁶ Source: FY 2018 CDFI Fund Agency Financial Report; numbers are approximate



KEY HISTORICAL DATA (CUMULATIVE BY PROGRAM), CONTINUED

COMMUNITY INVESTMENT¹⁷

| | |
|-----------------------|---|
| 6,600 | Businesses financed by NMTC Program allocatees |
| 115,200 ¹⁸ | Businesses financed by CDFI Program and NACA Program awardees |
| 304,800 | Jobs created from the equity raised and deployed through the NMTC Program |
| 495,300 | Projected construction jobs created through the NMTC Program |
| 3 million | Individuals served by financial literacy or other training by CDFI Program and NACA Program awardees |
| 13,300 | Affordable homes under development or completed by Capital Magnet Fund awardees (from FY 2010 round) |
| 14,800 | Affordable housing units developed from financing from NMTC Program allocatees |
| 220,700 ¹⁹ | Affordable housing units financed by CDFI Program and NACA Program awardees |
| 2.77 million | Square feet of new retail space for healthy food projects reported by Healthy Food Financing Initiative Financial Assistance (HFFI-FA) awardees |
| 2.98 million | Square feet of production and distribution space for healthy food projects reported by HFFI-FA awardees |
| 205.3 million | Square feet of commercial real estate developed from financing from NMTC Program allocatees |

¹⁷ Numbers are approximate

¹⁸ Based on activities reported from 2009-2017

¹⁹ Based on activities reported from 2009-2017

CDFI FUND AWARD HISTORY

CUMULATIVE AWARD HISTORY BY STATE, 1996-2018²⁰

| STATE | BEA | CMF | CDFI | NACA | NMTC | GRAND TOTAL |
|-------|--------------|--------------|---------------|--------------|-----------------|-----------------|
| AK | | | \$11,492,330 | \$13,093,113 | \$90,000,000 | \$114,585,443 |
| AL | \$8,419,661 | \$4,000,000 | \$2,374,780 | | \$160,000,000 | \$174,794,441 |
| AR | \$9,157,925 | | \$33,464,504 | | \$265,000,000 | \$307,622,429 |
| AZ | \$809,289 | \$3,900,000 | \$15,083,510 | \$15,298,433 | \$906,000,000 | \$941,091,232 |
| CA | \$67,501,467 | \$47,575,000 | \$231,826,747 | \$4,906,873 | \$4,921,000,000 | \$5,272,810,087 |
| CO | \$4,508,438 | \$10,100,000 | \$46,840,126 | \$8,401,845 | \$794,500,000 | \$864,350,409 |
| CT | \$2,005,279 | | \$21,381,335 | | \$85,000,000 | \$108,386,614 |
| DC | \$12,893,911 | \$1,200,000 | \$50,225,127 | | \$3,119,040,000 | \$3,183,359,038 |
| DE | \$5,393,325 | | \$5,919,231 | | \$185,000,000 | \$196,312,556 |
| FL | \$15,028,495 | | \$58,906,300 | | \$754,000,000 | \$827,934,795 |
| GA | \$12,328,675 | \$9,550,000 | \$26,894,449 | | \$1,073,000,000 | \$1,121,773,124 |
| GU | | | | | \$20,000,000 | \$20,000,000 |
| HI | \$1,069,199 | \$500,000 | \$8,993,850 | \$10,876,263 | \$123,000,000 | \$144,439,312 |
| IA | \$497,250 | | \$14,870,993 | | \$1,231,700,000 | \$1,247,068,243 |
| ID | | \$2,479,522 | \$9,731,393 | \$567,309 | | \$12,778,224 |
| IL | \$73,081,049 | \$15,550,000 | \$115,678,695 | | \$2,898,692,113 | \$3,103,001,857 |
| IN | \$1,936,796 | | \$10,171,317 | | \$381,000,000 | \$393,108,113 |
| KS | \$2,561,372 | | \$2,920,004 | \$25,000 | | \$5,506,376 |
| KY | \$12,110,353 | \$1,450,000 | \$62,895,622 | | \$384,500,000 | \$460,955,975 |
| LA | \$18,462,815 | \$3,250,000 | \$50,764,518 | \$128,318 | \$3,632,000,000 | \$3,704,605,651 |
| MA | \$9,912,052 | \$23,500,000 | \$92,015,950 | | \$2,391,000,000 | \$2,516,428,002 |
| MD | \$4,946,415 | \$9,950,000 | \$61,635,704 | \$176,040 | \$2,705,000,000 | \$2,781,708,159 |
| ME | \$781,224 | \$50,000 | \$32,647,651 | \$8,916,313 | \$993,000,000 | \$1,035,395,188 |
| MI | \$3,223,856 | \$9,100,000 | \$40,355,922 | \$6,107,357 | \$639,000,000 | \$697,787,135 |
| MN | \$13,515,943 | \$11,030,000 | \$96,142,067 | \$11,338,699 | \$1,650,500,000 | \$1,782,526,709 |

²⁰ Does not include bond guarantees from the CDFI Bond Guarantee Program. Awards calculated by awardee organization's headquartered location at time of award; does not encompass dollar amount actually invested in each state.

/// CDFI FUND AWARD HISTORY, CONTINUED

| STATE | BEA | CMF | CDFI | NACA | NMTC | GRAND TOTAL |
|-------|--------------|--------------|---------------|--------------|-----------------|-----------------|
| MO | \$10,030,582 | \$5,200,000 | \$30,986,907 | | \$2,778,000,000 | \$2,824,217,489 |
| MS | \$38,501,730 | \$7,900,000 | \$68,856,154 | \$211,450 | \$566,000,000 | \$681,469,334 |
| MT | \$18,750 | | \$25,595,786 | \$4,379,214 | \$526,000,000 | \$555,993,750 |
| NC | \$28,903,091 | \$4,650,000 | \$78,179,251 | \$3,795,520 | \$1,297,000,000 | \$1,412,527,862 |
| ND | | | \$4,408,783 | \$1,683,683 | | \$6,092,466 |
| NE | \$97,832 | | \$10,580,452 | \$2,473,850 | \$23,000,000 | \$36,152,134 |
| NH | \$1,132,000 | \$5,202,163 | \$27,915,537 | | \$170,000,000 | \$204,249,700 |
| NJ | \$7,448,936 | | \$36,246,565 | | \$781,000,000 | \$824,695,501 |
| NM | \$185,705 | \$6,700,000 | \$40,171,153 | \$9,667,286 | \$246,000,000 | \$302,724,144 |
| NV | \$339,200 | | \$391,418 | | \$83,000,000 | \$83,730,618 |
| NY | \$59,069,407 | \$37,250,000 | \$275,687,325 | \$1,180,708 | \$5,681,250,000 | \$6,054,437,440 |
| OH | \$4,549,980 | \$14,700,000 | \$52,759,968 | | \$2,592,350,000 | \$2,664,359,948 |
| OK | \$6,912,346 | | \$12,765,394 | \$20,564,580 | \$901,000,000 | \$941,242,320 |
| OR | \$8,708,546 | | \$29,122,199 | \$700,266 | \$998,000,000 | \$1,036,531,011 |
| PA | \$4,235,635 | \$13,500,000 | \$142,405,386 | | \$1,956,919,753 | \$2,117,060,774 |
| PR | | | \$3,345,190 | | \$125,000,000 | \$128,345,190 |
| RI | | \$5,700,000 | \$2,150,454 | | | \$7,850,454 |
| SC | \$5,000,496 | | \$17,217,130 | \$149,281 | \$602,000,000 | \$624,366,907 |
| SD | \$662,250 | \$500,000 | \$22,484,350 | \$25,239,931 | \$330,000,000 | \$378,886,531 |
| TN | \$7,550,980 | \$1,000,000 | \$30,934,255 | \$244,817 | \$123,250,000 | \$162,980,052 |
| TX | \$16,671,261 | \$4,000,000 | \$69,907,877 | \$283,738 | \$915,000,000 | \$1,005,862,876 |
| UT | \$120,000 | | \$5,439,559 | \$353,000 | \$250,000,000 | \$255,912,559 |
| VA | \$2,690,761 | \$12,500,000 | \$55,708,495 | \$750,000 | \$1,308,000,000 | \$1,379,649,256 |
| VI | | | \$770,000 | | | \$770,000 |
| VT | | \$2,000,000 | \$36,001,354 | | \$202,000,000 | \$240,001,354 |
| WA | \$1,353,493 | | \$47,176,149 | \$8,689,667 | \$347,000,000 | \$404,219,309 |
| WI | \$11,582,594 | \$17,529,134 | \$59,656,637 | \$8,617,924 | \$1,898,000,000 | \$1,995,386,289 |
| WV | | | \$12,292,974 | | \$4,000,000 | \$16,292,974 |
| WY | | | \$198,500 | \$4,549,024 | | \$4,747,524 |





**COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND**

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