

# THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

United States Department of the Treasury



## 2006 CDFI Program Awards Highlights

The Community Development Financial Institutions Fund (the Fund) is making 73 awards totaling \$26,373,877 through the FY 2006 round of the Community Development Financial Institutions (CDFI) Program. Through the CDFI Program, the Fund uses federal resources to invest in and build the capacity of private, for-profit and nonprofit financial institutions to serve people and communities lacking adequate access to affordable financial products and services. The Fund selects awardees on a competitive basis for two types of awards: financial assistance (FA) and technical assistance (TA). Applicants may request FA and/or TA awards.

Detailed profiles of the 2006 CDFI Program awardees can be found at: [www.cdfifund.gov](http://www.cdfifund.gov).

### Snapshot of the FY 2006 Funding Round

- The Fund received 127 applications requesting nearly \$146.7 million in FA or FA/TA awards. Of the 127 applicants, the Fund selected 52 CDFIs (or 41% of all applicants) to receive \$24,468,468 in FA or FA/TA awards.
  - Of the \$24.5 million, \$21,902,692 represents FA (\$21,382,692 in the form of grants and \$520,000 in the form of loans) and \$2,565,776 represents TA grants.
  - FA awardees include 43 loan funds, 7 credit unions, 1 national intermediary, and 1 depository institution / holding company.
  - Twenty-five of the awardees primarily serve major urban markets, nine primarily serve minor urban areas, and 18 primarily serve rural areas.
- The Fund received 53 applications requesting over \$3.4 million in TA only grants. Of these 53 applicants, the Fund selected 21 existing or start-up CDFIs to receive \$1,905,409 in TA only grants.<sup>1</sup>
  - Of the 21 TA awardees selected, 12 are first-time awardees to the CDFI Program.
  - The 21 TA Only awardees are headquartered in 12 different states.

<sup>1</sup> This total does not include FA awardees that will receive TA grants too.

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## Financial Assistance (FA): Award Highlights

The Fund provides FA awards to CDFIs that have a Comprehensive Business Plan for creating demonstrable community development impact through the deployment of credit, capital, and financial services within their respective Target Markets or expansion into new Investment Areas, Low-Income Targeted Populations, or Other Targeted Populations.

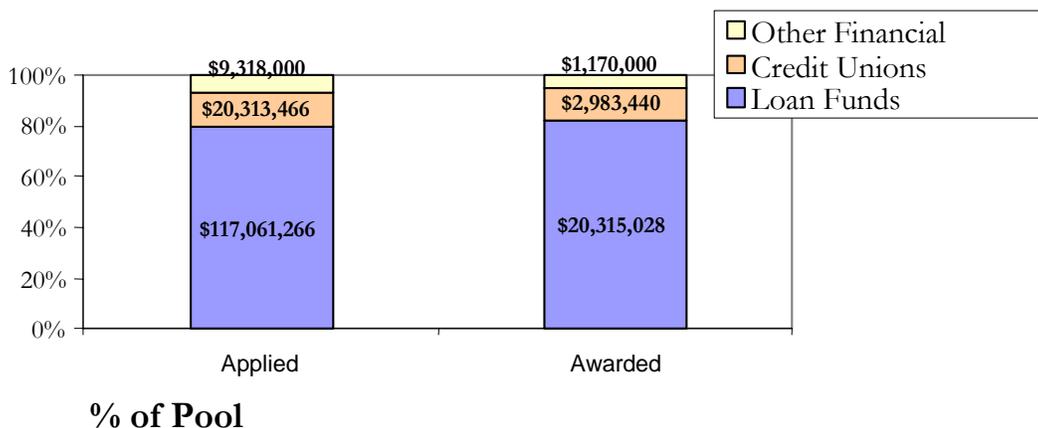
### Financial Assistance Award Types

The Fund invests in CDFIs using flexible tools such as equity investments, loans, grants, and deposits, depending on institutional needs and available matching funds. Every dollar of FA must be matched with a dollar of private, non-federal funds. Thus, FA awards enable CDFIs to leverage private capital to respond to demand for affordable financial products and services in economically distressed markets and by low-income families. FY 2006 FA awards consist of two loans and 50 grants.

### Organizational Diversity

The CDFI industry consists of a wide variety of financial institutions including: banks, credit unions, loan funds and venture capital funds. CDFIs use FA awards to focus on different financial sectors, typically: affordable housing (housing development and homeownership), economic development (job creation, business development, and commercial real estate development). Some CDFIs also serve as national or regional intermediaries, providing financial products and services to local CDFIs and other community development organizations. The FY 2006 FA awardees include 43 loan funds, seven credit unions, one national intermediary, and one bank holding company.

## Applications vs Awards



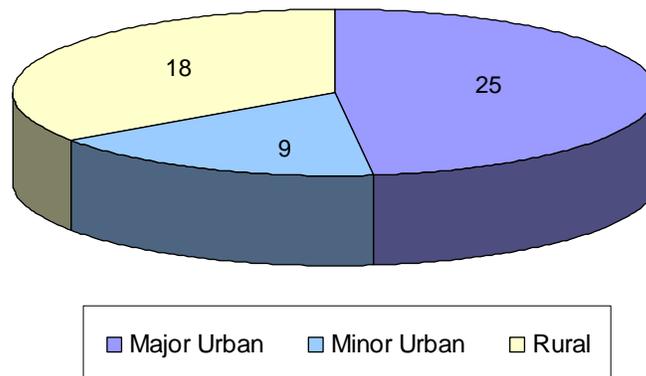
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## Geographic Diversity

The CDFIs selected for FA funding in FY 2006 are headquartered in 24 states and the District of Columbia. Based on all markets served by awardees, 48% (25) primarily serve major urban markets, 17% (9) primarily serve minor urban areas, and 35% (18) primarily serve rural areas.



## Awardee Categories

The FY 2006 FA funding round included two categories: Category I/SECA (Small and Emerging CDFI Assistance) and Category II/Core. Category I/SECA are CDFIs that requested awards of less than \$500,000 and: (1) have been in operation for five years or less; or (2) have assets of less than \$5 million (less than \$250 million for community development banks and less than \$10M for credit unions and venture capital funds). All other applicants were considered Category II/ Core. The Fund made 13 Category I/SECA awards and 39 Category II/Core awards in FY 2006.

## Technical Assistance (TA) Only: Award Highlights

The Fund provides TA grants to both established and emerging CDFIs for the purpose of enhancing their capacity to serve their Target Markets or to help them become certified as CDFIs. TA grants are awarded based on a competitive application process involving a Comprehensive Business Plan review. The Fund awards TA grants to existing and start-up CDFIs to help build their internal capacity by acquiring products or services such as efficiency enhancing computer technology, staff training, consulting services to acquire needed skills or services (such as a market analysis or lending policies and procedures). TA grants may be requested on their own or in conjunction with FA awards.

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Of the 21 TA awardees selected, 12 are first-time awardees to the CDFI Program. The remaining nine awardees have received a total of 27 awards in prior years under another CDFI Program. The FY 2006 TA awards ranged in size from \$42,050 to \$100,000, with the average size (TA only) being \$90,734. TA award includes funds to pay for one or more of the following capacity-building activities: consulting services, technology purchases, operating expenses, and staff and board training. The following table illustrates total award dollars by TA Category:

<b>\$1,905,409 Awarded to 21 Organizations Breakdown by TA Category</b>			
<b>Purpose Category</b>	<b>Total \$</b>	<b>% of Total Awarded</b>	<b># Awards Included</b>
Consulting	\$245,800	13%	31
Technology	\$517,100	27%	43
Training	\$69,157	4%	15
Operating Expenses	\$1,073,352	56%	51
<b>Total</b>	<b>\$1,905,409</b>	<b>100%</b>	<b>140</b>

<b>Organizational Diversity Type by Number</b>		
<b>Category</b>	<b>% of Total Awarded</b>	<b># Awardees</b>
Bank or Holding Company	5%	1
Credit Union	18%	4
Loan Fund	77%	16
<b>Total</b>	<b>100%</b>	<b>21</b>

## Geographic Diversity Among TA Awards

The 21 TA Only awardees are headquartered in 12 states. The awardees reported serving the following three categories of geography as their primary service area.

