



LEGISLATIVE PRIORITIES

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

The Community Development Financial Institutions (CDFI) Fund was established within the U.S. Department of Treasury in 1994 to promote community development in economically distressed urban and rural communities by investing in and growing Community Development Financial Institutions (CDFIs) across the country. There are currently well over 1,000 Treasury certified CDFIs.

CDFIs are mission-driven financial institutions that deliver affordable credit, capital, and financial services to residents and businesses in minority and economically distressed communities. In addition to overseeing CDFI certification, the CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services in underserved communities. The CDFI Fund administers the following core programs and each program awards funds annually through an independent and competitive application process for financial assistance that provides lending capital to CDFIs in urban and rural areas; technical assistance to build the capacity of CDFIs; assistance to CDFIs located in and serving Native Communities; and Bank Enterprise awards to Federal Deposit Insurance Corporation (FDIC) insured banks and thrifts that increase investment activity in communities with high rates of poverty and unemployment.

Since 2003, CDFIs receiving awards from the Fund have loaned and invested more than \$26 billion to underserved businesses and individuals. In FY 2016, CDFIs receiving a financial award made over 39,000 loans or investments, totaling over \$3.6 billion, and financed over 11,000 small businesses and more than 33,000 housing units.

CDFIs have added nearly 2 million square feet of grocery stores, farmers' markets, and other facilities and amenities designed to fight food insecurity since 2008. CDFIs are increasingly investing in some of the poorest communities in America – where poverty is over 30 percent or median incomes are under 60 percent of the area median.

Policy Recommendations for CDFI

Provide at \$250 million in annual CDFI Fund appropriations as approved by the House in the FY 2017 Financial Services and General Government Appropriations Bill (H.R. 5054).