



Community Development Financial Institutions (CDFI) Fund

2011 EFDS Peer Networking Conference CDFI Fund Update





James Yagley

*Associate Manager,
CDFI Program*



Agenda

- **CDFI Fund Overview**
- **CDFI Fund Certification**
- **CDFI Fund Programs**
- **Resources and Contact Information**





CDFI Fund Overview

Mission

The CDFI Fund's mission is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States.

Vision

Economically empower America's underserved and distressed communities.





CDFI Fund Overview

The CDFI Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs) and other financial institutions through its programs and initiatives, including:

- CDFI Program: Financial Assistance (FA) and Technical Assistance (TA),
- Native Initiatives (NACA)
- CDFI Capacity Building,
- Bank Enterprise Award (BEA) Program,
- New Markets Tax Credit (NMTC) Program,
- Bond Guarantee Program.



CDFI Fund Overview

Types of certified CDFIs:

- Loan Funds
- Credit Unions
- Banks and Bank Holding Companies
- Community Development Venture Capital Funds





CDFI Fund Overview

The CDFI industry provides a wide range of financing:

- Mortgages/2nd Mortgages
- Home Repair Loans
- Loans to Affordable Housing Developers
- Loans to Commercial Property Developers
- Community Facilities Loans
- Small Business Loans
- Microenterprise Loans
- Equity Investments (VC and others)
- Purchase of Loans from Other CDFIs



CDFI Certification

CDFI Certification Requirements:

- Non-governmental Entity
- Legally-existing entity
- Primary Mission of Community Development
- Financing Entity
- Provides Development Services
- Target Market
- Accountable to the Target Market



CDFI Program – Financial Assistance

- **Category I: Small & Emerging CDFI Assistance (SECA)**
 - Generally younger and/or smaller in asset size
 - *Award request maximum: \$500,000*
- **Category II: Core**
 - All applicants that do not qualify for SECA category
 - Generally older, larger CDFIs
 - *Award request maximum: \$2 million*
- *Award Uses: Financing Capital, Loan Loss Reserves, Capital Reserves, Operations*
- *Matching funds: \$1 to \$1; like-kind*



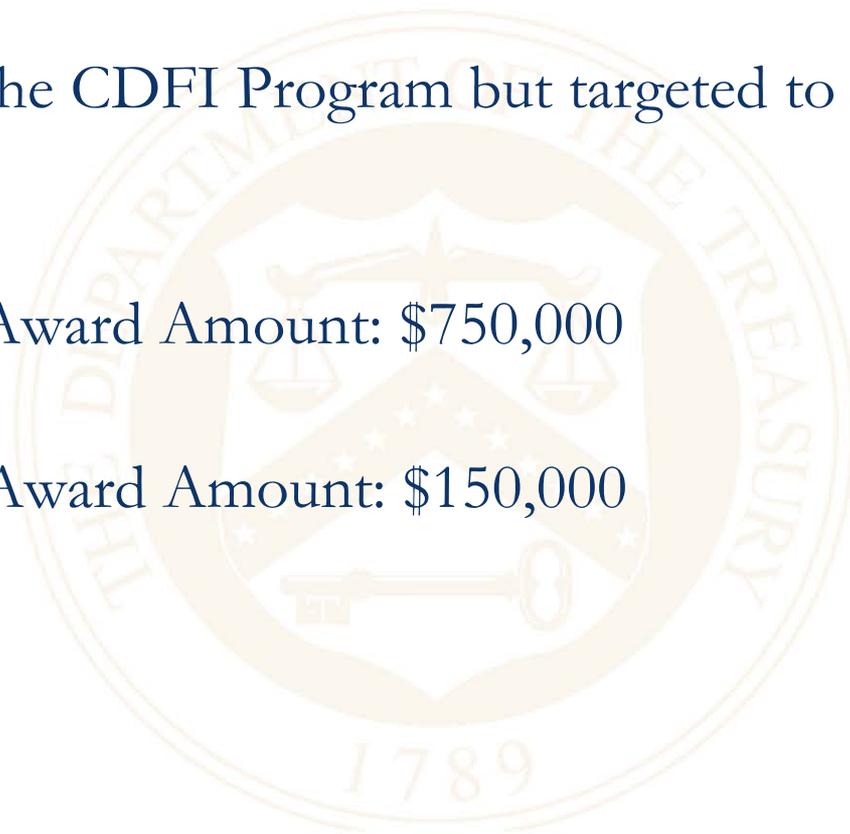
CDFI Program – Technical Assistance

- Allows a CDFI or an entity proposing to become a CDFI to build its capacity to serve its Target Market
 - Does not require matching funds
 - Can be requested to help become certified
 - *Award request maximum: \$100,000*
- ***Award Uses:*** *Personnel (Salary and Fringe), Training, Travel, Professional Services, Materials / Supplies/ Equipment, Other Costs*



CDFI Program – Native Initiatives

- Modeled after the CDFI Program but targeted to Native communities.
- Maximum FA Award Amount: \$750,000
- Maximum TA Award Amount: \$150,000



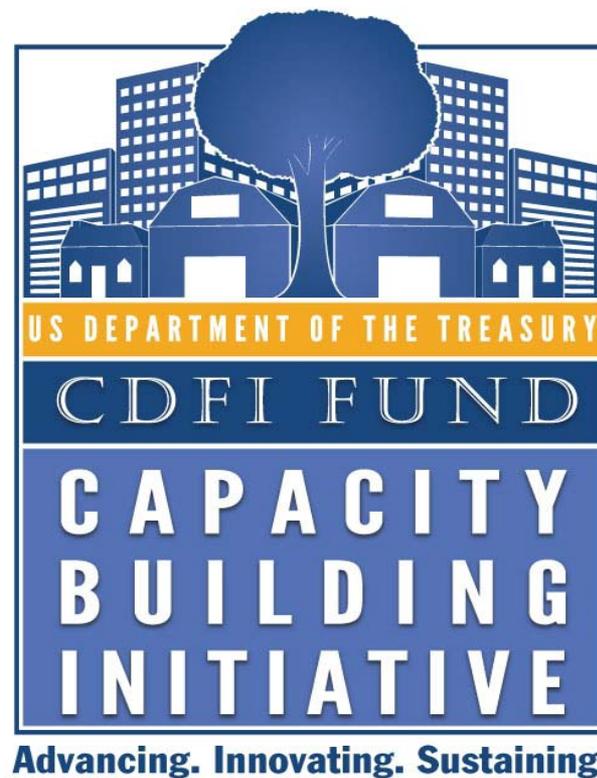


Capacity Building

- Portfolio Management
- CDFI Capitalization
- Foreclosure Solutions
- Healthy Foods Financing

Upcoming in 2012:

Small Business Finance





Bank Enterprise Award (BEA)

- Provides awards to insured depository institutions for engaging in lending, investment and service activities to CDFIs or to economically distressed communities.
- Rewards actual increases in the dollar volume of Qualified Activities, with a statutory funding priority for CDFI Related activities



New Market Tax Credit Program

- ❖ Provides a credit against Federal income taxes for investors that make Qualified Equity Investments (QEIs) into Community Development Entities (CDEs).
- ❖ CDEs in turn use the proceeds of these investments to make make Qualified Low-Income Community Investments (QLICIs).
- ❖ QLICIs include, among other things, investments in businesses and real estate projects in low-income communities.



Resources Information

Resources on the CDFI Fund Website: www.cdfifund.gov

- Program Applications and Related Materials
- Capacity Building Training Info and Resource Bank
- Impact Data and Reports: Cross Site and Case Study
- Lists of Certified Organizations
- Lists and Profiles of Awardee and Allocatee Organizations
- Mapping Tool (CIMS)
- Monthly CDFI Certification Tele-Conference Q&A Sessions