

Highlights of 1999 CDFI Program Funding *Technical Assistance Component*

Amount of Assistance

The CDFI Fund selected 88 applicants to receive awards totaling \$4,013,620 under its CDFI Program 1999 Technical Assistance Component. These awards are in the form of grants. The average grant size is approximately \$45,000. The aim of these awards is to enhance the capacity of the recipient to serve its target market. The grants provided under the Technical Assistance Component may provide funds for staff or management training, the acquisition of technology to improve financial management or internal operations, and the use of outside experts to build organizational capacity in specific areas. These awards represent the second annual round of funding of the Technical Assistance Component.

Organizational Diversity of Awardees

The Fund's awards will benefit a wide range of institutions, from start-up organizations that finance affordable housing and business development in a six-county area of East Texas, to a well established organization that provides investment products for technology-based start-up ventures in inner-city Philadelphia. The Awardees tailor their services and products to the particular target markets that they serve, which may include economically distressed geographic areas and/or underserved individuals. Among the 88 Technical Assistance Awardees are the following:

- 31 business loan funds;
- 24 housing or community facilities loan funds;
- 17 microenterprise loan funds;
- 7 community development credit unions;
- 5 community development venture capital funds;
- 2 banks or bank holding companies;
- 2 multi-bank community development corporation.

Geographic Reach

The organizations selected for Technical Assistance Component grant awards are headquartered in 31 states (see attached map). The 1999 round marks the Fund's first CDFI Program awards to organizations based in Missouri and South Carolina.

Of the Fund's 88 Technical Assistance awardees, 49 (56%) serve predominantly urban areas and 28 (32%) serve primarily rural markets. The remaining organizations serve a mix of urban and rural markets. Two of the awardees serve Native American reservation populations that are located in Arizona and South Dakota.

Impact and Innovation

Of the 88 organizations selected under the Technical Assistance Component, 19 (22 %) represent start-ups (Awardees that began incurring operating expenses within the last two years).

A number of the 1999 Awardees demonstrate particularly strong potential for impact and innovation as a result of the capacity building support provided through the Technical Assistance Component. Examples of the benefits that are expected to accrue to Awardees and communities served by Awardees as a result of the Fund's technical assistance awards are:

- the ability to expand a field of membership, as recently approved by the National Credit Union Administration, for a credit union serving rural Lewis County, (Timber Country Community Federal Credit Union, Lewis County, WA);
- an enhanced capacity to offer training to community-based organizations throughout South Carolina on establishing and operating revolving small business loan funds (Carolina Capital Investment Corporation, Columbia, SC);
- increased micro-loans and equity investments in microenterprises located in Harlem and other distressed New York City neighborhoods based on the peer-lending methodology of the Grameen Bank of Bangladesh through upgrading technology and marketing materials (Project Enterprise, New York, NY);
- improved ability to address demand for additional affordable housing for low-income families in Kansas City, Missouri through development of a loan pool with investments from local financial institutions, expansion of loan products, and design of marketing plan and materials (Housing and Economic Development Financial Corporation, Kansas City, MO).