Community Development Financial Institutions (CDFI) Fund

Federal Programs Presentation
Billings, MT 8/31/11

CDFI Fund Mission

The mission of the CDFI Fund (the Fund) is to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

CDFI Programs

What is a certified CDFI?

- Types of Certified CDFIs:
    - Banks, bank holding companies and thrifts
    - Credit unions
    - Loan Funds (non-profit and for-profit)
    - Venture Capital Funds.

  - Average asset size of <u>depository</u> institution CDFIs is $32 million.

  - Average asset size of <u>non-depository</u> institution CDFIs is $21 million.
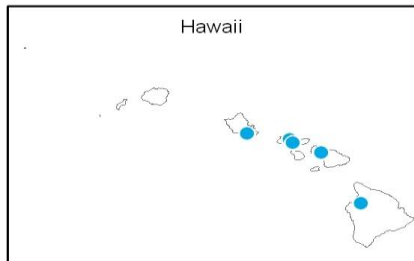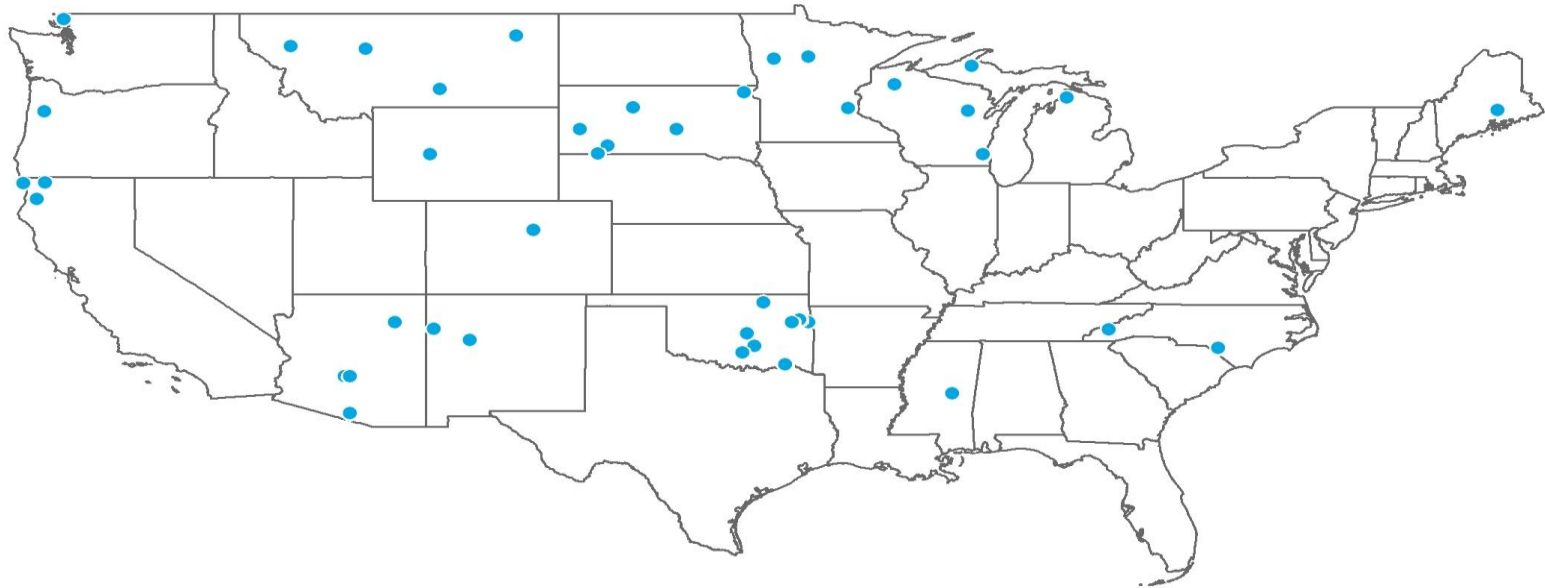
Programs and Initiatives

How does the CDFI Fund achieve its mission?

- Native Initiatives (NACA)

- CDFI Program (FA and TA)

- Bank Enterprise Award Program (BEA)

- New Markets Tax Credit Program (NMTC)

- Capital Magnet Fund (CMF)

- Financial Education and Counseling Pilot (FEC)

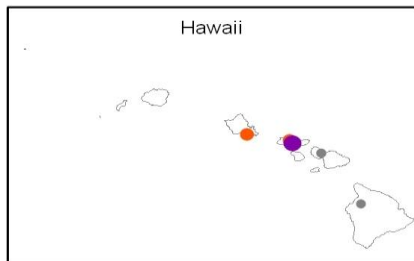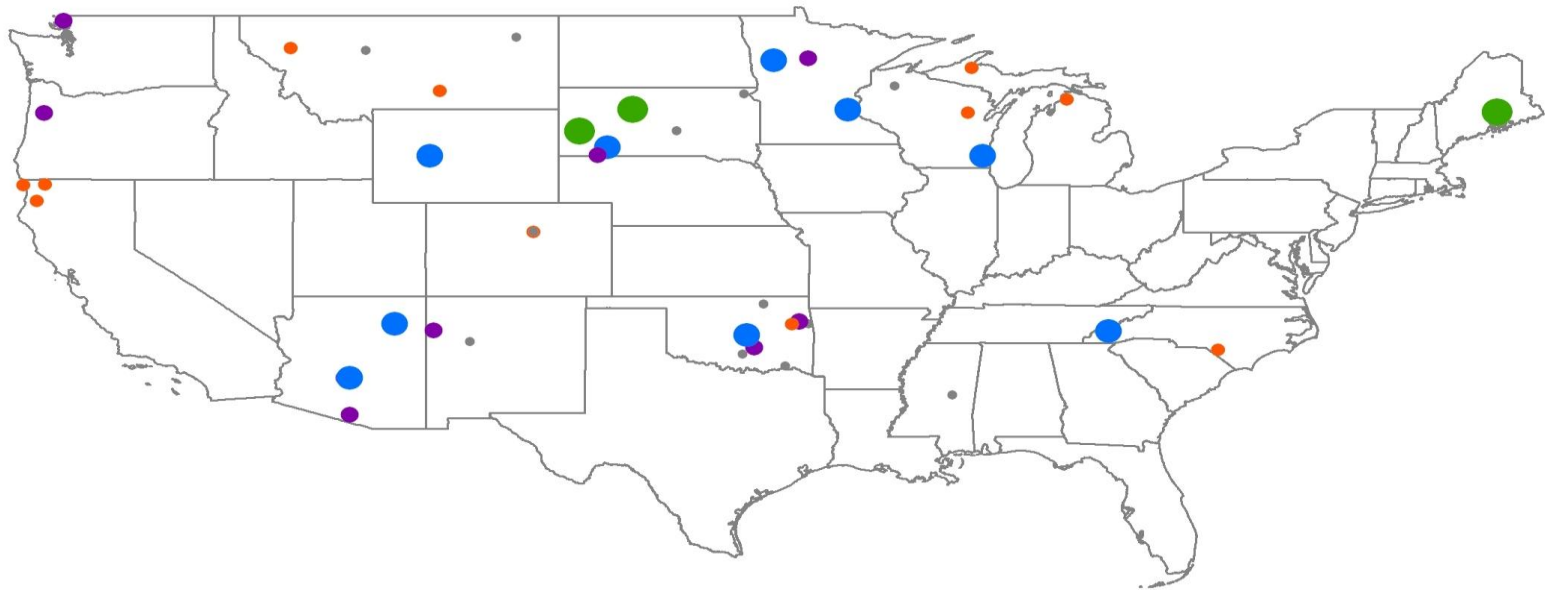# Certified Native CDFIs Headquarters

Native CDFIs

Hawaii

Alaska

Native CDFIs by Cumulative Award Amount
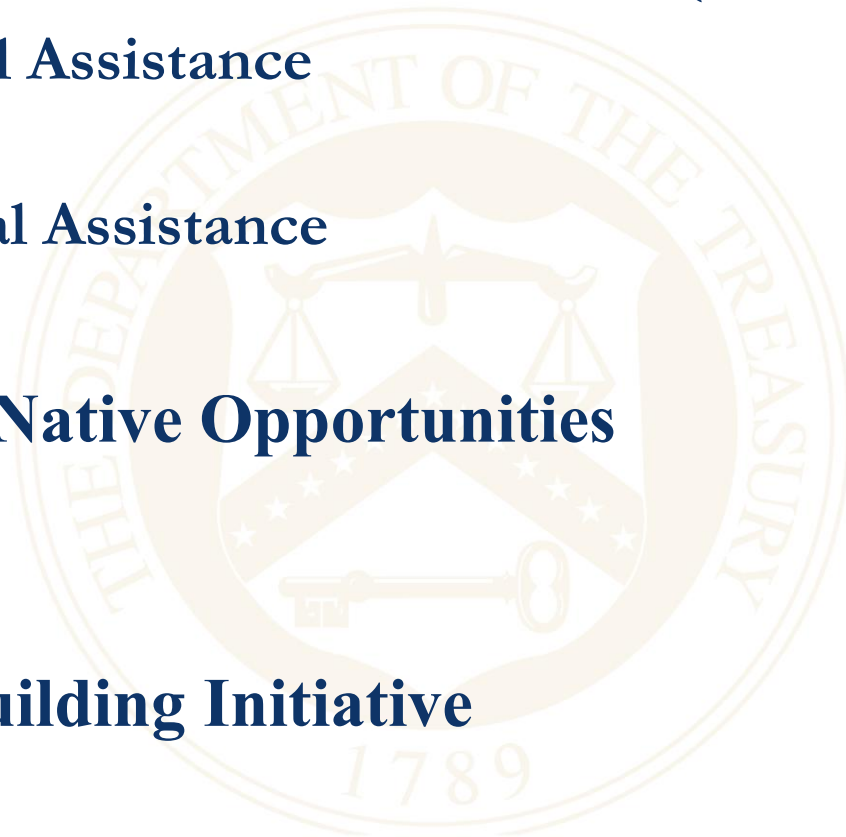

Native CDFIs

Hawaii

Alaska

Cumulative Award Amount

- 🟢 $2M up to $3.4
- 🔵 $1M up to $2M
- 🟣 $500K up to $1M
- 🟠 $120K up to $500K
- ⚪ No Awards To Date

Prepared by the CDFI Fund, U.S. Department of the Treasury
April 30, 2010

- **Native American CDFI Assistance (NACA) Program**
  - **Financial Assistance**

  - **Technical Assistance**

- **Expanding Native Opportunities**
  - **Training**

- **Capacity Building Initiative**

Expanding Native Opportunities (ENO)

- **Training and developing activities through contractual services**

    – Native Individual Development Account Initiative (2005-2009)

    – Native Communities Financing Initiative (2003-present)

    – Native Enterprise & Entrepreneurship Development (2007-present)

    – Native Financial Skills Initiative (2007-present)

NACA Program: Purpose

- **Promote economic revitalization and community development**

- **Help build the capacity of Native CDFIs**

- **Leverage CDFI Fund resources**
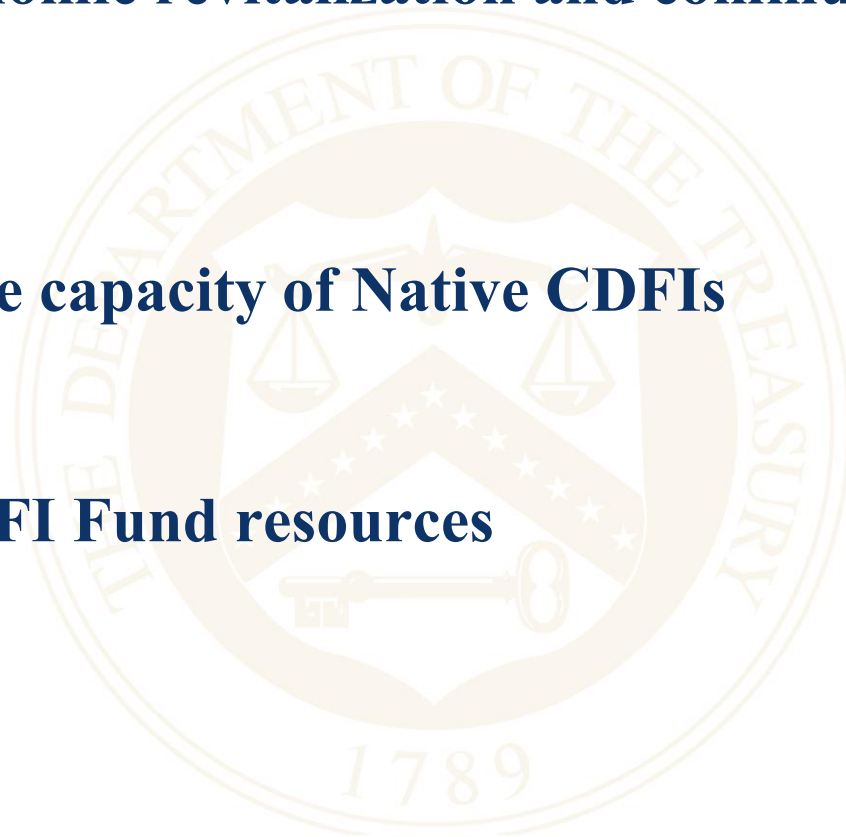
NACA Program

- **Financial Assistance (FA)**

  – **Supports Financing Needs**

  – **1:1 match requirement (form and amount) ☞ (waived in FY 2011)**

  – **FA awards cap: $750,000 per award**

- **Technical Assistance (TA)**

  – **Organizational Capacity-Building**

  – **No match requirement**

  – **TA grants cap: $150,000 per award**

Financial Assistance

- **Award Uses:**
  - Financing Capital
  - Loan Loss Reserves
  - Capital Reserves
  - Operations
- **Who's Eligible?**
  - **Only Certified CDFIs are Eligible**

Technical Assistance

- **Award Uses:**

  – **Personnel (Salary and Fringe),**

  – **Training,**

  – **Travel,**

  – **Professional Services,**

  – **Materials / Supplies/ Equipment, Other Costs**

- **Who's Eligible?**

  – **Certified CDFIs (to build to capacity)**

  – **Emerging CDFIs (to help become certified)**

  – **Sponsoring Entities (to help create CDFI) (3 yrs for award)**

Native Initiatives - Historical Information

	Native Initiatives
Authorized	**2001**
Total Awarded	**$57.7 million**
Award Type	**FA: Grants, loans, equity investments, deposits, and credit union shares.** **TA: Grant.**
Recipients	**-Certified CDFIs** **-Entities proposing to be Certified CDFIs or serve Native communities**
Qualifying Tracts	**27,275 tracts qualify** **41% of all tracts** **22,360 metro tracts** **4,915 non-metro tract**

CDFI Certification

CDFI Certification Criteria:

- Legal Entity

- Primary Mission

- Financing Entity

- Target Market

- Development Services

- Accountability

- Non-Governmental Entity

Native Initiatives Strategic Plan

Primary Objectives: 2009-2014

- Sustain & Advanced Established Native CDFIs

- Increase Opportunity for Native CDFIs to Access Available Capital

- Increase Financial Skills and Opportunities in Native Communities

- Increase Interagency Coordination of Federal Funding for Native CDFIs

- Update the Native American Lending Study

- Roll out Capacity Building Initiatives

Contacting the Fund

David Scherler
Portfolio Manager, CDFI Program
scherlerd@cdfi.treas.gov / 202.622.8689

Brian McDonald
Senior Portfolio Manager, CDFI Program
mcdonaldb@cdfi.treas.gov / 202.622.1003

Compliance Support: cme@cdfi.treas.gov / 202.622.8226
Technical Support: ithelpdesk@cdfi.treas.gov / 202.622.2455