

## CDFI Program

### Competitive monetary awards to support affordable financial services and products in distressed communities, and technical assistance for CDFIs and emerging CDFIs

#### BACKGROUND AND PURPOSE

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) makes competitive awards of up to \$2 million to certified community development financial institutions (CDFIs) under the Financial Assistance (FA) component of the CDFI Program and up to \$100,000 under the Technical Assistance (TA) component.

Depending on the CDFI institution type, a CDFI may use the award for financing capital, loan loss reserves, capital reserves, financial services, or development services. These awards can be used for a variety of affordable housing options.

FA awards can be in the form of loans, grants, equity investments, and deposits and credit union shares.

The form of the FA award is based on the form of the matching funds that the applicant includes in its application, unless Congress waives the matching funds requirement.

TA awards are for start-up or existing CDFIs and are used to build capacity to underwrite loans and provide other services to the target market through the acquisition of goods and services such as consulting services, technology purchases, and staff or board training.

#### ELIGIBILITY CRITERIA

To be eligible for an FA award, a CDFI must be certified by the CDFI Fund before it applies for the award. Prospective applicants that are not yet certified must

<b>PROGRAM NAME</b>	CDFI Fund Program
<b>AGENCY</b>	U.S. Department of the Treasury - CDFI Fund
<b>EXPIRATION DATE</b>	Dependent on congressional appropriations
<b>APPLICATIONS</b>	Application is available at <a href="https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/apply-step.aspx#step22">https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/apply-step.aspx#step22</a>
<b>WEB LINK</b>	<a href="https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/default.aspx">https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/default.aspx</a>
<b>CONTACT INFORMATION</b>	<a href="mailto:cdfihelp@cdfi.treas.gov">cdfihelp@cdfi.treas.gov</a>
<b>APPLICATION PERIOD</b>	There is typically an annual 45-day application period in the fall, with awards announced in summer of the following year.
<b>GEOGRAPHIC SCOPE</b>	National

submit a separate certification application to be considered for FA during a funding round. By statute, awardees must match the monetary award dollar for dollar. The form of the FA award is based on the form of the matching funds, which must be from non-federal sources and not used as matching funds for any other federal award.

Both certified and noncertified CDFIs are eligible to apply for technical assistance awards. However, noncertified organizations must be able to become certified within two years after receiving a TA award. There is no matching requirement for a TA award.

Depending on the Notice of Funding Available (NOFA), the CDFI Fund may have a special set-aside for applications from Small and/or Emerging CDFIs. To be an eligible Small and/or Emerging CDFI Assistance (SECA) applicant, an applicant must be a certified or certifiable CDFI, request \$700,000 or less in FA funds, and either not exceed the applicable maximum asset threshold of \$250 million or have begun operations generally no earlier than three years prior.

### **COMMUNITY BANK CRITERIA**

Depending on the NOFA, to be eligible for an award, an insured depository institution applicant must have a CAMELS rating by its federal regulator of at least 4. Organizations with CAMELS ratings of 5 will not be eligible for awards. The CDFI Fund will consider safety and soundness information from the appropriate federal or state-banking agency.

### **AWARD USE**

FA monetary awards can be expended for activities in the following five categories: financial products, financial services (insured depository institutions only), loan loss reserves, development services, and capital reserves (insured depository institutions only). Each allowable activity category is eligible for indirect costs and an associated indirect cost rate. Indirect cost rates are determined as part of the terms and conditions of the award.

TA monetary awards can be expended for salaries and fringe benefits of the applicant's personnel for work performed directly related to carrying out the purpose of the TA grant; travel costs of related personnel; professional service costs; training and education costs; and supplies and equipment. Each allowable activity category is eligible for indirect costs and an associated indirect cost rate. Indirect cost rates are determined as part of the terms and conditions of the award.

## **POTENTIAL BENEFITS**

The CDFI Fund is unique among federal programs because it takes an enterprise approach to its programming by strengthening institutions rather than funding specific projects.

The TA award program helps organizations develop the capacity to become CDFIs or expand their affordable housing or other lending.

## **POTENTIAL CHALLENGES**

Both financial assistance and technical assistance awards are competitive. Not all completed, qualified applications will receive funding since a typical round attracts many more requests than funding available.

By statute, awardees must match the monetary award (FA) dollar for dollar.

## FUNDING AVAILABLE

Funding availability is subject to federal appropriations. A typical funding round is approximately \$150 million. Under no circumstances will an award be higher than \$2 million for any recipient or \$5 million in total awards over a three-year period.

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## RESOURCES

### CDFI Program information

<https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/default.aspx>

### Application Process

<https://www.cdfifund.gov/programs-training/Programs/cdfi-program/Pages/apply-step.aspx#step22>

### CDFI certification

<https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx>