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## FY 2007 CDFI PROGRAM AWARD SUMMARY FINANCIAL ASSISTANCE AND TECHNICAL ASSISTANCE PROGRAMS October 2007

### Overview

Administered by the Community Development Financial Institution (CDFI) Fund, the CDFI Program makes equity, loan and deposit investments, as well as capital and technical assistance grants to new and existing CDFIs through an annual competitive grant program. The CDFI Program is funded by Congressional appropriations and allocations to each CDFI Program are determined by the Fund. For fiscal year 2007, the CDFI Program received a \$54.5 million allocation. This summary begins with a review of the Financial Assistance (FA) awards and follows with Technical Assistance (TA) award information.

### FY 2007 Highlights

Total FA Award Amount	\$25.84 million
Total TA Award Amount	\$1.50 million
Average FA Award	\$527,246
Average TA Award	\$78,816
Number of FA Awards	49
Number of TA Awards	19

### Key Features of FA awards

FA awards are used by CDFIs as financing capital, loan loss reserves, capital reserves, and for general operation. FA applicants apply for one of two types of awards: Category I/ SECA (Small and Emerging CDFI Assistance) or Category II/CORE. Category I/SECA eligibility requires CDFIs to be below a certain asset size or to have begun operations within the last five years and to have received not more than \$500,000 in FA awards previously. Category I/SECA applicants are typically smaller and newer CDFIs, may not request more than \$500,000, and are required to provide matching funds equal to 25% of their total requested amount. Category II applicants, typically larger CDFIS, may request up to \$2 million and are required to match 100% of their request with non-Federal funds.

For the FY 2007 funding round, 184 CDFIs applied for \$138 million in financial assistance. In September 2007, the Fund awarded \$25,835,066 to 49 CDFIs. Of the 49 awards, 14 were Category I and 35 were Category II.

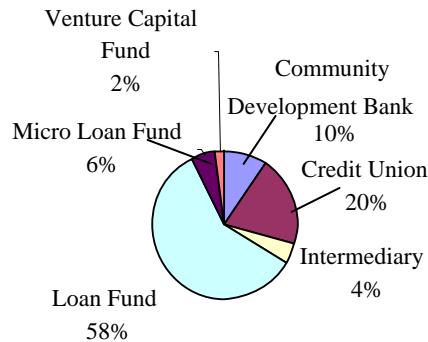
Consistent with years past, loan funds received the largest share of FA award dollars. Among all

institution types (see categories below), community development banks experienced the largest percent increase in funding from FY 2006, increasing by 329%<sup>1</sup>. Credit unions saw a 70.9% increase, while intermediaries received a 92% increase in total award dollars. See Appendix B for tables of awards from 2004-2007 by institution type. Below we summarize the financial award history in recent years and present a pie graph of FY2007 award disbursement by institution type.

**Financial Assistance Awards (in millions of dollars) and Number of Awards**

Type of Institution	FY 2007	Number of awards	FY 2006	Number of awards	FY 2005	Number of awards	FY 2004	Number of awards
Community Development Bank	\$2.50	5	\$0.59	1	\$4.32	4	\$5.20	4
Credit Union	\$5.14	8	\$2.98	7	\$3.96	6	\$3.37	6
Intermediary	\$1.13	2	\$0.59	1	\$1.43	2	\$4.29	5
Loan Fund	\$15.15	30	\$17.00	36	\$20.97	31	\$26.67	36
Micro Loan Fund	\$1.45	3	\$3.40	7	\$1.02	3	\$7.13	17
Venture Capital Fund	\$0.48	1	0	0	\$1.16	2	\$0.00	0
<b>Total</b>	<b>\$25.84</b>	<b>49</b>	<b>\$24.46</b>	<b>52</b>	<b>\$32.85</b>	<b>38</b>	<b>\$46.66</b>	<b>68</b>

**Percent of FY 2007 FA Award Dollars by Institution Type**



Differing from FY 2006, the fund did not impose an award ceiling for FA awards in FY 2007. The purpose of the \$585,000 award ceiling last year was to explore whether the Fund could disperse more awards and achieve greater geographic diversity. In both FY 2007 and FY 2006, the Fund made awards to 25 different states and the District of Columbia, one less than in FY 2005 and six less than in FY 2004.

<sup>1</sup> Assumes the CDFI Coalition and the CDFI Fund categorize the awardees as the same institution type in 2006 and 2007.

The table below depicts changes in average and median award sizes. The average FA award in 2007 increased by \$56,861, or, 12% from 2006; while the median award size decreased by \$105,000, or 22% from 2006. The removal of the award ceiling and the awarding of more money to slightly fewer recipients had the combined effect of raising the average award amount in FY 2007.

#### Average and Median FA Award Amounts

	FY 2007	FY 2006	FY 2005	FY 2004
<b>No. of Awards above \$585,000</b>	17	0	23	30
<b>No. of \$585,000 Awards</b>	1	33	0	0
<b>No. of Awards lower than \$585,000</b>	31	19	25	37
<b>Average Award Amount</b>	\$527,246	\$470,385	\$684,000	\$690,000
<b>Median Award Amount</b>	\$480,000	\$585,000	\$497,340	\$538,000

As in past years, previous CDFI program awardees made up the majority of 2007 FA recipients. The prior success in receiving financial assistance awards suggests that FA awardees have the financial and organizational capacity to access private money and pursue Federal funding, and that the Fund is indeed investing in effective CDFIs who consistently leverage their award dollars. But this declined slightly in 2007, as the number and percentage of awardees with no prior award history rose to its highest in four years. We anticipate the number of applications and the number first-time awardees to continue increase in FY 2008, following the Fund's intensive, multi-state outreach efforts in September 2007.

#### CDFI FA Awardees Prior Success

	FY 2007		FY 2006		FY 2005		FY 2004	
	Number of Awardees	% of Awardees	Number of Awardees	% of Awardees	Number of Awardees	% of Awardees	Number of Awardees	% of Awardees
No Prior Award	15	31%	8	15%	9	19%	11	16%
Received Prior Award	34	69%	44	85%	39	81%	56	84%
Received FA Award Previously	12	24%	16	31%	12	25%	44	28%
Received TA Award Previously	5	10%	10	19%	9	19%	39	18%
Received both FA and TA Previously	17	35%	18	35%	17	35%	27	38%

In 2004-2006, the Fund made 48 awards totaling \$10,180,001 to Small and Emerging CDFIs (Category I) applicants. Though the total award amounts for FY 2007 are not yet available, it is

clear that awarding 14 of the 49 FA awards in this category shows continued interest and financial investment in growing the CDFI field.

### Small and Emerging CDFI Assistance Awards

	FY 2007 <sup>2</sup>		FY 2006		FY 2005		FY 2004	
	<b>Number Dollars</b>	<b>Percentage of Total Awards</b>	<b>Number Dollars</b>	<b>Percentage of Total Awards</b>	<b>Number Dollars</b>	<b>Percentage of Total Awards</b>	<b>Number Dollars</b>	<b>Percentage of Total Awards</b>
Awards	14	28.6%	12	23%	16	33.3%	20	29.41%
Award Dollars	Not available	Not available	\$2,578,528	10.54%	\$3,917,990	11.9%	\$3,683,483	7.89%

### Key Features of TA awards

Technical Assistance awards assist new and developing CDFIs to build their organizational capacity and/or to complete the CDFI certification process. Funds are commonly used to support personnel and professional development of staff and board members, to hire consultants and professional services, and to cover equipment, training, and other capital costs. Certified CDFIs and emerging CDFIs are eligible to apply for a maximum of \$100,000. Unlike the FA award, no financial match is required by the organization.

Forty-nine applicants applied for technical assistance, requesting \$4.8 million. The Fund awarded 19 organizations a total of \$1,501,507. The TA pool declined slightly from 2006, when 21 organizations were awarded \$1,905,370, but were still much greater than the previous three years levels. The median award in 2007 was \$80,550, almost \$20,000 less than in 2006. The average TA award was \$79,027, down approximately \$12,000 from the 2006 average and \$32,000 more than the 2003-2005 average.

This year's awardees represented slightly greater geographic diversity than FY 2006, but nearly half the diversity of FY 2005 and FY 2004. In FY 2007, recipients had headquarters in 14 different states including the District of Columbia, whereas only 11 states were represented in FY 2006, and for FY 2005 and FY 2004, 22 and 37, respectively.

### CDFI Fund Program --- Technical Assistance

	<b>FY 2007</b>	<b>FY 2006</b>	<b>FY 2005</b>	<b>FY 2004 &amp; 2003</b>
<b>Total Amount Allocated</b>	\$2,000,000	\$2,000,000	\$2,000,000	\$14,500,000
<b>Total Number of Awards</b>	19	21	41	117
<b>Average Award (in dollars)</b>	\$79,027	\$90,734	\$50,059	\$43,992
<b>Total Amount Awarded</b>	\$1,501,507	\$1,905,409	\$2,052,420	\$5,147,116

<sup>2</sup> As of October 1, 2007, the CDFI Fund had not released the amount of total dollars dispersed to Category I applicants.

## **Conclusion**

According to the 2007 figures, we observe a continued, strong demand for CDFI Program funding. The program is serving diverse geographic areas and more first time awardees received an FA award than in the previous four years. Of all the institution types, loan funds are receiving the largest share of FA CDFI program dollars, while community development banks received the largest increase from 2006. Unlike 2006 round, the CDFI Fund did not set an award cap or prioritize applicants who would serve areas affected by the 2005 hurricanes.

For more information on the CDFI Program Analysis, please contact CDFI Coalition Executive Director, Fred Zeytoonjian at [Zeytoonjian@cdfi.org](mailto:Zeytoonjian@cdfi.org) or 703-294-6970.

## Appendix A

### CDFI Program --- Financial Assistance

	<b>Date Notice of Funds Availability (NOFA) Opened</b>	<b>Amount Allocated for FA by Fiscal Year</b>	<b>Amount Available (in millions)</b>	<b>Amount Requested (in millions)</b>	<b>Number of Organizations Applying</b>	<b>Date Awards Announced</b>	<b>Amount Awarded (in millions)</b>	<b>Number of Awardees</b>
Round 1	10/19/1995	1996	\$31.00	\$300.00	268	8/10/1996	\$37.25	32
Round 2	4/4/1997	1997	\$32.50	\$193.00	162	9/1997	\$38.30	48
Round 3	3/20/1998	1998	\$40.00	\$169.30	131	9/28/1998	\$53.44	42
Round 4	10/26/1998	1999	\$50.00	\$184.00	153	10/6/1999	\$71.40	78
Round 5	11/1/1999	2000	\$50.00	\$264.20	160	10/3/2000	\$72.20	75
Round 6	8/14/2000	2001	\$50.00	\$215.50	153	9/20/2001	\$53.10	59
Round 7	9/24/2001	2002	\$36.90	\$199.15	136	8/5/2002	\$41.60	51
Round 8	2/4/2003	2003	\$30.00	\$106.60	131	10/14/2003	\$22.96	34
Round 9	2/26/2004	2004	\$45.00	\$124.78	138	9/30/2004	\$46.66	68
Round 10	11/10/2004	2005	\$22.00		140	9/16/2005	\$32.85	48
Round 11	12/01/05	2006	\$25.00	\$146.7	127	8/25/06	\$24.47	52
Round 12	12/21/2005	2007	\$26.00	\$133.54	135	9/14/07	\$25.84	49
<b>TOTALS</b>							<b>\$520.07</b>	636*

\* Some CDFIs received a Financial Assistance award in more than one year. 349 different organizations have received Financial Assistance awards since the inception of the program.

## Appendix B

### Institutions Funded through the Financial Assistance Programs (in millions)

Type of Institution	FY 2007	% of Awards	FY 2006	% of Awards	FY 2005	% of Awards	FY 2004	% of Awards
Community Development Bank	\$2.53	9.8	\$0.59	2.4%	\$4.32	13.14%	\$5.20	11.14%
Credit Union	\$5.09	19.7	\$2.98	12.2%	\$3.96	12.05%	\$3.37	7.22%
Intermediary	\$1.13	4.3	\$0.59	2.4%	\$1.43	4.34%	\$4.29	9.19%
Loan Fund	\$15.15	58.6	\$17.00	69.5%	\$20.97	63.83%	\$26.67	57.16%
Micro Loan Fund	\$1.45	5.6	\$3.4	13.9%	\$1.02	3.11%	\$7.13	15.28%
Venture Capital Fund	\$0.48	1.9	0	0	\$1.16	3.52%	\$0.00	0.00%
<b>Total</b>	<b>\$25.84</b>	<b>100.0%</b>	<b>\$24.46</b>	<b>100.00%</b>	<b>\$32.85</b>	<b>100.00%</b>	<b>\$46.66</b>	<b>100.00%</b>

### Institutions Funded through the Financial Assistance Programs (in numbers)

Type of Institution	FY 2007	% of Awards	FY 2006	% of Awards	FY 2005	% of Awards	FY 2004	% of Awards
Community Development Bank	5	10.20%	1	2%	4	8.3%	4	5.9%
Credit Union	8	16.33%	7	13.5%	6	12.5%	6	8.8%
Intermediary	2	4.08%	1	2%	2	4.27%	5	7.4%
Loan Fund	30	61.22%	36	69%	31	64.58%	36	52.94%
Micro Loan Fund	3	6.12%	7	13.5%	3	6.25%	17	25.00%
Venture Capital Fund	1	2.04%	0	0	2	4.17%	0	0.00%
<b>Total</b>	<b>49</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>38</b>	<b>100.00%</b>	<b>68</b>	<b>100.00%</b>

## Appendix C

### Total FA Program Amounts Requested vs. Amount Awarded FY 96-07

