

**FY 2015 Programmatic Appropriations Request**

**$226 Million for the Community Development Financial Institutions (CDFI) Fund**

|  |  |  |
| --- | --- | --- |
| **Appropriations Subcommittee** | **Agency** | **Accounts** |
| Financial Services & General Government | Department of Treasury | Community Development Financial Institutions Program Account |

**Programmatic Funding Request for CDFI Fund**

|  |  |
| --- | --- |
| Amount Requested for FY 15: | $ 226 million |
|  |  |
| Amount included in FY15 President’s Budget: | $ 224.9 million |
|  |  |
| Amount Increase/Decrease over FY15 President’s Budget: | $ 1.1 million |
|  |  |
| Amount Appropriated for FY14 | $226 million |
|  |  |
| Amount Increase/Decrease over FY14: | $ 0 |

**Program Description and Justification for FY15 Request:**

**The Community Development Financial Institutions Fund** (CDFI Fund) was established within the U.S. Department of Treasury in 1994[[1]](#footnote-1) to promote community development in economically distressed urban and rural communities by investing in and growing **Community Development Financial Institutions(** CDFIs) across the country.

CDFIs, are mission-driven financial institutions that specialize in delivering affordable credit, capital, and financial services to residents and businesses in minority and economically distressed communities. As community based financial institutions CDFIs understand and can respond effectively to the needs of their target market. CDFIs provide the flexible, market-driven products and services that consumers and small business owners need to grow and thrive. CDFIs fill a vital niche in the nation's financial services delivery system by serving communities and market sectors that conventional lenders cannot - with the ultimate goal of bringing CDFI customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.

There are currently 808 certified CDFIs working in low-wealth communities in all 50 states and the District of Columbia. In addition to overseeing CDFI certification, the CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services to underserved communities. CDFI Fund programs include: ***Financial Assistance (FA) awards*** to certified CDFIs and ***Technical Assistance (TA) grants*** to certified or emerging CDFIs; the ***Native American CDFI Assistance (NACA) Program*** aimed at increasing the number and capacity of CDFIs serving native communities; and the ***Bank Enterprise Award (BEA) Program*** providing monetary awards to FDIC-insured banks that invest in low-income communities and/or in CDFIs.

Since 1994, the CDFI Fund has awarded more than $1.9 billion on a competitive basis to CDFIs, including Native American CDFIs, small and emerging CDFIs and financial institutions through the BEA Program.

In FY 2013, CDFIs originated 24,285 loans or investments totaling $1,978,165,784:

* + - 8,173 small business loans totaling $484,245,473
    - 6,583 consumer loans totaling $45,342,740
    - 7,112 home improvement or home purchase transaction totaling $484,838,792
    - 1029 Residential Real Estate Originations $452,842,614
    - 353 Commercial Real Estate Originations $278,930,277
    - 1,035 other originations totaling $231,965,888
  + Financed 17,732 Affordable Housing Units (15,648 rental and 2,082 owner occupied)
  + Financed 6,558 businesses[[2]](#footnote-2)
  + Created 35,097 jobs
  + Provided 293,666 individuals with financial literacy or training
  + Facilitated the opening of 10,100 new Individual Development Accounts (IDAs) and $7,117,905 in IDA savings

**Program Funding History:**

**CDFI Fund**

**Appropriations History 2010-2014**

*($ in millions)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **FY 10** | **FY 11** | **FY 12** | **FY 13** | **FY 14** |
| **CDFI Fund Appropriation** | **$ 247** | **$ 227** | **$221** | **$221** | **$226** |
| *- CDFI Program (FA/TA)* | *107* | *150* | *146* | 146 | 145.5 |
| * *Healthy Foods* | *0* | *25* | *22* | 22 | 22 |
| * *Bank on USA* | *0* | *0* | *0* | 0 | 0 |
| * *Native Initiatives* | *12* | *12* | *12* | 12 | 15 |
| * *Bank Enterprise Award* | *25* | *22* | *18* | 18 | 18 |
| * *Capital Magnet Fund* | *80* | *0* | *0* | 0 | 0 |
| * *Admin Expenses* | *18* | *18* | *23* | 23 | 24.6 |
| * *Pilot/Capacity Initiatives* | *4* | *0* | *0* | 0 | 1 |

1. The CDFI Fund was authorized as part of the *Riegle Community Development and Regulatory Improvement Act (PL 103-325)*. [↑](#footnote-ref-1)
2. The number reflects netting out businesses that received more than one loan [↑](#footnote-ref-2)