ELIZABETH – CAN WE TITLE THE COMMUNICATION

CDFI COALITION MEMBER CALL TOMORROW WILL DISCUSS PRESIDENT’s PROPOSED 2013 BUDGET

President Obama sent his Fiscal Year 2013 (FY ‘13) Budget to Congress today. The President requests $221 million for the CDFI Fund in the coming year – which is a freeze at the FY ’12 appropriations level. The chart below indicates how the President has recommended using the $221 million to support CDFI Fund programs and activities

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**CDFI Fund Programs
FY 2012 Final and FY 2013 Budget Request
*$ In millions***

|  |  |  |
| --- | --- | --- |
|  | **FY 12 Final** | **FY 13 Budget** |
| CDFI Fund  | 221 | 221 |
| Financial Assistance/Technical Assistance | 146 | 128 |
| Native Initiative | 12 | 12\* |
| Bank on USA  | 0 | 20 |
| Healthy Food Financing Initiative  | 22 | 25 |
|  |  |  |
| Bank Enterprise Award | 18 | 15 |
|  |  |  |
| Admin and Research | 23 | 21\*\* |
|  |  |  |

*\*The budget requests that match requirements not be applied to NACA applicants*

*\*\* up to $550,000 for CDFI Bond Guarantee Program and up to $300,000 for the direct loan program both as authorized in the Small Business Jobs Act of 2010*

The FY ’13 budget requests $25 million for the Healthy Food Financing Initiative (HFFI), an increase of $3 million over current-year funding. The budget also requests $20 million for the President’s Bank on USA Initiative that was authorized in the Small Business Jobs Act of 2010 but never received an appropriation. The President’s budget includes $15 million for the Bank Enterprise Award Program, down from $18 million in FY ’12.

The budget recommends that $12 million continue to be set aside for the Native American CDFI Assistance (NACA) and the budget would waive the match requirements for NACA applicants. The budget does not request match waivers for any other CDFI applicants nor does the budget request waiving the 3-year funding cap for FY ’13 applicants.

The President’s budget also includes language aimed at getting the CDFI Bond Guarantee program up and going by clarifying the CDFI Fund’s authority to administer the program, issue bonds and collect fees to cover program costs. The CDFI Bond Guarantee Program, signed into law in 2010 as part of the Small Business Jobs Act, was designed to provide a source of long-term, patient capital and the CDFI Fund forecasts $1 billion in bonds will be available for FY 2013 once Treasury finalizes program guidelines and regulations. In order to comply with the Federal Credit Reform Act of 1990, the President’s budget asks Congressional appropriators to authorize the CDFI Fund to administer the program and to use “*up to $1,000,000 collected from administration fees”* for administrative expenses of the CDFI Bond Guarantee Program in addition to the funds provided within the CDFI Fund’s administrative expense account*.*

The President’s budget requests an extension of the New Markets Tax Credit (NMTC) with two new $5 billion allocation rounds - in 2012 and 2013 – of which $250 million per year would support the Healthy Food Financing Initiative in NMTC qualified communities. The budget also calls on Congress to authorize NMTC investors to offset Alternative Minimum Tax (AMT) liability.

In addition, the President proposes the creation of a New Manufacturing Communities Tax Credit, a $2 billion credit to support investments in communities that have suffered a major job loss event. The administration suggests that the new credit be structured under the New Markets Tax Credit.

Please join us to discuss the FY 2013 budget on the CDFI Coalition Member Call tomorrow at 5 p.m. tomorrow. The call in number is 605-475-4860 and the participant’s code is 568762.

Remember to REGISTER for the CDFI Coalition Institute. Visit [www.cdfi.org](http://www.cdfi.org) for more information.