

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Marks 20 Years of the Community Development Financial Institutions Fund

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WASHINGTON – The U.S. Treasury Department today marked 20 years of the Community Development Financial Institutions Fund (CDFI Fund), which to date has resulted in \$2 billion in monetary awards to community-based financial institutions, \$525 million in new bond guarantees, and \$40 billion in tax credits to support economic development in underserved areas throughout the nation. Secretary Jacob Lew, Deputy Secretary Sarah Bloom Raskin, and Treasurer Rosie Rios were joined by former Treasury Secretary Robert Rubin, former National Economic Council Director Gene Sperling, community development organizations, and business owners at the Treasury Department to recognize the CDFI Fund's impact and its ongoing efforts to support stronger economic growth in all communities.

"Because of the capital it unlocks, the CDFI Fund has made an enormous difference, from housing, health care, and business creation to job training, real estate development, and business services. The truth is, the CDFI Fund is making America stronger, one community at a time," said Treasury Secretary Jacob Lew in his remarks on the achievements of the CDFI Fund and its ongoing efforts to spur economic development.

Created on September 23, 1994, the CDFI Fund provides financial tools to specialized financial institutions, known as Community Development Financial Institutions (CDFIs), that serve low-income borrowers in underserved urban and rural areas. CDFIs use the CDFI Fund's grants, loans, equity investments, tax credits, and bond guarantees to fund their projects.

The CDFI Fund's programs help attract private sector investment to communities that lack access to mainstream financial institutions. Resources from the CDFI Fund are leveraged to finance vital community services, affordable housing units, workforce training facilities, and jobs. These resources can also go towards infrastructure and the development of commercial and residential real estate, as well as supporting new businesses and helping existing businesses grow. Additionally, CDFIs can provide financial products and services, such as home financing, to low-income individuals in underserved communities.

As part of today's commemoration ceremony, the Treasury Department also announced that it has guaranteed an additional \$200 million in bonds for the CDFI Fund's CDFI Bond Guarantee Program, bringing the total guaranteed to date to \$525 million. All of the bond proceeds will provide long-term, fixed rate capital for projects in low-income and underserved communities.

Based on its success to date, the Administration is committed to extending the CDFI Fund's strong track record of spurring economic development and job growth in underserved communities. The Administration's fiscal year 2015 budget proposal requested \$225 million to enable strong support for the CDFI Fund's key programs. Additionally, the Administration's proposal called for a permanent extension of the CDFI Fund's New Markets Tax Credit Program and proposed a one-year extension of the CDFI Bond Guarantee Program.

Learn more about the CDFI Fund, and the impact CDFIs make across the country, by visiting www.cdfifund.gov.

About the CDFI Fund

The Community Development Financial Institutions Fund (CDFI Fund) was created to promote economic and community development by empowering America's underserved and distressed communities. As part of the U.S. Department of the Treasury, the CDFI Fund fosters the creation and increases the capacity of community-based financial institutions through investments and assistance. By increasing funding to CDFIs that specialize in providing affordable credit, the CDFI Fund helps build businesses, create jobs, and revitalize neighborhoods.

About the CDFI Bond Guarantee Program

The CDFI Bond Guarantee Program provides CDFIs with access to significant capital by providing guarantees of bonds. With long-term credit at below-market interest rates, the CDFI Bond Guarantee Program is a groundbreaking effort to accelerate community economic growth and development. The bonds are fully guaranteed by the Treasury Secretary at no cost to the taxpayer and bond loans must be repaid by the CDFI borrower. The qualified issuer for the bond issue announced today is the Community Reinvestment Fund, which will provide bond loans to four eligible CDFIs for a range of job-building and community development projects.

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