

U.S. Treasury Awards \$1.25 Billion to CDFIs to Support Economic Relief in Underserved Communities Affected by COVID-19

June 15, 2021

Announcement Made by Vice President Harris Alongside Treasury Secretary Janet Yellen, U.S. Senator Mark Warner, and U.S. Representative Maxine Waters

WASHINGTON – The U.S. Department of the Treasury today awarded \$1.25 billion in COVID-19 relief funds to 863 community development financial institutions (CDFIs). The awards were announced today by Vice President Kamala Harris at the White House with Treasury Secretary Janet L. Yellen. The grants will be made through Treasury’s CDFI Rapid Response Program (CDFI RRP) and will provide necessary capital for CDFIs to respond to economic challenges created by the COVID-19 pandemic, particularly in underserved communities.

“In serving places that the financial sector historically hasn’t served well, CDFIs lift our whole economy up. We know that for every dollar injected into a CDFI, it catalyzes eight more dollars in private-sector investment, meaning that today’s announcement might lead to an additional \$10 billion in investment,” said Secretary Janet Yellen. “The President and the Vice President ran on a very ambitious agenda – ‘Build Back Better,’ unwinding systemic racism, creating an economy that works for everyone. I believe this is what that looks like in practice. By channeling more capital into CDFIs, we are translating those ideals into reality.”

The CDFI RRP grant funds will be used to support eligible activities such as financial products, financial services, development services, and certain operational activities, and to enable CDFIs to build capital reserves and loan-loss reserves. The CDFI Fund designed the program to disburse the funds rapidly in light of the nationwide economic impacts of the COVID-19 pandemic. The CDFI RRP was authorized by the Consolidated Appropriations Act, 2021.

“These awards provide CDFIs with an unprecedented level of flexible capital to help distressed and underserved communities across the country take meaningful steps towards recovering from the debilitating economic impacts of the COVID-19 pandemic,” said CDFI Fund Director Jodie Harris. “CDFI RRP awards will enable CDFIs to help businesses keep their

doors open, help families make ends meet, and help maintain important community facilities during this difficult time.”

CDFI RRP award recipients are headquartered in 48 states, the District of Columbia, Guam, and Puerto Rico. The award recipients include 58 organizations that committed to direct their awards to investments in Native American, Native Alaskan, and Native Hawaiian communities; they received a total of \$54.6 million in awards.

In addition, 28 organizations that primarily serve Puerto Rico received \$47.3 million in awards, and 90 minority depository institutions received a total of \$133.9 million in awards.

CDFI RRP awards will reach a wide variety of low-income communities across the United States impacted by the COVID-19 pandemic. The awardees include CDFIs that serve rural, major urban, and minor urban markets. Primary geographic markets served by CDFI RRP awardees include:

- Major urban areas: 339 organizations receiving \$478.7 million in awards
- Small urban areas: 277 organizations receiving \$414.2 million in awards
- Rural areas: 245 organizations receiving \$353 million in awards

A CDFI can be a bank, credit union, loan fund, or venture capital fund. The CDFI RRP award recipients include:

- Loan funds: 463 organizations receiving \$571.3 million in awards
- Credit unions: 244 organizations receiving \$401.8 million in awards
- Banking entities: 149 organizations receiving \$267.1 million in awards
- Venture capital funds: seven organizations receiving \$9.4 million in awards

For more information about the CDFI Fund and its programs, please visit www.cdfifund.gov.

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