

Secretary of the Treasury Janet L. Yellen and Vice President Kamala Harris to Announce \$8.7 billion in Investments for a More Equitable Economy at 2021 Freedman's Bank Forum

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Treasury will invest more than \$8.7 billion in community financial institutions for the purpose of lending in communities disproportionately impacted by the COVID-19 pandemic.

WASHINGTON — Today, U.S. Secretary of the Treasury Janet L. Yellen and Vice President Kamala Harris announced the deployment of more than \$8.7 billion in investments through the Emergency Capital Investment Program (ECIP) to increase lending to small and minority-owned businesses, and low- and moderate-income consumers in underserved communities, including rural areas. Secretary Yellen and Vice President Harris will highlight this significant investment, which will dramatically increase the work of 186 community financial institutions, at the 2021 Freedman's Bank Forum. ECIP enables Treasury to make direct investments in banks, credit unions and holding companies that are designated as a Community Development Financial Institution (CDFI) or a Minority Depository Institution (MDI).

“We know that the communities hurt most by COVID-19 have often been communities of color, and Treasury has implemented relief legislation with equity in mind,” said Secretary Janet L. Yellen. “Today, we’re seeing one result of that effort: Treasury, through the Emergency Capital Investment Program, is injecting nearly \$9 billion into Community Development Financial Institutions and Minority Depository Institutions.”

The institutions to which Treasury is offering an ECIP investment are headquartered in 36 states, the District of Columbia, and Guam. The states with the largest number of institutions being offered ECIP investments include Mississippi, Louisiana, North Carolina, California, and Texas. Among the institutions recommended for an ECIP investment, approximately 54% are banks and 46% are credit unions. The ECIP investments will range in size from over \$200 million to less than \$100,000. A total of \$3.1 billion in ECIP investments is being offered to 57 minority depository institutions.

CDFIs and MDIs often make smaller loans and work with borrowers who face barriers in our economy and may require more time-intensive and personalized technical support. ECIP

investments are designed to support mission-motivated institutions to increase responsible investments in low- and moderate-income and minority communities that have disproportionately suffered from the impacts of the COVID-19 pandemic. Treasury also expects that recipients will multiply the impact of ECIP by leveraging additional capital from private and philanthropic sources to further expand lending to their communities.

ECIP is part a suite of programs designed to address the economic impact of the pandemic in underserved communities through CDFIs or MDIs. The CDFI Rapid Response Program, jointly announced by Secretary Yellen and Vice President Harris in June 2021, made \$1.25 billion in grants available to CDFIs. In contrast, ECIP funds are being provided in the form of either preferred stock or subordinated debt investments by Treasury.

[Click here to view the institutions that received ECIP awards](#) .

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