


U.S. DEPARTMENT OF THE TREASURY

Biden–Harris Administration Announces Over \$8.28 Billion in Investments in Community Development Financial Institutions and Minority Depository Institutions through the Emergency Capital Investment Program

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Investments Will Provide Capital and Services to Low- and Moderate-Income and Financially Underserved Communities Hardest Hit by Pandemic

WASHINGTON – Today, Vice President Kamala Harris and Secretary of the Treasury Janet L. Yellen announced that the Department of the Treasury has made over \$8.28 billion of investments in 162 community financial institutions across the country through the Emergency Capital Investment Program (ECIP). These funds will support the efforts of community financial institutions to provide loans, grants, and other assistance to small and minority-owned businesses and consumers, especially in low-income and financially underserved communities that struggled during the COVID-19 crisis. The communities served by these ECIP investments are geographically diverse and many share a common characteristic of having suffered from a lack of investment as opportunity has been disproportionately concentrated in certain neighborhoods and areas of the country. The states receiving the most ECIP investments include Mississippi, Louisiana, North Carolina, California, and Texas. A full list of recipient institutions and investment amounts is available [here](#) .

“President Biden and I are fighting to build a nation in which every person, no matter where they start, has an opportunity to succeed and thrive. Community banks are essential to that goal,” said **Vice President Kamala Harris**. “Small businesses, non-profits, entrepreneurs, and community organizations are using the ECIP funds to create opportunity and prosperity, not only for their community, but for our nation.”

“These Emergency Capital Investment Program funds are providing opportunity to underserved communities across the country, helping them to regain their footing following the pandemic and strengthening their resilience against future shocks,” said **Secretary of the Treasury Janet L. Yellen**. “These critical investments represent a significant step toward

expanding access to the capital and services required to rebuild and fuel long-term economic growth.”

The community financial institutions that received investments through ECIP include banks, holding companies, and credit unions that are designated as community development financial institutions (CDFIs) or minority depository institutions (MDIs). These mission-driven financial institutions specialize in delivering responsible capital, credit, and financial services to underserved communities. ECIP provides an incentive for institutions to make qualified loans in minority, rural, and urban low-income and underserved communities and to low- and moderate- income borrowers. Institutions that achieve specified benchmarks for increasing their qualified lending will receive a reduction in the dividend or interest rate that they owe to Treasury under their investment.

In its implementation of the ECIP, Treasury is providing additional credit to ECIP participants toward this rate reduction for “deep impact lending,” including loans to low-income borrowers and underserved small businesses, for deeply affordable housing, and in persistent poverty communities. This additional credit recognizes the fact that the kind of lending that will be most impactful in achieving the statutory purpose of the program often requires more time and resources from the lender. This approach is designed to help level the playing field for borrowers that face the greatest barriers to accessing capital and will provide greater transparency into the impact of the program.

Examples of deep impact lending that have already been done by ECIP participants in recent months include:

- Native American Bank recently closed a \$10 million loan to finance an opioid addiction treatment facility in North Dakota, in partnership with a Tribe that used American Rescue Plan funds as seed funding for the facility.
- Carver State Bank, based in Georgia, recently extended a working capital loan in the amount of \$650,000 to an Atlanta-based, Black owned housing developer that is building affordable single-family homes.
- Optus Bank, based in South Carolina, lent \$4.5 million to a minority-owned, family entertainment center for its facilities and operations in a rural, persistent poverty county. The ECIP investment has allowed Optus to approve more than \$30 million in loans over the past four weeks, when their average monthly lending last year was about \$1 million.
- Latino Community Credit Union, based in North Carolina, recently closed a \$250,000 loan with a Latino family to finance a mortgage for their very first home.

- Hope Credit Union, based in Mississippi, recently made a \$10,000 small business loan to a Black and Woman owned organic and fresh roasted coffee distribution business based in Louisiana to expand operations.
- Southern Bancorp, based in Arkansas, made an approximately \$700,000 loan to a 501(c)(3) rural, affordable housing provider, which is run by an African American female developer; the proceeds are being used to purchase and develop 82 acres of land in a persistent poverty county to build single family homes as affordable rental units.

ECIP is one program in a suite of federal investments that are providing access to capital in communities that face barriers to full participation in our financial system, including almost \$10 billion through the [State Small Business Credit Initiative](#), \$1.25 billion through the [CDFI Rapid Response Program](#), and the \$1.75 billion [CDFI Equitable Recovery Program](#). Together, these programs are an historic investment by the Biden-Harris Administration in CDFIs, MDIs, and community development.

For more information about ECIP, please visit <https://home.treasury.gov/policy-issues/cares/emergency-capital-investment-program>.

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