

U.S. DEPARTMENT OF THE TREASURY

Vice President Harris, Treasury Department Announce Over \$1.73 Billion to Improve Access to Capital, Financial Services in Underserved Communities

April 10, 2023

Treasury Department grants awarded to mission-driven community development financial institutions specializing in delivering responsible capital, credit, and financial services to underserved communities.

WASHINGTON – Today, Vice President Kamala Harris and Deputy Secretary of the Treasury Wally Adeyemo announced that the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) has awarded over \$1.73 billion in grants to 603 Community Development Financial Institutions (CDFIs) across the country through the CDFI [Equitable Recovery Program](#) (ERP). These funds will strengthen the ability of CDFIs to help low- and moderate-income communities recover from the COVID-19 pandemic and invest in long-term prosperity.

“When we invest in community lenders, we help build a future where all people—no matter who they are or where they start—have the resources they need not only to succeed but to thrive, said Vice President Kamala Harris. “These grants—representing the largest CDFI grant program in history – will enable hundreds of community lenders to invest in small businesses and entrepreneurs, and also provide home loans for families, financial services for local nonprofits, and capital for community organizations.”

“These grant funds will be transformative for grantees that are building a more equitable, resilient economy, along with helping sustain our strong economic recovery” said Secretary of the Treasury Janet L. Yellen. “These critical resources will allow mission-driven lenders to expand access to capital in financially underserved communities, which will help increase contributions to long-term economic growth.”

“Today’s awards represent a truly historic opportunity to accelerate efforts in America’s distressed and underserved communities to overcome the persistent economic effects of the COVID-19 pandemic,” said CDFI Fund Director Jodie Harris. “The more than \$1.73 billion in CDFI ERP funding that is being awarded to CDFIs will be utilized to implement initiatives that, among other things, increase availability of financing and capital for small businesses, promote affordable housing, and improve accessibility to loans that help families make ends meet—all of which were compromised by the pandemic, and are vital to community resilience, sustainability and economic prosperity.”

ERP is a competitive grant program designed to provide funding to CDFIs to expand lending, grant making, and investment activities in low- or moderate-income communities, which have significant unmet capital and financial services needs and have experienced disproportionate economic impacts from the COVID-19 pandemic. It will also enable CDFIs to build organizational capacity and acquire technology, staff, and other tools necessary to accomplish these goals.

The institutions that received grants through CDFI ERP include banks, holding companies, and credit unions as well as non-depository loan funds and venture funds that are designated as CDFIs by the Treasury Department’s CDFI Fund. These mission-driven financial institutions specialize in delivering responsible capital, credit, and financial services to underserved communities.

CDFI ERP 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. The [State Small Business Credit Initiative](#), reauthorized and expanded under the American Rescue Plan, has provided nearly \$10 billion to support small businesses in underserved communities; the [Emergency Capital Investment Program \(ECIP\)](#) has distributed nearly \$9 billion to CDFIs and MDIs to improve access to capital; and the [CDFI Rapid Response Program](#) has provided \$1.25 billion to hundreds of CDFIs to support economic development and improve access to capital. Together, these programs are an historic investment by the Biden-Harris Administration in small businesses, CDFIs, MDIs, and community development in underserved neighborhoods throughout the country. For more information on Treasury’s approach to community finance, please see [this blog](#) from Assistant Secretary for Financial Institutions Graham Steele

The CDFI ERP grant funds may be used to support lending related to small businesses and microenterprises, community facilities, affordable housing, commercial real estate, and intermediary lending to non-profits and CDFIs. The funds can also be used to for financial services, development services to support borrowers, and operational support for the CDFI grant recipient.

Examples of lending activity to which CDFI ERP recipients have committed include:

- 222 Recipients committed to serve Low- or Moderate-Income Majority Minority Census Tracts received a total of \$705.6 million in awards;
- 179 Recipients committed to serve Minority individuals or to Minority-owned or Controlled businesses received a total of \$420.6 million in awards;
- 134 Recipients committed to serve Persistent Poverty Counties, Native Areas and/or U.S. Territories received a total of \$441.5 million in awards;
- 40 Recipients committed to serve small businesses and farms received a total of \$99.7 million in awards; and

A full list of today's recipient institutions and grant amounts is available [here](#). 

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