



FY'16 CDFI FUND APPROPRIATIONS REQUEST DOCUMENT

FY 2016 Programmatic Appropriations Request

\$233.5 Million
Community Development Financial Institutions (CDFI) Fund



Appropriations Subcommittee	Agency	Accounts
Financial Services & General Government	Department of Treasury	Community Development Financial Institutions Program Account

Programmatic Funding Request for CDFI Fund

Amount Requested for FY 16:	\$ 233.5 million
Amount included in FY16 President's Budget:	\$ 233.5 million
Amount Increase/Decrease over FY16 President's Budget:	\$0
Amount Appropriated for FY15	\$230.5 million
Amount Increase/Decrease over FY15:	\$ 3.0 million

The CDFI Coalition urges Congress to appropriate \$233.5 million to support CDFI Fund programs and activities in FY 2016 with no less than \$174.6 million to fund Financial Assistance (FA) and Technical Assistance (TA) grants including \$22 million for the Healthy Foods Financing Initiative, \$16 million for the Native CDFI initiative, \$18 million for Bank Enterprise Awards, and \$24.9 for CDFI Fund administrative costs including costs associated with the New Markets Tax Credit, the Capital Magnet Fund and the CDFI Bond Initiative. While the Coalition supports efforts like the Healthy Foods Financing Initiative we have had a long-standing policy of opposing 'set asides' within the CDFI Fund program account because we believe increasing funding for Financial and Technical Assistance provides the Fund with flexibility and maintains its ability to set program priorities in its annual request for proposal process. The chart below identifies the FY 2016 request broken down by program area or activity.

Appropriations History:

FY 2011 to FY 2014; President's FY 2016 Request; and CDFI Coalition' FY 2016 Request

(\$ in millions)

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16 Budget Request	FY 16 CDFI Coalition Request
CDFI Fund Appropriation	\$ 227	\$221	\$221	\$226	230.5	233.5	233.5
- CDFI Program (FA/TA) (Healthy Foods)	175 (25)	168 (22)	168 (22)	167.5 (22)	174.4 (22)	192.6 (35)	174.6
- Native Initiatives	12	12	12	15	15	16	16
- Bank Enterprise Award	22	18	18	18	18	0	18
- Admin Expenses	18	23	23	24.6	23.1	24.9	24.9
CDFI Bond Program*	<i>n/a</i>	<i>n/a</i>	500	750	750	1000	1000

*The CDFI Bond Program does not require an appropriation

In addition, the Coalition supports the President's Budget request to waive the match requirement for Small and/or Emerging CDFI Assistance awards and for awards made under the Native CDFI Initiative.

The Coalition also urges Congress to extend the CDFI Bond Program's guarantee authority through FY 2016 with up to \$1 billion in guarantee authority for the year.

Program Description and Justification for FY16 Request

The Community Development Financial Institutions Fund (CDFI Fund) was established within the U.S. Department of Treasury in 1994¹ to promote community development in economically distressed urban and rural communities by investing in and growing **Community Development Financial Institutions** (CDFIs) across the country.

CDFIs, are mission-driven financial institutions that specialize in delivering affordable credit, capital, and financial services to residents and businesses in minority and economically distressed communities. As community based financial institutions CDFIs understand and can respond effectively to the needs of their target market. CDFIs provide the flexible, market-driven products and services that consumers and small business owners need to grow and thrive. CDFIs fill a vital niche in the nation's financial services delivery system by serving communities and market sectors that conventional lenders cannot - with the ultimate goal of bringing CDFI customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.

There are currently 926 certified CDFIs working in low-wealth communities in all 50 states and the District of Columbia. In addition to overseeing CDFI certification, the CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services to underserved communities. CDFI Fund programs include: **Financial Assistance (FA) awards** to certified CDFIs and **Technical Assistance (TA) grants** to certified or emerging CDFIs; the **Native American CDFI Assistance (NACA) Program** aimed at increasing the number and capacity of CDFIs serving native communities; and the **Bank Enterprise Award (BEA) Program** providing monetary awards to FDIC-insured banks that invest in low-income communities and/or in CDFIs.

Since 1994, the CDFI Fund has awarded more than \$2 billion on a competitive basis to CDFIs, including Native American CDFIs, small and emerging CDFIs and financial institutions through the BEA Program. The list of institutions certified as CDFIs includes 504 loan funds, 242 credit unions, 162 bank holding companies, banks or thrifts, and 14 venture capital funds, located in rural and urban areas in all 50 states as well as the District of Columbia, Puerto Rico, and Guam.

In FY 2014, CDFIs made over 28,000 loans or investments totaling nearly \$3 billion, financed over 12,000 small businesses and over 25,000 housing units and created more than 35,000 jobs.

- **Amount of Total Loans/Investments Originated: \$2,75,152,949**
Number of Total Loans/Investments Originated: 28,117
- **Business and Microenterprise Originations: \$643,338,268**
Number of Originations: 8,173
- **Consumer Originations: \$45,342,740**
Number of Originations: 6,583
- **Home Improvement and Home Purchase Originations: \$484,838,792**
Number of Originations 7,112
- **Residential Real Estate Originations: \$452,842,614**
Number of Originations: 1,029
- **Commercial Real Estate Originations: \$278,930,277**
Number of Originations: 353
- **All Other Originations: \$231,965,888**
Number of Originations: 1,035
- **Affordable Housing Units Financed: 17,732**
Rental Units 15,648 and Owner Units: 2,082
- **Businesses Financed: 6,558**
- **Financial Access and Literacy**
Individuals Served by Financial Literacy or Other Training: 293,666

¹The CDFI Fund was authorized as part of the *Riegle Community Development and Regulatory Improvement Act (PL 103-325)*.