



SUPPORT THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI) FUND

The Community Development Financial Institutions (CDFI) Fund was established in 1994 by the Riegle Community Development and Regulatory Improvement Act and is administered by the Treasury Department. It makes capital grants, equity investments and awards for technical assistance to community development financial institutions.

Examples of CDFIs include community development banks, community development credit unions, community development loan and venture capital funds, and microenterprise loan funds. CDFIs are required to provide a 1:1 match for most of the awarded funds, which are offered on a competitive basis. CDFIs finance community development initiatives such as small businesses, community facilities, and low-income housing.

CDFIs such as Community Development Credit Unions (CDCUs) are charged with supplying low income, distressed communities with traditional banking services such as savings accounts and personal loans and offering individuals the tools needed to become self-sufficient stakeholders in their own future.

The CDFI Fund uses small amounts of federal dollars to leverage significant amounts of private and non-federal dollars and has added a tremendous boost to the CDFI industry (which relies heavily upon private sector funds from corporations, individuals, religious institutions, and private foundations).

Credit unions benefit from CDFI certification in many ways:

- CDFIs are eligible to apply for grants from the CDFI fund to expand services to financially underserved communities.
- CDFIs have access to additional training resources.
- Membership in a learning community of like-minded credit unions.
- CDFIs are exempt from the National Credit Union Administration's (NCUA) member business lending cap.
- CDFIs have limited exemptions under Consumer Financial Protection Bureau (CFPB) Qualified Mortgage and Ability-to-Pay rules.

Senate/House Ask: Support full funding for the CDFI in the appropriations process.