
Talking About CDFIs

Key Messages on the Impact

- ◆ **CDFIs are mission-driven financial institutions that deliver affordable credit, capital, and financial services to residents and businesses in minority and economically distressed communities.**
 - ◇ Over 1,100 CDFIs have been certified to work in low-wealth communities across the country, including Native CDFIs, loan funds, credit unions, depository institution holding companies, banks or thrifts, and venture capital funds.
 - ◇ CDFIs are located in rural and urban areas in all 50 states as well as the District of Columbia, Puerto Rico, and Guam.
 - ◇ Since 1994, the CDFI Fund has awarded more than \$3.4 billion on a competitive basis to CDFIs including Native CDFIs, small and emerging CDFIs and financial institutions through the TA, FA, BEA, and NACA Programs.
- ◆ **The \$1 billion in the HEROES Act for CDFIs would provide much needed access to capital for struggling rural and urban communities now and in the future. In addition, it will allow CDFIs to continue to finance Paycheck Protection Program (PPP) loans.**
 - ◇ The \$1 billion request is modest relative to the size and scope of the CDFI industry. Currently, there are 1,131 CDFIs with a collective total of \$211 billion in total assets and total outstanding portfolios of \$158.7 billion. The \$1 billion request represents a modest 0.47 percent of total CDFI industry assets.
- ◆ **The underbanked communities in which CDFIs operate have good business opportunities, but lack access to patient capital.**
 - ◇ CDFIs emerged in response to the fact that many urban neighborhoods and rural areas, particularly those with high rates of poverty and unemployment, are underserved by traditional financial institutions.
 - ◇ By leveraging over \$12 in private capital to every \$1 in federal support, CDFIs are filling the yawning credit gap encountered in many communities, creating jobs improving housing and community facilities and creating economic opportunity.
 - ◇ The ultimate goal is to bring CDFI customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.
- ◆ **CDFIs finance improved access to affordable housing, critical community facilities, and charter schools, as well as providing financing for small and growing businesses, leveraging millions of dollars for investment, improving services for the community and creating jobs and opportunities.**
 - ◇ In FY 2019, CDFIs program awardees made over 772,000 loans or investments totaling nearly \$21.5 billion, including loans to over 23,000 small businesses. The average size of each loan or investment was under \$28,000. Additional details of this activity include:
 - ⇒ 23,030 microloans;
 - ⇒ 697,854 consumer loans totaling \$9 billion;
 - ⇒ 42,006 home improvement or home purchase loans equaling \$4.4 billion; and
 - ⇒ 51,359 affordable housing units financed.