



219 Waterford Square, Suite 1
Madison, Mississippi 39110

Holly R. Logue, President & CEO
601.427.9070 Main

CDFI Program - Financial Assistance

CDFIs can receive holistic support through the CDFI Program, which uses monetary awards and training opportunities to invest in and build the capacity of CDFIs, empowering them to grow, achieve organizational sustainability, and drive community revitalization. These competitive awards support and enhance the ability of these organizations to meet the needs of the communities they serve.

Financial Assistance (FA) awards of up to \$1 million allow CDFIs to sustain and expand their products and services as outlined in their funding applications. FA awards can be used for lending capital, loan loss reserves, capital reserves, operations, and development services to achieve at least one of the following FA objectives: increase volume of products or services, provide new products or services, expand operations into new geographic areas, or service new targeted populations.

The CDFI Program also provides supplemental awards for specialized CDFI activities, including Persistent Poverty Counties-Financial Assistance (PPC-FA) awards, Disability Funds-Financial Assistance (DF-FA) awards, and Healthy Food Financing Initiative-Financial Assistance (HFFI-FA) awards. More information about these awards can be found on the CDFI Fund's website.

ESTIMATED AWARDS

Receipt of an FA award is based on a competitive, subjective grant application that analyzes your Business Strategy, Products and Services, Market and Competitive Analysis, Management and Staffing, Financial Position, as well as Growth and Projections. A successful FA Application tells a consistent, compelling story about the organization's ability to leverage FA award dollars into significant loan **GROWTH** that meets the needs of the residents and businesses located in your market, a **NEW PRODUCT** that meets and identified need and creates impact, or increased lending in a **NEW GEOGRAPHY** that needs the products and services you uniquely provide.

Further, the Application must demonstrate that financial projections are feasible, achievable, and consistent with the organization's strategic plan. We will discuss the demographics and needs of your market, how your products and services meet those needs, and the impact your products and services have on the residents and businesses in your community. We will describe your community collaboration, identify your competitors and what sets you apart from your competitors, associated risk and steps you have taken to mitigate those risks, your management team and track record indicating the ability to execute strategic goals.

QUALIFIED ACTIVITY

- **GROWTH** – On-balance sheet loan originations in CDFI eligible markets. Must project 3-years of activity that is at a minimum equal to the cumulative sum of your 3-year historic activity plus a multiple of the award requested.
- **NEW PRODUCT** – On-balance sheet loan originations in CDFI eligible markets. Loan originations in this new product from the most recent historic fiscal year must be less than 5% of total loans originated in that same year.
- **NEW GEOGRAPHY** – 3-year historic average of loan originations in this new market must be less than 5% of the average of total loans originated in that same historic period. A new market cannot be smaller than a county. Only loans in CDFI eligible census tracts can be counted toward achieving the projected activity.

COMPLIANCE & PROJECTIONS REQUIREMENTS

Must project three years of activity. If you receive an award, you must achieve 90% of your projections on the following schedule: 25% by end of year 1, 50% by end of year 2, and 90% by end of year 3.

FINDINGS FROM FY22 FA AWARDEES

- For the FY 2022 funding round, the CDFI Funds received applications from 429 organizations requesting \$380.9 million in Base-FA awards. Of those applicants, 346 CORE applicants requested \$330.1 million in awards, and 83 SECA applicants requested \$50.8 million in awards. (CORE applicants exceed \$250MM in total assets while SECA applicants are less than \$250MM in total assets or less than 3 years in operation).
- The CDFI Fund awarded 233 CDFIS with Base-FA amounts totaling \$127.1 million. Award recipients represented 41 states, the District of Columbia, and Puerto Rico. Core applicants receiving awards numbered 185 and totaled \$110.3 million, while SECA applicants receiving awards numbered 48 and totaled \$16.8 million.
- Organizations receiving funds included Loan Funds (121), Credit Unions (72), Banks/Bank Holding Companies (38), and Venture Capital Funds (2). Geographic markets receiving awards included Major Urban (85), Micropolitan (15), Minor Urban (77), and Rural (55).
- Of all Base-FA award recipients, 175 committed a Financial Assistance Objective to increase the volume of products and services, representing 75% of total awards; 43 committed to provide new products or services, representing 18%; and 17 committed to expand operations into new geographic areas, representing 7%.