

CDFIs in North Carolina

Community Development Financial Institutions

mission-driven

What are CDFIs?

CDFIs are mission-driven financial institutions that provide financial products and services to people and communities underserved by traditional financial institutions.

More than 900 CDFIs have been certified by the CDFI Fund in the Department of Treasury. They operate in low-wealth communities in all 50 states and the District of Columbia. CDFIs can be banks, credit unions, loan funds, venture capital funds, community development corporations or microenterprise loan funds. All are united in their primary mission of community development.

Why are CDFIs needed?

CDFIs fill a vital niche in the nation's financial services delivery system, offering loan products and financial services to families or in communities that are difficult for traditional financial institutions to serve. They provide loans and investments to support the development of quality affordable housing, finance businesses, and finance community facilities, including health centers, daycare and education facilities, all with the level of technical assistance needed by their borrowers. CDFIs often serve "micro" borrowers and offer a range of business assistance services to help them succeed. Through their lending and investing CDFIs create jobs and build wealth for low income individuals. Many CDFIs also provide basic financial services to the unbanked and products to combat predatory lending in addition to mortgage products for lower income borrowers. Those services frequently incorporate technical assistance and training such as financial literacy and education, housing or foreclosure counseling and other types of training.

A Unique Federal Partner: The CDFI Fund

The US Treasury Department's CDFI Fund is an innovative federal agency created to support the growth of CDFIs and to build their capacity to greater expand the availability of credit, investment capital and financial services in distressed urban and rural communities. The CDFI Fund administers a range of programs accessible to CDFIs. Foremost is the Financial and Technical Assistance program, a competitive grant program that provides capital to CDFIs to carry out their business plans. Since its first round of funding in 1996, the CDFI Fund has made almost \$875 million in awards for the FA and TA Program. In total, since its creation in 1994, the CDFI Fund has awarded \$1.36 billion to CDFIs, community development organizations, and financial institutions through the CDFI Program, the Bank Enterprise Award (BEA) Program, and the Native Initiatives. In addition, the CDFI Fund has allocated \$26 billion in tax credit authority to Community Development Entities (CDEs) through the NMTC Program.

Visit www.cdfifund.gov for more information.

Number of CDFIs in North Carolina:

20

Total \$ value of CDFI Fund awards to North Carolina organizations since 1996:

\$68,954,494

New Markets Tax Credits awards to North Carolina since 2002:

\$830,000,000

Putting CDFI Fund Dollars to Work:

North Carolina CDFIs bring capital and credit to low-income communities

Samuel Jenkins was patient, working in 13 different shops before he opened his own business. When the time was right, he purchasing the shop on Angier Avenue in East Durham. Self-Help and the City of Durham worked with Samuel to make it happen. Samuel knows how to run a barbershop. Keep the floors tidy. Provide plenty of seating so the shop serves as a community center. Make everyone happy - and play up Triangle sports rivalries - by recognizing UNC, Duke, and NC Central with wall decorations. Samuel's an entrepreneur with an eye for opportunity. Little more than year after receiving his first loan, an additional Self-Help loan helped him improve his shop. Indoors, he lowered the ceiling and moved a wall. Outside, he installed a fence to give neighborhood folks an inviting area to sit. Samuel is deeply connected with his East Durham community and wants to help bolster the neighborhood's economic climate and quality of life. "I work for the public," Samuel says. "They expect a lot out of me; I expect a lot out of them."

Self-Help provides financing for home purchases, for non-profits and small businesspeople like Samuel. He's also a community leader and mentor to many. This is exactly the sort of niche lending that helps families build wealth and strengthens communities.

Contact: Self-Help, 301 West Main Street, Durham, NC 27701, www.self-help.org

bridge the gap

CDFIs in North Carolina

double bottom line

Where do CDFIs get their money?

CDFIs are capitalized by a diverse group of investors, all attracted by CDFIs' double bottom line. CDFIs combine financial return with a social return. Investors include individuals, religious institutions, foundations, corporations, federal and state government, banks and thrifts, non-depository financial institutions (such as insurance companies or mutual funds), national intermediaries, credit unions and others. The top four investors in CDFIs are:

- **Individuals**, primarily in the form of savings and checking accounts in community development banks and credit unions. Some wealthy "angel investors" make equity investments in venture capital funds.
- **Banks and Thrifts**, mostly mainstream institutions making loans to loan funds for re-lending. They often receive CRA credit for these activities.
- **Non-depository financial institutions**, primarily finance companies, but also insurance companies and socially responsible mutual funds. Most make loans to loan funds for re-lending.
- **Corporations**, mostly as deposits in community development banks.

Investment by the Federal Government accounts for only 7% of all CDFI capital. However, it is important to note that federal money leverages private sector capital.

CDFIs in North Carolina

Charlotte-Mecklenburg Housing Partnership
Charlotte
www.cmhp.org

Cooperative Fund of New England
Wilmington
www.cooperativefund.org

First Legacy Community Credit Union
Charlotte
<http://firstlegacyccu.org/>

Generations Community Credit Union
Durham
www.gencomcu.org

Greater Kinston Credit Union
Kinston
www.greaterkinstoncreditunion.com

Latino Community Credit Union
Durham
www.latinoccu.org

Lumbee Revitalization and Community Development Corporation
Pembroke
www.lumbee.org/lrcdc.html

MAY Coalition, Inc.
Spruce Pine
www.maycoalition.org

Mechanics and Farmers Bank
Durham
www.mfbonline.com

Mountain BizCapital
Asheville
www.mountainbizworks.org

Mountain Housing Opportunities Loan Fund
Asheville
www.mtnhousing.org

North Carolina Community Development Initiative
Raleigh
www.ncinitiative.org

North Carolina Minority Support Center, Inc.
Durham
www.ncmsc.org

Nuestro Banco
Raleigh
www.nuestro-banco.com

Rural Economic Development Center, Inc.
Raleigh
www.ncruralcenter.org

Self-Help Federal Credit Union
Durham
www.self-help.org

Self-Help Ventures Fund
Durham
www.self-help.org

SJF Ventures II LP
Durham
www.sjfund.com

Sustainable Jobs Fund, L.P.
Durham
www.sjfund.com

The Sequoyah Fund, Inc.
Cherokee
www.sequoyahfund.org

social return