



Proposed Legislation: Emergency Support for CDFIs and Communities for Disaster Assistance

- (a) APPROPRIATION.—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for fiscal 2025 for the Community Development Financial institutions fund program account, emergency support to carry out this section, \$500,000,000, which shall remain available until expended for technical and financial assistance in any state or territory determined by the President to warrant individual or individual public aid from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act between [Dates TBD]. Provided that the Fund shall provide grants to certified CDFIs for:
- (1) modifications, deferral, and forgiveness of existing loans;
 - (2) financing for recovery and revitalization of housing, small business, and community facilities; and
 - (3) Other related and administrative costs.

Justification:

CDFIs are uniquely positioned to deliver swift and targeted financial relief to vulnerable communities during times of crisis. With deep-rooted relationships in low-income and underserved areas, CDFIs are ideal partners for distributing emergency funds to small businesses, homeowners, and individuals who are often overlooked by traditional financial institutions and underserved by complex federal disaster relief programs. In the wake of disasters, access to affordable capital is essential for recovery, rebuilding, and resilience. CDFIs can ensure that this assistance reaches those who need it most, including minority-owned businesses, Native Americans, and rural communities. An emergency \$500 million appropriation would empower CDFIs to respond quickly and effectively, helping stabilize local economies and expedite recovery efforts where the need is greatest.

The program's administration would be similar to the CDFI Fund's Rapid Response Program (RRP), established in the wake of the pandemic. The Consolidated Appropriations Act 2021 (PL 116-260) provided \$1.25 billion for CDFIs to provide technical and financial services to communities and businesses hard hit by the pandemic.

Based on CDFI performance using proceeds from RRP awards,¹ the CDFI Coalition projects that the CDFIs will use \$500 million in supplemental appropriations to:

- Make over 165,000 loans and investments totaling \$5.92 billion, including:
 - \$2.2 billion in flexible consumer loans;
 - \$1.24 billion in affordable home improvement and purchase loans;
 - \$840 million in small business and microenterprise loans;
 - \$520 million in residential real estate financing; and
 - 4,600 units of affordable housing.

Learn more: <https://cdfi.org/disaster-relief/>

¹ CDFI Fund FY 2024 Agency Financial Report.