

**Programmatic Funding Request for CDFI Fund
FY 2025 Appropriations - February 2025
\$354 million for Community Development Financial Institutions (CDFI) Fund**

Appropriations Subcommittee	Agency	Account(s)
Financial Services & General Government	Department of Treasury	Community Development Financial Institutions Program Account

The Community Development Financial Institutions Fund (CDFI Fund), established within the U.S. Department of Treasury in 1994¹, promotes community and economic development in distressed urban and rural communities by investing in and growing CDFIs nationwide. The CDFI Fund administers a range of innovative and effective programs, including the New Markets Tax Credit.

The CDFI Coalition requests a final Fiscal Year 2025 appropriation of \$354 million for the CDFI Fund, as recommended by the Senate Appropriations Committee.

CDFIs significantly leverage CDFI Fund resources in communities and with people left out of the economic mainstream, generating \$12 in private capital for every dollar in CDFI grants. CDFIs fill a vital niche in the nation's financial services delivery system by serving communities and market sectors conventional lenders cannot - with the ultimate goal of bringing CDFI customers into the mainstream economy as bank and credit union customers, homeowners, and entrepreneurs.

In addition to overseeing CDFI certification, the CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services. With that federal capital and financing from other private and public sources, CDFIs make loans and investments in small businesses, housing, and community facilities. Types of awards provided by the CDFI Fund include:

- Financial Assistance awards to CDFIs, which must be matched dollar for dollar with non-federal funds;
- Technical Assistance awards to small and emerging CDFIs;
- Native American CDFI Assistance Program to increase the number and capacity of CDFIs serving Native communities;
- Bank Enterprise Awards program to provide monetary awards to FDIC-insured banks that invest in low-income communities and CDFIs; and
- Small Dollar Loan program to support lower-cost consumer lending.

An appropriation along the lines of the Senate Appropriations Committee recommendation of \$354 million will result in \$4 billion in new investment in low-income communities, including more than 100,000 loans and investments in businesses, nearly 700,000 consumer and homeownership loans,

¹ The CDFI Fund was authorized as part of the *Riegle Community Development and Regulatory Improvement Act (PL 103-325)*.

over 34,000 affordable homes created or preserved, and thousands of loans and investments in childcare centers, health centers, and community facilities.

CDFIs are mission-driven financial institutions delivering affordable credit, development services, capital, and financial services to residents and businesses in communities often overlooked by conventional private capital.

CDFIs - BY THE NUMBERS

- 1,426 Treasury-certified CDFIs², including 64 Native CDFIs, had been certified to work in communities nationwide as of January 2025.
- Certified CDFIs include 561 loan funds, 495 credit unions, 160 depository institution holding companies, 196 banks or thrifts, and 14 venture capital funds in rural, urban, and suburban areas in all 50 states and the District of Columbia, Puerto Rico, and Guam.
- In FY 24, CDFI Fund Program Award recipients financed more than 109,000 businesses, provided funding for more than 45,000 affordable homes and originated almost \$24.5 billion in loans and investments.

FY25 APPROPRIATIONS INFORMATION

Treasury Programs \$ in millions	FY23 Final	FY24 Final	FY25 Budget	FY25 House Committee	FY 25 Senate Committee
CDFI Fund	\$324	\$324	\$324.9	\$276.6	\$354
CDFI FA/TA Grant Programs	196	188	210	170	191
Native Initiative	25	28	25	35	35
Healthy Food Financing Initiative	24	24	0	0	24
Bank Enterprise Award	35	40	35	35	40
Admin and Research	35	35	35.9	33.6	45
Disabilities Fund*	10	10	10	10	10
Small Dollar Loan Fund	9	9	9	3	9
Economic Mobility Corps*	2	2	0	0	2
Bond Program subsidy	0	0	10	0	10
Bond Guarantee program authority	500	500	500	500	500

*set aside from FA/TA

Contact: Bob Rapoza, Rapoza Associates, bob@rapoza.org

² To be eligible for CDFI certification an organization must be a non-governmental entity (with the exception of Tribal governmental entities); with a primary mission of promoting community development; that provides both financial and educational services to one or more defined low-income target markets; and is accountable to the target market it serves. Number current as of 1/1/2025.