



## **U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS**

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### **US TREASURY AWARDS \$54.2 MILLION TO BENEFIT ORGANIZATIONS SERVING ECONOMICALLY DISTRESSED COMMUNITIES NATIONWIDE**

**Port Angeles, Wash.** – Director Donna J. Gambrell, of the U.S. Department of the Treasury’s Community Development Financial Institutions (CDFI) Fund, visited Port Angeles, Wash. today to announce awards totaling \$54,181,733 for 89 organizations serving economically distressed communities across the nation. The awards are being made through the fiscal year 2008 round of the CDFI Program. The award recipient organizations are headquartered in 38 states and the District of Columbia.

“Port Angeles is a long way from the nation’s capital, but we selected this location to make our FY 2008 national award announcement to highlight how CDFIs are successful at implementing innovative approaches to rural economic development,” said CDFI Fund Director Gambrell. “By embracing new traditions of sustainability and economic diversification, CDFIs are helping to map the future of rural revitalization and growth.”

Treasury held the national award announcement at the Incubator at Lincoln Center in Port Angeles to highlight the three Pacific Northwest-based award recipients: Shorebank Enterprise Cascadia (Ilwaco, WA); Washington Community Alliance for Self-Help (Seattle, WA); and Innovative Housing, Inc. (Portland, OR). In addition, the announcement focuses on the work of many CDFIs in support of the nation’s rural communities, bringing residents greater access to affordable credit, capital and financial services. Many CDFIs focus on a “triple bottom line” where the success of their investments is measured not just by financial return but also through community impacts and environmental benefits in the communities they serve.

The awardees were selected after a competitive review of 225 applications received by the CDFI Fund from organizations across the nation that requested, in total, more than \$205 million in funding under the FY 2008 round of the CDFI Program.

Since inception, the CDFI Fund has made almost 1,500 awards for over \$625 million through the CDFI Program.

#### **Background**

Through the CDFI Program, the CDFI Fund invests in and builds the capacity of existing private, for-profit and nonprofit community-based lending organizations known as Community Development Financial Institutions (CDFIs) that serve rural and urban low-income people and communities across the nation that lack adequate access to affordable financial products and services.

The CDFI Program consists of two types of monetary awards: Financial Assistance and Technical Assistance. The program is funded through an annual appropriation from the United States Congress. The CDFI Fund receives applications on an annual basis and awards funds through a competitive process. Since inception, the CDFI Fund has awarded over \$625 million through the CDFI Program. In FY 2008, 66 CDFIs received \$52 million in Financial Assistance or a combination of Financial Assistance and Technical Assistance awards and 23 organizations received \$2 million in only Technical Assistance awards.

#### Financial Assistance

Financial Assistance awards allow the CDFI Fund to achieve economic and community development impact by investing in CDFIs that demonstrate the financial and managerial capacity to provide affordable financial products and services to low-income communities and populations. Financial Assistance awards are made only to certified CDFIs (meaning, they have been certified by the CDFI Fund prior to applying for funds), which includes both mature CDFIs and small and emerging CDFIs.

Financial Assistance awards are made in the form of equity investments, loans, deposits, or grants, depending on the form of the applicant's matching funds. Financial Assistance awards must be matched with non-federal funds of the same type, on a dollar-for-dollar basis. Through the match requirement, CDFIs leverage private capital to respond to demand for affordable financial products and services in economically distressed markets and by low-income people. CDFIs respond to this demand by providing loans, investments, training, technical assistance, and basic financial services such as checking and savings accounts.

#### Technical Assistance

Through Technical Assistance awards, in the form of grants, the CDFI Fund assists start-up and existing CDFIs to build their organizational capacity to serve their target markets. Both certified and non-certified CDFIs are eligible to apply for Technical Assistance awards; non-certified organizations must meet CDFI certification requirements within three years.

Technical Assistance awards can be used for multiple purposes, including purchasing equipment, materials, supplies, and consulting and contracting services. A Technical Assistance award can also be used to pay for certain personnel salaries/benefits and to train staff or board members. Established CDFIs often use Technical Assistance awards to build their capacity to provide new products, serve current markets in new ways, or enhance the efficiency of their operations. Newer CDFIs often use their Technical Assistance awards to undertake market studies, develop underwriting policies, and purchase computer equipment.

For more information on the CDFI Program, please visit [www.cdfifund.gov](http://www.cdfifund.gov).