ANNUAL REPORT

FISCAL YEAR 2024

Community Development Financial Institutions Fund

U.S. Department of the Treasury

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Notes:

Capitalized terms used but not defined in this document have the meanings as defined in the CDFI Fund's authorizing statute, applicable program regulations, or applicable notice of availability.

Numerals with decimal units are shown to one decimal place and are rounded to the nearest tenth. For example, 1.24 million is rounded down to 1.2 million, and 1.25 is rounded up to 1.3 million.

MESSAGE FROM THE DIRECTOR

I am pleased to present the fiscal year (FY) 2024 Annual Report for the U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund).

This year marks an important milestone for the CDFI Fund and the community development finance industry. Thirty years ago, on September 23, 1994, President Bill Clinton signed the Riegle Community Development and Regulatory Improvement Act of 1994, which created the CDFI Fund. With this Annual Report, we highlight our work over the last fiscal year, and celebrate all that has been accomplished over those 30 years. This includes the efforts of the CDFI Fund to deploy billions of dollars in resources to and through CDFIs across the country.

Since its inception in 1994, the CDFI Fund has provided more than $8 billion through a variety of monetary award programs, $81 billion in tax credits through the New Markets Tax Credit (NMTC) Program and has guaranteed nearly $3 billion in bonds through the CDFI Bond Guarantee Program – all to increase the impact of Community Development Financial Institutions (CDFIs) and other community development organizations in economically distressed and underserved communities. During this time, the CDFI Fund has helped build the capacity of over 1,400 Certified CDFIs, which are in all 50 states as well as in the District of Columbia, Guam, and Puerto Rico.

CDFI Fund award recipients successfully leverage billions in private sector investment to create jobs, build affordable housing, build essential community facilities, provide financial counseling, and invest in neighborhood revitalization initiatives — all in distressed and underserved communities lacking access to traditional lending or banking institutions.

This year, the CDFI Fund awarded more appropriated assistance resources than in any other year in its history. Over the course of FY 2024, the CDFI Fund awarded nearly $789 million in awards, allocated $5 billion in NMTCs, and guaranteed nearly $500 million in bonds. Despite the significant volume of awards made over the course of FY 2023, requests for assistance again exceed the supply of resources for nearly all the CDFI Fund's various programs.

FY 2024 CDFI Fund Programs - Program Demand

Program	Awards	
	Requested	Available
Bank Enterprise Award (BEA) Program	$101.5 million	$40.1 million
Capital Magnet Fund (CMF)	$1.1 billion	$246.4 million
CDFI Bond Guarantee Program	$673.0 million	$498.0 million
CDFI Program[1] - Base-Financial Assistance (FA) and Technical Assistance (TA)	$1.1 billion	$329.7 million
CDFI Program and Native American CDFI Assistance (NACA) Program - Disability Funds-Financial Assistance (DF-FA)	$26.5 million	$13.0 million
CDFI Program and NACA Program - Healthy Food Financing Initiative (HFFI)-FA	$162.0 million	$48.0 million
CDFI Program and NACA Program - Persistent Poverty County-FA (PPC-FA)	$164.4 million	$47.0 million
NACA Program – Base FA and TA	$65.1 million	$51.0 million
NMTC Program[2]	$14.7 billion	$5.0 billion
Small Dollar Loan (SDL) Program	$33.5 million	$18.0 million

This year we mark another milestone – the release of the revised CDFI Certification Application as well as the revised Annual Certification and Data Collection and Transaction Level Reports. This effort has spanned numerous years, involved multiple rounds of public comment, and industry group engagement. The CDFI Fund undertook this extensive review of its CDFI Certification requirements to ensure that its policies and procedures continue to meet statutory and regulatory requirements while being responsive to the evolving nature of the CDFI industry.

As for our financial performance, I am pleased to report that the CDFI Fund has received an unmodified audit opinion of its financial statements for FY 2024. Based on internal evaluations, our financial and performance data has been validated as complete and reliable.

Given its strong financial and management position, the CDFI Fund remains poised to vigorously implement its mission of expanding economic opportunity for underserved people and

[1] The FY 2024 round of the CDFI Program and NACA Program, including DF-FA, HFFI-FA, and PPC, consists of funding provided under the Consolidated Appropriations Act, 2023 (Pub. L. 117-328), as well as the Consolidated Appropriations Act, 2024 (Pub. L. 118-47).
[2] Numbers reflect the calendar year (CY) 2023 round of the program, which opened on October 23, 2023. The CDFI Fund awarded allocations on September 19, 2024.

communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

Pravina Raghavan
Director
Community Development Financial Institutions Fund
December 31, 2024

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OVERVIEW

The Community Development Financial Institutions Fund

The Creation of the CDFI Fund

Established by the Riegle Community Development and Regulatory Improvement Act of 1994 (Riegle Act; P.L. 103-325), the Community Development Financial Institutions Fund (CDFI Fund) has worked for more than a quarter century to generate economic opportunity where it is needed most.

People and communities with limited access to financial services and products lack the tools they need to save for the future, build credit, buy a home, start a business, and develop affordable housing and community facilities. As a result, they have fewer opportunities to grow and thrive and fewer opportunities to join America's economic mainstream.

The CDFI Fund's Vision
An America in which all people and communities have access to the investment capital and financial services they need to prosper.

The CDFI Fund's Mission
To expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The Work of the CDFI Fund

The CDFI Fund's role is to generate economic opportunity in underserved low-income communities by expanding access to credit, capital, and financial services. It accomplishes this by providing capital through the following active programs in FY 2023:

- **BEA Program** – Provides monetary awards to federally-insured banks and thrifts that demonstrate increased lending, investment, and Service Activities in the most economically distressed communities and/or in Certified CDFIs.
- **CMF** – Provides awards to Certified CDFIs and nonprofit affordable housing organizations for the development, preservation, rehabilitation, and purchase of affordable housing and for related economic development in low-income communities.
- **CDFI Bond Guarantee Program** – Serves as a source of long-term, low-cost capital for CDFIs by guaranteeing bonds issued to CDFIs that invest in eligible community or economic development purposes.
- **CDFI Equitable Recovery Program (CDFI ERP)** – A pandemic recovery program that provided grants to Certified CDFIs to expand lending in Low- and Moderate-Income Communities and to people disproportionately impacted by the COVID-19

pandemic. The program also enables Certified CDFIs to build organizational capacity to accomplish their objectives for a CDFI ERP award. The program consisted of a single application round that opened in FY 2022 with awards made in FY 2023.

- **Community Development Financial Institutions Program (CDFI Program)** – Provides FA and TA awards to help Certified and Emerging CDFIs sustain and expand their services and build their technical capacity. The program also includes:
    - **HFFI** – Provides FA awards to Certified CDFIs that invest in businesses that provide healthy food options, such as grocery stores, farmers markets, bodegas, food co-ops, and urban farms.
    - **DF-FA** – Provides FA awards to Certified CDFIs that wish to expand their financing activities and services to benefit persons with disabilities.
    - **PPC-FA** – Provides FA awards to Certified CDFIs that provide financial products in Persistent Poverty Counties (PPCs).
- **CDFI Rapid Response Program (CDFI RRP)** – A pandemic recovery program consisting of a single application round conducted in FY 2021 that provided grants for CDFIs to deliver emergency support to distressed and underserved communities suffering from COVID-19 pandemic-related hardship.
- **Economic Mobility Corps (EMC)** – A joint initiative of the CDFI Fund and AmeriCorps that places full-time national service members in Certified CDFIs to enhance their capacity to provide financial education and financial counseling.
- **Native Initiatives** – Includes the NACA Program, which provides FA and TA awards to build the capacity of CDFIs serving Native American, Alaska Native, and Native Hawaiian communities.
- **NMTC Program** – Awards tax credit allocation authority to Certified Community Development Entities (CDEs), enabling them to attract investment from the private sector and invest funds in low-income communities.
- **SDL Program** – Provides Loan Loss Reserve and TA grants to help Certified CDFIs offer fair and affordable small dollar loan products in communities underserved by mainstream financial institutions.

These awards have leveraged billions of dollars in private sector investment. They have increased the impact of CDFIs, CDEs, and other community-based development organizations by expanding their capacity to deliver the credit, capital, and financial services that generate new economic opportunities in underserved communities.

What is a CDFI?

CDFIs are mission-driven financial institutions that specialize in increasing access to financial services in underserved and low-income areas. They are attuned to the needs of residents and businesses and their work reflects a participatory approach to community investment and revitalization.

Today[3], there are 1,426 CDFIs serving urban, rural, and Native communities throughout the United States. CDFIs are found in all 50 states, the District of Columbia, Guam, and Puerto Rico. They bridge diverse public and private sector interests to serve people and places that traditional financial institutions usually do not. CDFIs provide:

- loans to businesses and projects that otherwise would find it difficult to qualify for financing;
- safe, affordable financial services that otherwise would not be available in the community;
- loan rates and terms that are more flexible than those offered by traditional lenders; and
- development services — such as business planning, credit counseling, and homebuyer education — to help their borrowers use credit effectively and build financial strength.

As a result, CDFIs support the creation of small businesses and local jobs and the development of affordable housing, community facilities, and schools — all in places where economic opportunity is needed most.

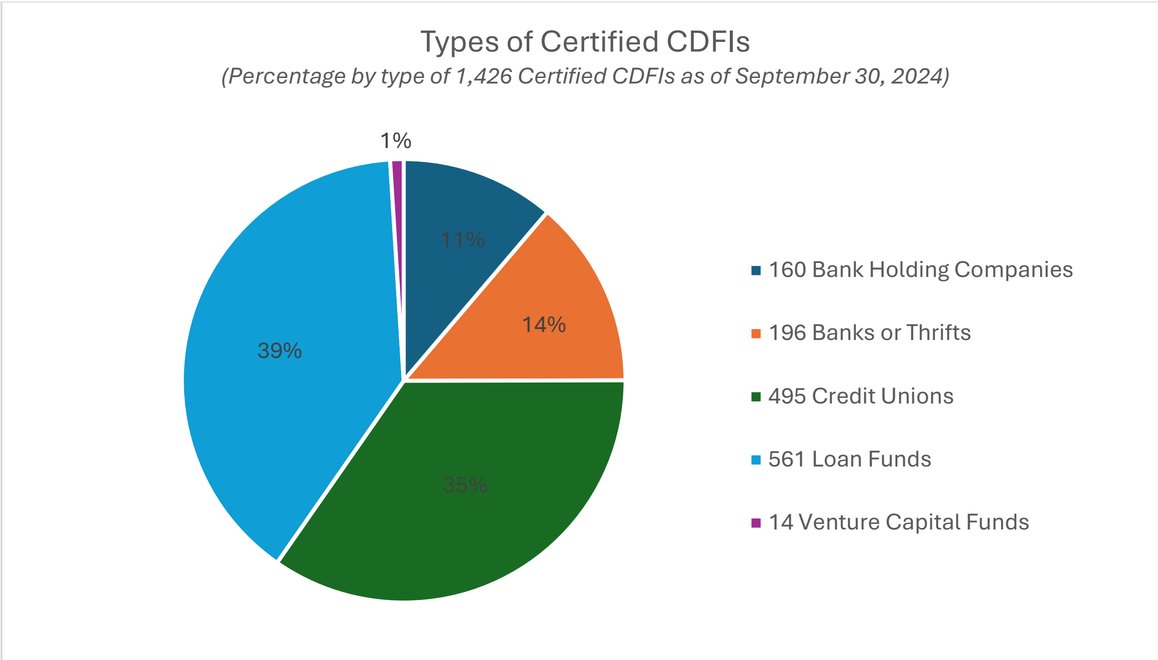
Types of CDFIs

There are four basic types of CDFIs:

1. **Community development banks, thrifts, and bank holding companies** – Regulated, for-profit corporations that provide basic retail banking services, as well as capital to rebuild economically distressed communities through targeted lending and investment.
2. **Community development credit unions** – Regulated, member-owned cooperatives that promote ownership of assets and savings and provide affordable loans and retail financial services.
3. **Community development loan funds** – Organizations, typically nonprofits, that provide high-quality loans and development services to microenterprises, small businesses, affordable housing developers, and community service organizations.
4. **Community development venture capital funds** – For-profit and nonprofit organizations that provide equity and debt-with-equity features to businesses in distressed communities.

Although each type of CDFI provides different products and services to different types of customers, they all share a common goal of revitalizing low-income communities.

[3] As of September 30, 2024.



CDFI Certification

For an organization to be eligible for most of the CDFI Fund's programs, it is required to be certified as a CDFI. To qualify for certification, it must meet seven eligibility requirements:

1. Be a legal entity at the time of application.
2. Have a primary mission of promoting community development.
3. Serve primarily one or more Target Markets.
4. Be an insured depository institution or otherwise have the provision of financial products and services as its predominant business activity.
5. Provide development services (such as TA or counseling) in conjunction with its financing activity.
6. Maintain accountability to its Target Market.
7. Be a non-governmental entity and not be controlled by any government entities.

Once a CDFI has been certified, it must submit an Annual Certification and Data Collection Report (ACR) to allow the CDFI Fund to assess whether the organization remains in compliance with certification requirements and to monitor any changes in the organization's financial and other data.

The most recent ACR indicates that the CDFI industry has over $436 billion in total assets and total liabilities of $385.8 billion. Net worth for the CDFI industry is over $45.2 billion.[4]

[4] Data from the 2023 reporting round of the Annual Certification and Data Collection Report.

Asset Size of ACR Reporting CDFIs by Institution Type[5]

CDFI Institution Type	Number of Institutions by Type	Sum of Total Assets ($)	Share of Total Assets (%)	Average of Total Assets ($)	Median of Total Assets ($)
Bank/Thrift	**196**	**$113,162,681,000**	**26.0%**	**$577,360,617**	**$330,481,000**
Credit Union	**496**	**$281,533,528,640**	**64.6%**	**$567,607,921**	**$150,939,234**
Loan Fund	**561**	**$38,054,642,072**	**8.7%**	**$67,833,587**	**$15,001,609**
Venture Capital Fund	**14**	**$3,298,257,204**	**0.8%**	**$235,589,800**	**$17,249,908**
Total	**1,267**	**$436,049,108,916**	**100.0%**	**$344,158,728**	**$70,363,731**

What is a CDE?

A Community Development Entity (CDE) is a domestic corporation or partnership that serves as a financial intermediary vehicle for the provision or purchase of loans, investments, or financial counseling in low-income communities. Certification as a CDE allows organizations to participate either directly or indirectly in the NMTC Program.

The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income taxes in exchange for making equity investments in CDEs. A CDE applies to the CDFI Fund to receive the authority to allocate a specified dollar amount of tax credits. The CDE then offers the tax credits to investors in exchange for their investments and uses those funds to make loans to or equity investments in qualified businesses in the community.

Through the NMTC Program, CDEs support many types of businesses, including small businesses. Examples of past investments include manufacturing, food, retail, housing, health care, technology, energy, education, and childcare. Communities benefit from the jobs created by these investments, as well as from the community facilities and commercial goods and services the businesses provide.

[5] The dollar amounts reported above are based on ACR data submitted for the 2023 reporting cycle by all certified CDFIs required to submit a 2023 ACR. The data universe consisted of 1,427 2023 ACR records in the CDFI Fund ACR database as of October 8, 2024. After data cleaning standards were applied, final data analysis was conducted using the 2023 ACR records of 1,267 certified CDFIs. One hundred and sixty holding companies were excluded from the analysis above to avoid double-counting, since they were certified based on activity of the certified affiliated bank CDFIs.

CDE Certification

In addition to certifying CDFIs, the CDFI Fund certifies CDEs. To be certified as a CDE, an organization must apply for certification and meet three eligibility requirements:

1. Be a legal entity at the time of application.
2. Have a primary mission of serving low-income communities.
3. Be accountable, through representation on a governing board or advisory board, to the residents of its targeted low-income communities.

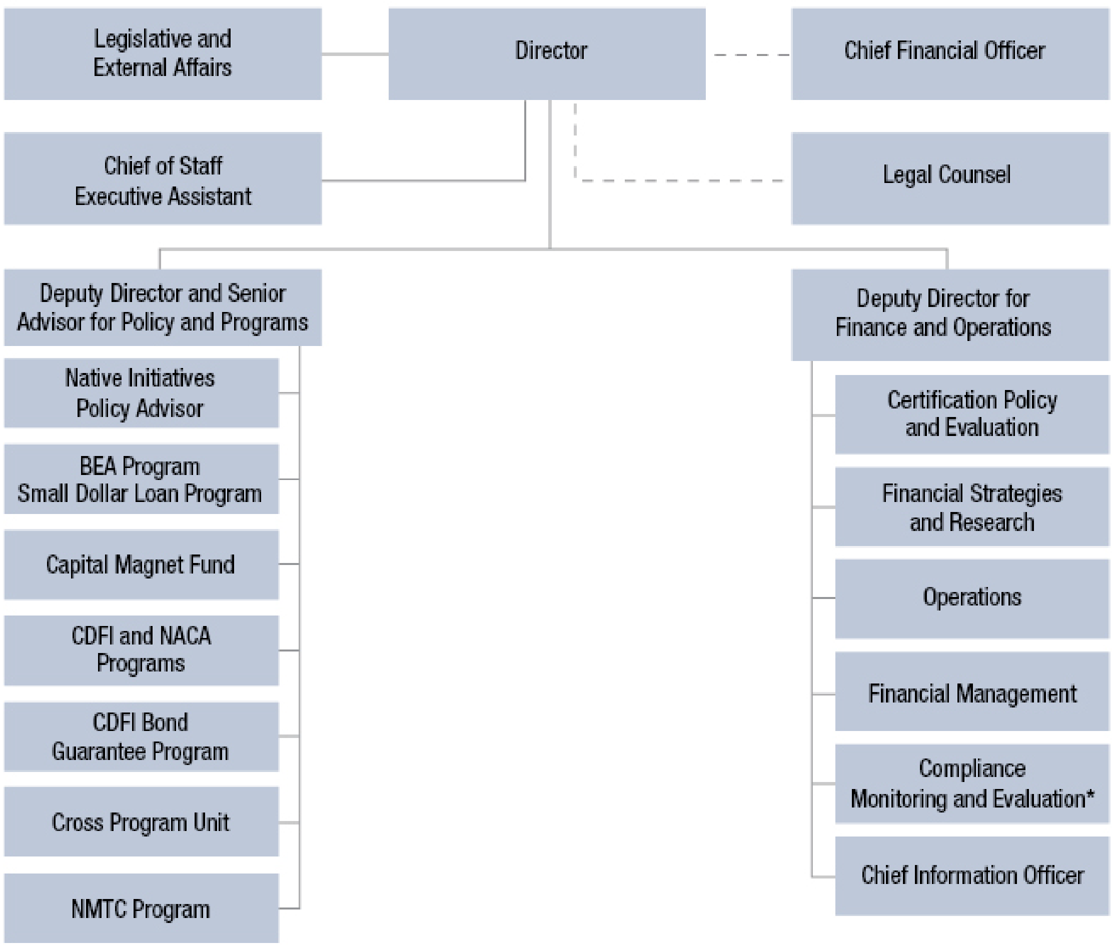
When an organization is certified as a CDE, it is eligible to apply to participate in the NMTC Program.

The Operations of the CDFI Fund

The CDFI Fund is a wholly owned government corporation within the U.S. Department of the Treasury and performs a wide range of functions to ensure that it fulfills its mission.

Organization

The organization chart below shows how the CDFI Fund is structured to best support the active programs it administered in FY 2024.



*All funding for the Equitable Recovery Program and the Rapid Response Program has been awarded and the programs are now in the compliance phase.

Community Development Advisory Board

In accordance with the Riegle Act, the CDFI Fund's organization includes a Community Development Advisory Board that advises the Director of the CDFI Fund on policies guiding the activities of the CDFI Fund. The Advisory Board is required to meet at least once each year.

The Advisory Board consists of 15 members: nine private citizens, who are appointed by the President, and six other members — the Secretaries of the Departments of Agriculture, Commerce, Housing and Urban Development, Interior, and Treasury, and the Administrator of the Small Business Administration or his or her designee. The nine private citizens include:

- two officers of existing CDFIs;
- two officers of insured depository institutions;
- two officers of national consumer or public interest organizations;
- two individuals with expertise in community development; and
- one individual with personal experience and specialized expertise in the unique lending and community development issues of Indian tribes on Indian reservations.

The nine private citizens of the Advisory Board select the Chairperson and Vice Chairperson of the Advisory Board by majority vote.

Appropriations and Sources of Funding

Congress appropriates funding to the CDFI Fund each year. The appropriation consists of two types of funds:

- **Program funds**, which are used for Financial Assistance and Technical Assistance awards (such as grants, loans, deposits, and equity investments), and capacity building/training contracts. These can be obligated over two fiscal years.
- **Administrative funds**, which are used to cover the costs of administering all the CDFI Fund's programs, including the NMTC Program and the CDFI Bond Guarantee Program. These must be obligated during the fiscal year for which they are appropriated.

In FY 2024, Congress appropriated the CDFI Fund $324 million through the annual appropriations process.

Congressional Appropriations

(Amounts in Millions)

Appropriations	FY 2024		FY 2023	
	Amount	Percentage	Amount	Percentage
Annual Appropriations:				
BEA Program	$40.0	12.35%	$35.0	10.80%
CDFI Program	$210.0[6]	64.81%	$218.0	67.28%
EMC	$2.0	0.62%	$2.0	0.62%
Native Initiatives	$28.0	8.64%	$25.0	7.72%
SDL Program	$9.0	2.78%	$9.0	2.78%
Administrative Cost	$35.0	10.80%	$35.0	10.80%
Total Annual Appropriations	$324.0	100.00%	$324.0	100.00%
Less Amounts Not Obligated[7]	$81.4		$254.2	
Total Funding Used	$239.6	73.95%[8]	$69.8	21.54%

Appropriations include fiscal year budget authority, and the amount available each year includes any unobligated funds from the prior year[9] that may be carried over.

Note that the funding for the CMF is not provided through the annual appropriations process. Instead, it comes from allocations made by two Government-Sponsored Enterprises (GSEs), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac), on a mandatory basis, as authorized by the Housing and Economic Recovery Act of 2008.

Likewise, the NMTC Program is not funded through the annual appropriation process. Authorization to allocate New Markets Tax Credits is provided through the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (P.L. 116-260). The CDFI Bond Guarantee Program is also not funded but is authorized by Congress during the annual appropriation process. The authority to issues bonds is provided through the Consolidated Appropriations Act, 2024 (P.L. 118-42).

[6] Includes funding for Base-FA, TA, PPC-FA, DF-FA, and HFFI awards.
[7] In FY 2023, the CDFI Fund did not obligate $254.2 million, which included $218 million of the CDFI Program, $9 million of the Small Dollar Loan Program, $25 million of the Native Initiatives, $2.0 million of the EMC, and $.2 million of Administrative funding. In FY 2024, the CDFI Fund did not obligate $81.4 million, which included $73.5 million of the CDFI Program, $.1 million of the Small Dollar Loan Program, $5.8 million of the Native Initiatives, and $2.0 million of the EMC.
[8] The percentage of total Annual Appropriations used (excluding Supplemental Appropriations) is 73.95%.
[9] Details regarding unobligated funds from a prior year, if there are any, are discussed under that program in the Program Discussion and Analysis section.

Sources of CDFI Fund Funding

(Amounts in Millions)

	FY 2024	FY 2023
Budgetary Appropriations	$324.0	$324.0
Prior Year Amounts De-obligated	$0	$0
Used to Fund Current Year Obligations	$0	$0
Carryover from Prior Year[10]	$271.9	$1,976.8
No-Year Funds	$6.1	$7.9
Borrowing Authority Used	$166.0	$187.4
Total Sources of Funds	$768.0	$2,496.1

[10] This amount includes the carryover from the CDFI Equitable Recovery Program (CDFI ERP) of $1.747 billion. The CDFI ERP received appropriations in FY 2021 through the Consolidated Appropriations Act of 2021 (P. L. 116-260). These funds have no expiration date. The program round opened in FY 2022 and awards were awarded in FY 2023.

PROGRAM DISCUSSION AND ANALYSIS

The Community Development Financial Institutions Fund

The CDFI Fund's Programs

In FY 2024, the CDFI Fund administered 10 programs to help CDFIs, CDEs, banks, credit unions, and community development organizations generate economic opportunity by increasing access to financial products and services in low-income communities:

- Bank Enterprise Award Program
- Capital Magnet Fund Program
- CDFI Bond Guarantee Program
- CDFI Equitable Recovery Program
- CDFI Program
- CDFI Rapid Response Program
- Economic Mobility Corps
- Native Initiatives
- New Markets Tax Credit Program
- Small Dollar Loan Program

The CDFI Fund provides awards for each of these programs through a rigorous application process.

Bank Enterprise Award (BEA) Program

Established in 1994 through the CDFI Fund's authorizing legislation, the Riegle Act, the BEA Program recognizes and seeks to expand the important role that traditional banks and thrifts play in community development.

How It Works

Purpose

The BEA Program provides monetary awards to Federal Deposit Insurance Corporation (FDIC)-insured banks and thrifts that demonstrate increased investments and support to CDFIs or increased lending, investing, or service-related activities in the most economically distressed communities.

The BEA Program defines "the most economically distressed communities" as those where at least 30% of the residents have incomes below the national poverty level and where the unemployment rate is at least 1.5 times the national unemployment rate. The program targets communities with the greatest needs and generates economic opportunity for those with the least access to financial products and services.

Award Process

The BEA Program is unique among the CDFI Fund's financial award programs in that it makes awards based on qualified investments, loans, and activities that applicants have already successfully completed. The CDFI Fund's other awards are based on an applicant's plans and ability to fulfill those plans.

To be eligible for a BEA Program award, an applicant must be an FDIC-insured depository institution and demonstrate that it has increased its Qualified Activities in distressed communities. There are three categories of Qualified Activities:

- **CDFI-Related Activities** – Providing equity investments, grants, equity-like loans, loans, deposits, and/or Technical Assistance to Certified CDFIs.
- **Distressed Community Financing Activities** – Providing direct lending or investment in the form of affordable home mortgages, affordable housing development loans or investments, home improvement loans, education loans, small business loans or investments, small dollar consumer loans, and commercial real estate development loans or investments to residents or businesses located in distressed communities.
- **Service Activities** – Providing access to financial products and services, such as new branches, new automated teller machines, checking accounts, savings accounts, check cashing, financial counseling, or Individual Development Accounts to residents of distressed communities.

The amount of each award is determined by the increases in the Qualified Activities achieved by applicants over a one-year assessment period; the greater the increase, the larger the award. The applicant's CDFI certification status and total asset size are also factored into the award amount.

The CDFI Fund prioritizes awards according to the category of Qualified Activity. Priority is given to CDFI-Related Activities, followed by Distressed Community Financing Activities, and then Service Activities. Prioritizing CDFI-Related Activities encourages applicants to provide low-cost capital and operating support to Certified CDFIs, which strengthens Certified CDFIs and expands their capacity to provide financial products and services to residents and businesses in distressed communities.

A bank or thrift that receives an award is required to reinvest it in BEA Program Qualified Activities. This increases the flow of capital to the most economically distressed communities and accelerates the growth of businesses, the creation of jobs, the development of affordable housing, and the availability of financial services.

Awards Since Inception

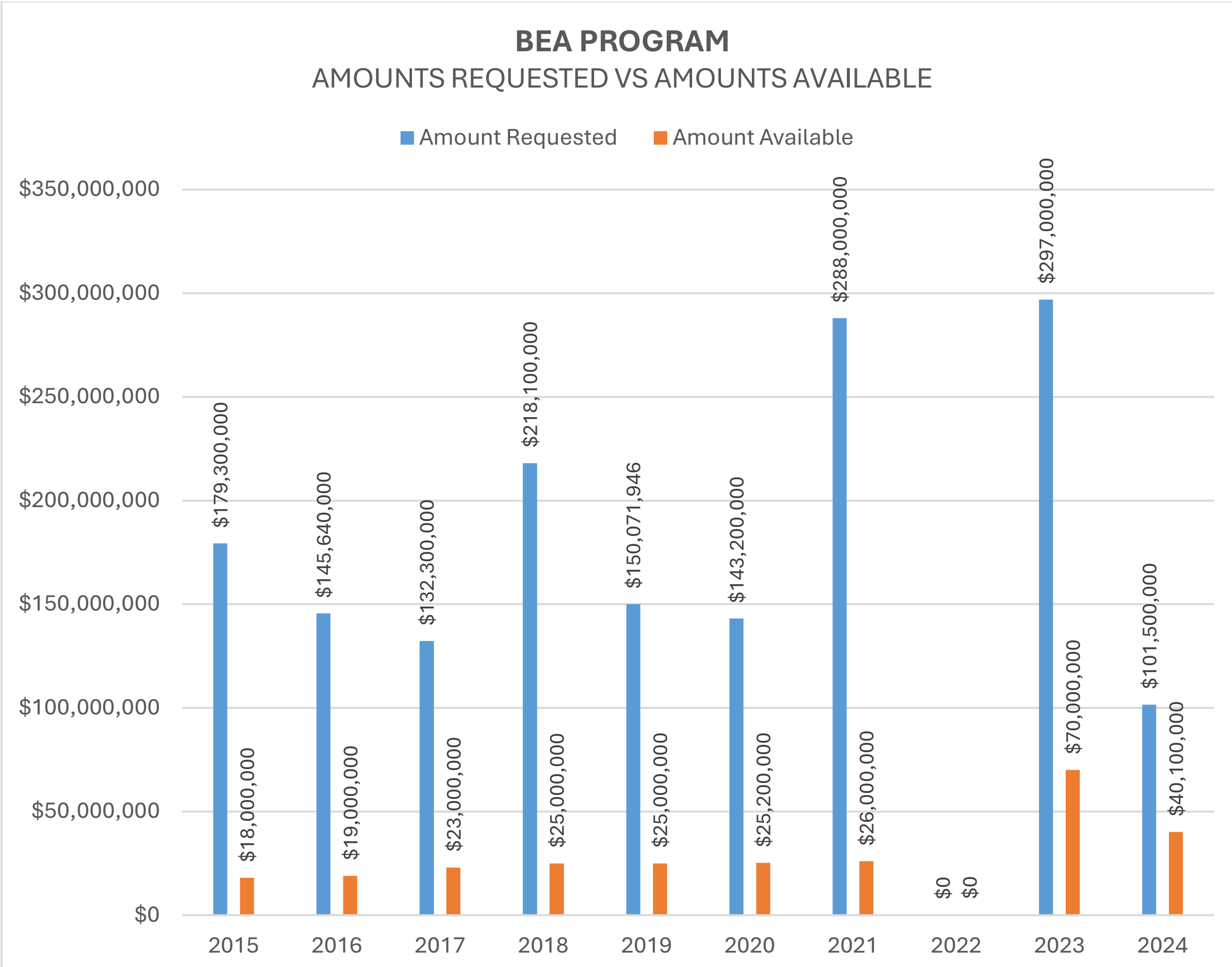
Since the inception of the BEA Program in 1994, the CDFI Fund has completed 28 rounds of the program and has awarded over $638 million.

FY 2024 Activities

In FY 2024, the CDFI Fund completed the FY 2024 funding round of the BEA Program, supported by FY 2024 appropriations. The round opened on April 26, 2024, and awards were announced on September 19, 2024. The demand for FY 2024 BEA Program awards significantly exceeded the resources available for the round:

- 176 applicants submitted applications requesting $101.5 million in awards.
- 171 applicants received awards totaling $40.1 million.
- The award recipients were located in 23 states and the District of Columbia.

Of the 171 depository institutions awarded funding, 96 committed to investing approximately $9.62 million, or 24% of total FY 2024 appropriated funds, in PPCs, which significantly exceeded the congressional mandate of 10%. PPCs, per Congressional mandate, are those counties that have experienced poverty rates of at least 20% over the past 30 years as measured by the 2016-2020 five-year data series available from the American Community Survey of the U.S. Census Bureau.



BEA Program Impact

During the past eight rounds of the BEA Program, from FY 2016 through FY 2024, award recipients:

- increased their investments, lending, and TA to Certified CDFIs by $418 million;
- increased their lending and direct investments in distressed communities by more than $4.3 billion; and
- increased the provision of financial services in distressed communities by $314 million.

During this period, more than 90% of BEA Program award recipients were small or intermediate banks, according to Federal Financial Institutions Examinations Council Community Reinvestment Act (CRA) Asset Size Thresholds.

Capital Magnet Fund (CMF)

The CMF was created in 2008 to spur investment in affordable housing and related economic development initiatives that serve low-income families and low-income communities across the nation.

How It Works

Purpose

Congress authorized the creation of CMF through the Housing and Economic Recovery Act (HERA) of 2008 (P.L. 110-289). HERA requires two GSEs — Fannie Mae and Freddie Mac — to set aside for CMF and the Housing Trust Fund each year an amount equal to 4.2 basis points for every dollar of their unpaid principal balances of total new mortgage purchases, unless otherwise instructed by the Federal Housing Finance Agency (FHFA). Of the amount set aside by Fannie Mae and Freddie Mac each year, 35% is allocated to the CDFI Fund for CMF.

The purpose of CMF is to attract private capital for affordable housing and economic development activities in economically distressed areas. CMF award recipients are required to finance and/or to support 10 times the grant amount in eligible project costs.

Award Process

Through CMF, the CDFI Fund provides competitively awarded grants to organizations that serve the affordable housing needs of low-income communities. To be eligible for a CMF award, an applicant must be a Certified CDFI or a nonprofit organization with a principal purpose of developing or managing affordable housing.

All applicants must demonstrate that they have been in existence as a legally formed entity for at least three years prior to the funding round application deadline and meet any other eligibility requirements outlined in the Notice of Funds Availability for the round.

CMF award recipients can use their grants to finance affordable housing activities, related economic development activities, and community service facilities. They must use at least 70% of their CMF grants to finance affordable housing and may request to use up to 30% of the funds to finance economic development activities linked to affordable housing. Award recipients use the funds to create a variety of financing tools, such as loan loss reserves, revolving loan funds, risk-sharing loans, and loan guarantees.

The CDFI Fund seeks to ensure that CMF award recipients serve diverse geographic areas, including urban and rural areas, as well as multiple states. It also seeks to promote CMF-financed activity in areas of economic distress.

Leveraging is a key component of CMF. Award recipients are required to leverage their CMF awards at a ratio of at least $10 to every $1 awarded. Sources of capital leveraged may include loans from banks; program-related investments from foundations; Low Income Housing Tax

Credit investments; and funds contributed by the award recipient, state or local governments, or any number of other private or public sources.

The leveraging requirement ensures that more low-income people and low-income communities nationwide have access to affordable housing.

Awards Since Inception

Since the inception of CMF in 2008 through the end of FY 2024, the CDFI Fund has completed eight rounds and has awarded grants totaling nearly $1.4 billion. The ninth round of CMF awards was announced in October 2024 with awards totaling nearly $246.4 million.

HERA provides the FHFA with the authority to temporarily suspend allocations from Fannie Mae and Freddie Mac upon certain findings. In 2010, the FHFA temporarily suspended these allocations. However, Congress appropriated $80 million to fund an initial round of CMF in FY 2010.

In December 2014, the FHFA lifted its suspension of Fannie Mae's and Freddie Mac's allocations and directed them to begin allocating funds for CMF based on their calendar year (CY) 2015 activity. The FY 2016 CMF round was the first round funded through Fannie Mae's and Freddie Mac's annual allocations. The CDFI Fund has administered an annual funding round for CMF since FY 2016, with the exception of FY 2022.

FY 2024 Activities

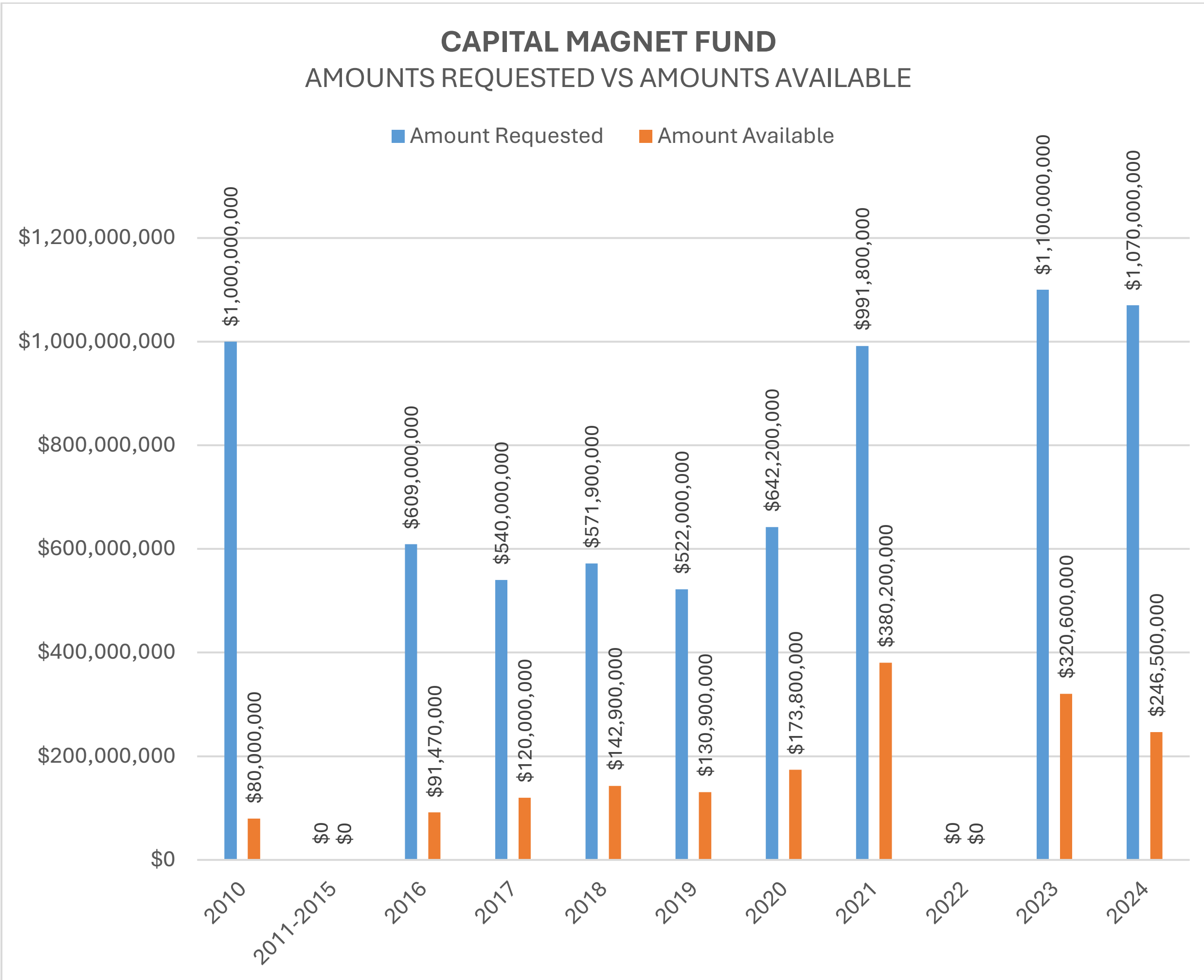
In FY 2024, the CDFI Fund launched the ninth round in CMF history.

The CDFI Fund opened the FY 2024 round on February 14, 2024. The demand for CMF awards in FY 2023 significantly exceeded the resources available for the round. Award announcements were made on October 23, 2024:

- 136 applicants requested more than $1.0 billion in awards.
- Approximately $246.5 million is available in FY 2024 CMF Awards.

Additionally, in FY 2024, the CDFI Fund updated the regulations governing CMF. The Interim Rule (effective June 25, 2024) (12 CFR Part 1807) was published in the Federal Register and reflects a series of important changes to the program regulations based on stakeholder input. Updates were made to improve and streamline the administration of CMF, to better align CMF with other Federal housing programs to reduce burden on Recipients, and to address current best practices in the affordable housing industry. These changes were made after a Request for Information (RFI) in 2023, during which the CDFI Fund solicited public comments on improvements to CMF.

During FY 2024, the CDFI Fund also solicited public comments through two Federal Register notices as required by the Paperwork Reduction Act (PRA). The first PRA notice invited public comments on the CMF Performance Report. As of September 30, 2024, public comments from this notice are being reviewed and evaluated. The second PRA notice invited public comments on the CMF Application template to be used during FY 2025 through FY 2027, with comments due on November 25, 2024. These efforts demonstrate the CDFI Fund's commitment to transparency and public input into the administration of CMF.



Capital Magnet Fund Impact

CMF Recipients must commit all funds to an eligible use within two years and to specific affordable housing and economic development projects within three years. Recipients must begin initial expenditure of funds within three years and complete the projects within five years of the effective date of the assistance agreement. Based on reporting received by the end of FY 2024, to date[11,12]:

- approximately $610.0 million of CMF funding has been committed to projects currently under development or under construction that are estimated to generate $26.5 billion in eligible project costs (leverage plus the CMF award), including leveraging $18.8 billion in private capital; and
- $556.6 million of CMF funding has been fully disbursed to projects that have been completed, generating $17.6 billion in eligible project costs (leverage plus the CMF award), including leveraging $13.6 billion in private capital.

As of the end of FY 2024, projects completed by FY 2016 – FY 2023 award recipients include:

CMF Units:

- rental housing disbursements totaling approximately $490.6 million to finance or support 74,886 CMF Units;
- homeownership disbursements totaling $59.1 million to finance over 8,152 CMF Units; and
- economic development disbursements totaling $6.9 million for 16 facilities, such as community-serving businesses and health care and other community facilities.

People served:

- 63% of the rental units have been developed for Very Low-Income and Extremely Low-Income persons (60% of the Area Median Income or below);
- 94% of the homeownership units have been affordable for Low-Income persons (80% of the Area Median Income or below); and
- 69% of all units are located in High Housing Need Areas or Areas of Economic Distress.[13]

As of the end of FY 2024, projects under development or under construction by FY 2016 - FY 2023 award recipients include:

CMF units:

- rental housing commitments totaling $590.8 million projected to result in 73,284 eligible units;

[11] CMF Impact Data is current as of September 30, 2024.
[12] The first round in FY 2010 was funded with appropriations from Congress. The projects completed with this funding included: 13,316 affordable homes — including 11,700 affordable rental homes and 1,616 affordable homeowner-occupied homes — that were completed and maintained their affordability standards; and 20 facilities, such as community-serving businesses and health care and other community facilities, were completed.
[13] High Housing Need designation is utilized for FY 2016, and Areas of Economic Distress designation for FY 2017 and forward.

- homeownership unit commitments totaling $11.2 million projected to result in 567 eligible units; and
- economic development commitments totaling close to $8.0 million for 11 facilities, such as community-serving businesses and health care and other community facilities.

People served:

- 64% of the rental housing units will be affordable for Very Low-Income and Extremely Low-Income persons (60% of the Area Median Income or below)[14];
- 98% of the homeownership units will be affordable for Low-Income persons (80% of the Area Median Income or below); and
- 73% of units will be located in High Housing Need Areas[15] or Areas of Economic Distress.[16,17]

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[14] Per the Interim Rule (effective June 25, 2024) the definition of Very Low-Income has been raised up to 60% of the Area Median Income or below to align with other programs including the LIHTC program definition of Very Low-Income. https://www.federalregister.gov/d/2024-13797/p-168

[15] A High Housing Need Area is a Census Tract that either (a) has Very Low-Income renters paying more than half their income for rent, (b) are high-poverty neighborhoods with high vacancy, or (c) are Rural Areas as defined in §1807.104.

[16] An Area of Economic Distress is a Census Tract: (a) Where at least 20% of households that are Very Low-Income (50% of AMI or below) spend more than half of their income on housing; or (b) that are designated Qualified Opportunity Zones under 26 U.S.C 1400Z–1; or (c) that are Low-Income Housing Tax Credit Qualified Census Tracts; or (d) where greater than 20% of households have incomes below the poverty rate and the rental vacancy rate is at least 10%; or (e) where greater than 20% of the households have incomes below the poverty rate and the homeownership vacancy rate is at least 10%; or (f) are Rural Areas as defined in the CMF Interim Rule (as amended June 25, 2024; 12 CFR part 1807).

[17] High Housing Need designation is utilized for FY 2016; and Areas of Economic Distress designation for FY 2017 and forward.

CDFI Bond Guarantee Program

Enacted through the Small Business Jobs Act of 2010, the CDFI Bond Guarantee Program responds to the critical market demand for long-term, low-cost capital that can be used to spur economic growth in low-income communities.

How It Works

Purpose

The CDFI Bond Guarantee Program accelerates the economic revitalization of low-income communities by giving CDFIs access to a significant source of long-term capital.

Unlike other CDFI Fund programs, the CDFI Bond Guarantee Program does not offer grants. Instead, it is a federal credit program designed to function at no cost to taxpayers. The bonds are debt instruments that must be repaid.

Through the CDFI Bond Guarantee Program, the CDFI Fund enables Qualified Issuers to issue bonds that have maturity dates of up to 29.5 years and are fully guaranteed by the federal government. The Qualified Issuer then sells the bonds to the Federal Financing Bank (FFB)[18] and uses the bond proceeds to make long-term loans at affordable rates to CDFIs to finance or refinance new or existing community development projects.

Award Process

To be considered a Qualified Issuer, an organization must:

- be a Certified CDFI or its designee;
- be able to issue bonds and make loans; and
- demonstrate the capacity to perform specialized administrative functions, including loan servicing and financial reporting.

During the application round, a Qualified Issuer applies to the CDFI Fund for authorization to issue bonds on behalf of Eligible CDFIs. Each bond issue is currently required to be a minimum size of $100 million. CDFIs can borrow long-term capital for large-scale community development projects, including but not limited to the development of small businesses, commercial real estate, rental housing units, charter schools, day care or health care centers, owner-occupied homes, and rural infrastructure.

In addition, CDFIs may use the capital to extend credit to other community development borrowers or to refinance existing loans at affordable interest rates.

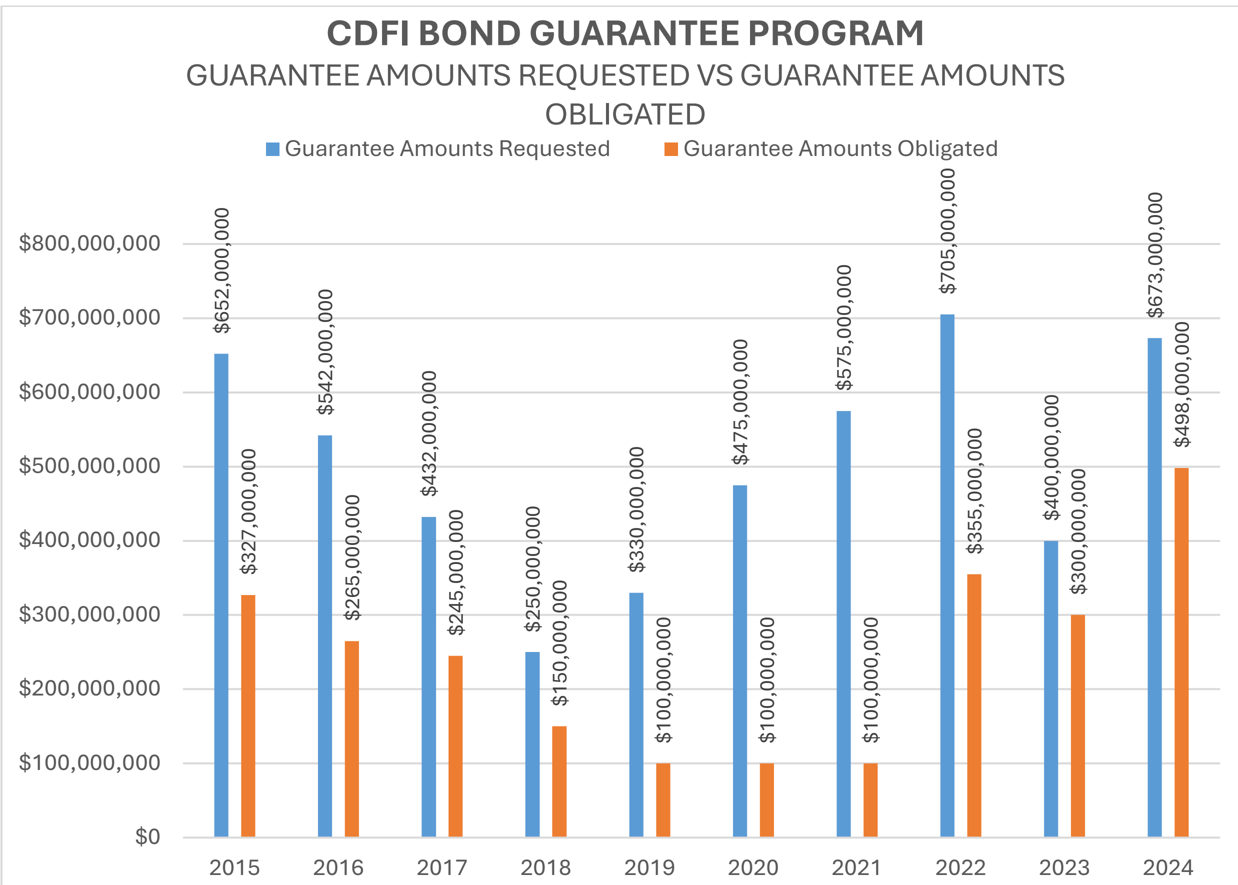
[18] The Federal Financing Bank (FFB) is a government corporation under the general supervision and direction of the Secretary of the Treasury. The Congress created FFB in 1973, at the request of the U.S. Department of the Treasury (Treasury). FFB borrows from Treasury and lends to federal agencies and to private entities that have federal guarantees.

Awards Since Inception

Since the inception of the CDFI Bond Guarantee Program in 2010, the CDFI Fund has completed 12 rounds of the program and has guaranteed nearly $3 billion in bonds. CDFIs have up to five years to deploy committed funds. Through September 30, 2023, participating CDFIs have deployed nearly $1.73 billion in loans and currently have $1.32 billion in outstanding loan balances with the FFB.

FY 2024 Activities

The FY 2024 round opened on February 23, 2024, with up to $500 million in bond guarantee authority available to CDFIs. The application period closed on April 23, 2024. A total of $673 million was requested from the applications received. The CDFI Fund announced the approval of $498 million in bond issuances on September 30, 2024.



CDFI Bond Guarantee Program Impact

The CDFI Bond Guarantee Program has provided long-term, fixed-rate capital for a wide range of projects in low-income urban, rural, and Native communities throughout the nation.

CDFI Bond Guarantee Program
Disbursements by Asset Class as of September 30, 2024

Asset Class	Since Inception Disbursements *($millions)*	Proposed Disbursements *($millions)*	Geography *(Based on YTD Disbursements)*
Charter Schools	$430.5	$579.2	AZ, CA, CT, DC, FL, GA, HI, IL, MD, MI, MN, NC, NJ, NM, NV NY, OH, PA, WI
Rental Housing	$498.9	$718.2	AL, AZ, CA, CO, DC, FL, GA, IL, IN, KY, LA, MA, MD, MO, MN, NC, NJ, NM, NV, NY, OH, OR, PA, TN, TX, WI, WV, UT, WV, WI
Commercial Real Estate	$277.6	$370.7	AZ, CA, CT, IL, LA, MA, NJ, NC, NV, NY, OH, OK, OR, PA[19], WI
CDFI to Financing Entity[20]	$184.2	$361.6	CA, KY, MA, NJ, NM, TX
Health Care Facilities	$59.9	$112.2	AZ, CA, DC, IL, KY, NC, NY
Nonprofit Organizations	$90.6	$124.9	AZ, CA, FL, KY, MI, NJ, NV, NY, OK, PA, TN
Senior Living and Long-Term Care	$30.7	$57.6	CA, OR, PA
Small Businesses	$54.5	$92.6	AZ, CA, CO, FL, KY, MA, NJ, NY, OH, PA
Daycare Centers	$21.6	$30.0	DC, KY, NY, NJ
Totals	**$1,648.5**	**$2,447.0**	

[19] Tribal Communities in NV and OK.
[20] Owner-Occupied Homes 87.27% and Commercial Real Estate 12.73%.

CDFI Equitable Recovery Program (ERP)

Through the CDFI ERP, the CDFI Fund provided grants to CDFIs to respond to the economic impacts of the COVID-19 pandemic in Low- or Moderate-Income Communities that were disproportionately impacted by the COVID-19 pandemic.

How It Works

Purpose

The Consolidated Appropriations Act, 2021 (P.L. 116-260) provided $1.75 billion to the CDFI Fund to award CDFIs grants to respond to the economic impacts of the COVID-19 pandemic. Awards provided to CDFIs are meant to expand lending, grant making, and investment activity in Low- or Moderate-Income Communities and to borrowers, including minorities, that have significant unmet capital or financial services needs and were disproportionately impacted by the COVID-19 pandemic; awards also enable CDFIs to build organizational capacity and acquire technology, staff, and other tools necessary to accomplish these activities. The only application round of the CDFI ERP was awarded in FY 2023. Further CDFI ERP application rounds will not be conducted unless Congress provides additional funding for the program.

Award Process

To be eligible to apply for a CDFI ERP award, an organization must have been a Certified CDFI with a history of serving CDFI ERP Eligible Geographies and must have met certain financial management and compliance criteria. CDFI ERP Eligible Geographies are those areas in the United States and its territories that meet one of the following criteria: (1) Census Tracts that demonstrate severe impact[21] from the COVID-19 pandemic, have a median income at or below 120% of the Area Median Income, and are CDFI Investment Areas; or (2) Native Areas.

CDFIs can use CDFI ERP grant funds for six categories of eligible activities supporting the provision of financial products and services: Financial Products, Grants Financial Services, Loan Loss Reserves, Development Services, and Capital Reserves. A portion of CDFI ERP Award funds may also be used for seven operational support activity categories: Compensation – Personal Services, Compensation – Fringe Benefits, Professional Services Costs, Travel Costs, Training and Education Costs, Equipment, and Supplies. CDFI ERP grants may be used to support a variety of eligible lines of business: Commercial Real Estate, Small Business, Microenterprise, Community Facilities, Consumer Financial Products, Consumer Financial Services, Commercial Financial Services, Commercial Financial Products, Affordable Housing, and Intermediary Lending to Nonprofits and CDFIs.

[21] An area is deemed to have experienced severe impact from COVID-19 if it demonstrates notably higher mortality from COVID-19 than the rest of the United States, demonstrates a notably greater change in the average unemployment rate than the rest of the United States, or demonstrates low community resilience to disasters.

Awards Since Inception

The first and only application round of the CDFI ERP was awarded in FY 2023. In that round, the CDFI Fund awarded $1.73 billion in grants to 604 CDFIs across the country.

FY 2024 Activities

During FY 2024, the CDFI Fund executed Assistance Agreements with CDFI ERP Recipients and continued issuing payments of awards. CDFI ERP Award Recipients began disbursing funds into communities. The CDFI Fund also set up the reporting system for CDFI ERP Recipients. Reporting deadlines are based on organizational fiscal year end and the first set of CDFI ERP reports were due September 30, 2024.

The Department of the Treasury's Office of the Inspector General (OIG) completed an audit of the CDFI Fund's Award and Post-Award Administration of the CDFI ERP. The audit found that the CDFI Fund followed all relevant federal regulations and internal policies and procedures while administering the CDFI ERP. OIG had no recommendations.

CDFI Equitable Recovery Program Impact

CDFI ERP Agreements were executed in late FY 2023 and early FY 2024. As a result, the CDFI Fund has not yet received performance and impact reporting for the vast majority of CDFI ERP recipients. Data on the impact CDFI ERP Recipients have in eligible geographies is expected to be available in FY 2025 when the majority of Recipients begin submitting CDFI ERP reports.

At the time of award, the award recipients committed to prioritizing the expenditure of their awards in the following ways:

- 222 Recipients committed to serve Low- or Moderate-Income Majority Minority Census Tracts received a total of $705.6 million in awards;
- 179 Recipients committed to serve Minority individuals or Minority-owned or controlled businesses received a total of $420.6 million in awards;
- 134 Recipients committed to serve PPCs, Native areas, and/or U.S. Territories received a total of $441.5 million in awards;
- 40 Recipients committed to serve small businesses and farms received a total of $99.7 million in awards; and
- 29 Recipients committed to increase the dollar volume of Financial Products closed, and Grants made by their organizations in ERP-Eligible Geographies received a total of $71.4 million in awards.

The 604 award recipients are in 44 states, the District of Columbia, Guam, and Puerto Rico. CDFI ERP Recipients will use their awards to address the various economic impacts of the COVID-19 pandemic. At the time of Application, Awardees were able to select economic impacts that they would address with a CDFI ERP award. The following summarizes the actual number, then percentage of the various economic impacts that the award recipients selected:

- Disruptions to small business, small farm, or nonprofit organization operations: 397 (65.7%) award recipients;
- Reduced access to homeownership financing that is affordable for Low-Income families: 312 (51.7%) award recipients;
- Job loss/increased unemployment: 308 (51%) award recipients;
- Increased housing instability: 213 (35.3%) award recipients;
- Decreased availability in housing for Low-Income Families: 205 (33.9%) award recipients;
- Other impacts: 169 (28%) award recipients;
- Increased food insufficiency: 50 (8.3%) award recipients;
- Closures of, or disruptions to, childcare facilities and services: 37 (6.1%) award recipients;
- Closures of, or disruptions to, health care or mental health care facilities and services: 26 (4.3%) award recipients; and
- Inaccessibility to broadband Internet: 11 (1.8%) award recipients.

CDFI Program

Also established in 1994 through the CDFI Fund's authorizing legislation, the Riegle Act, the CDFI Program invests in and builds the capacity of CDFIs, empowering them to grow, achieve organizational sustainability, and contribute to the revitalization of their communities.

How It Works

Purpose

The purpose of the CDFI Program is to increase the capacity of CDFIs to serve low-income people and underserved communities. The program has two primary components:

- FA awards – Monetary awards provided to support the financing activities of CDFIs.
- TA awards – Grants provided to support the capacity-building activities of CDFIs.

Award Process – FA Awards

There are two types of applicants for FA awards: Core (established CDFIs) and SECA (small and emerging CDFIs).

To be eligible for an FA award, an organization must be a Certified CDFI. In addition, an organization must demonstrate that it has the financial and managerial capacity to make a significant impact in the communities it serves. To demonstrate this, it must meet the following four criteria:

1. Be able to provide affordable and appropriate financial products and services.
2. Be a viable financial institution.
3. Be able to use an FA award effectively.
4. Be able to leverage its awards with non-federal funding.

The primary FA award type is the Base-FA award. Base-FA awards allow CDFIs to sustain and expand their financial products and services. CDFIs may use Base-FA awards for a wide range of purposes — for example, to finance businesses and to develop affordable housing, commercial real estate, and community facilities; to support community-based social service organizations; and to provide mortgages, basic banking services, and financial literacy training to people in underserved communities.

Base-FA awards to Core applicants (except Native CDFIs[22]) require the award recipient to secure a dollar-for-dollar match of non-federal funds. The form of the matching funds determines the form of the Base-FA award; the match may be in the form of loans, grants, equity investments, secondary capital, and deposits. The match requirement enables CDFIs to

[22] Per the Indian Community Economic Enhancement Act of 2020 (P.L. 116-261), Native CDFIs that apply for Core-FA under the CDFI Program are no longer required to submit Matching Funds.

multiply the impact of federal investment to meet the demand for affordable financial products in the communities they serve.

Base-FA awards to SECA applicants are made in the form of grants, and although they also include a matching requirement, Congress typically waives this requirement in the annual appropriations.

In addition, the following award types are provided as a supplement to the Base-FA award:

- **HFFI-FA Awards** – In FY 2011, the CDFI Fund launched the HFFI. Through the CDFI Program, it provides HFFI-FA awards to support a wide range of activities that expand access to healthy foods in low-income communities.

  CDFIs that are selected to receive a Base-FA award through the CDFI Program are also eligible to receive an HFFI-FA award. The CDFI must submit a separate application for an HFFI-FA award.

  HFFI-FA awards are made in the form of grants and although they include a matching funds requirement, Congress has regularly waived this requirement in its annual appropriations measures.

  HFFI-FA awards can be used to make loans and investments and to provide development services that promote and increase access to healthy food options in low-income communities. Award recipients often use the funds to increase retail access to healthy foods, to develop and equip grocery stores, and to strengthen producer-to-consumer relationships.

- **DF-FA Awards** – In FY 2018, the CDFI Fund began making DF-FA awards to provide TA and FA to CDFIs that fund projects to help individuals with disabilities.

  To be eligible for a DF-FA award, a CDFI must be selected to receive a Base-FA award and must submit a separate DF-FA award application.

  An applicant must have a demonstrated track record of serving individuals with disabilities, specifically by providing financial products and services and/or development services that have a primary purpose of benefiting individuals with disabilities.

- **PPC-FA Awards** – The Consolidated Appropriations Act, 2024 (P.L. 118-42) required that 10% of the funds awarded by the CDFI Fund under the appropriation "shall be used for awards that support investments that serve populations living in Persistent Poverty Counties." PPCs are defined as counties where 20% or more of the population has lived in poverty over the past 30 years.

  To be eligible for a PPC-FA award, a CDFI must submit a Base-FA award application, indicate in that application its interest in applying for a PPC-FA award, and demonstrate a track record of serving PPCs and the ability to deploy the award in an Eligible Market in a PPC.

Award Process - TA Awards

To be eligible for a TA award, an organization must be a Certified or Emerging CDFI. Emerging CDFIs must demonstrate that they can become certified within three years of receiving a TA award.

TA awards are made in the form of grants and do not have a matching funds requirement. Award recipients can use the awards to purchase equipment, to hire consulting or contracting services, to pay salaries and benefits, to train staff or board members, and to support other capacity-building activities.

TA award recipients often use the funds to analyze their Target Markets, to develop lending policies and procedures, and to build staff lending capacity. More established CDFIs also use TA grants to serve current Target Markets in new ways or to enhance the efficiency of their operations.

Awards Since Inception

Since the inception of the CDFI Program in 1994, the CDFI Fund has completed 28 rounds of the program and has awarded FA awards and TA awards totaling nearly $3.5 billion.

In addition, since inception the CDFI Fund has awarded 153 HFFI-FA awards totaling nearly $317.3 million and 90 DF-FA awards totaling nearly $37.7 million.

FY 2024 Activities

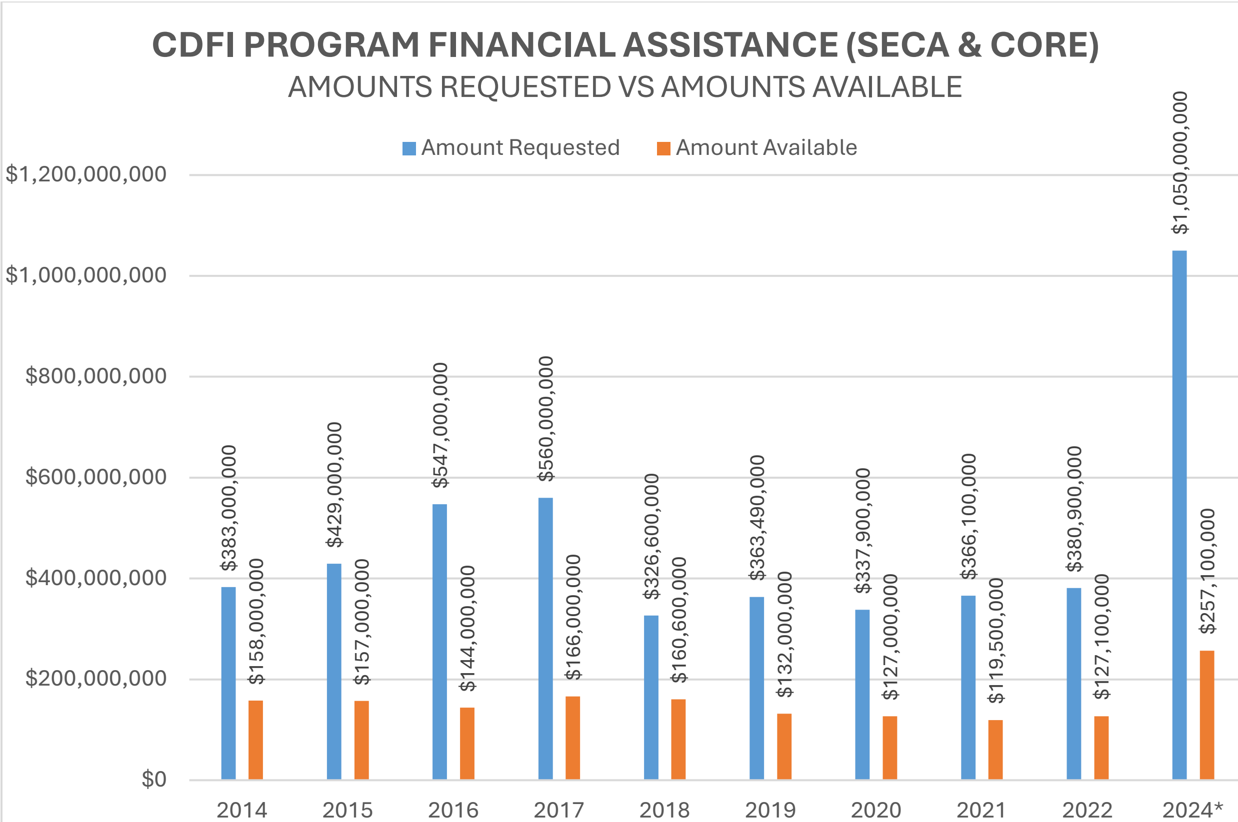
In FY 2024, the CDFI Fund completed the FY 2024 award round of the CDFI Program, which combined appropriations from FY 2023 and FY 2024. The round opened on December 8, 2023, and FA awards were announced on September 26, 2024. The CDFI Fund anticipates announcing TA awards in the fall of 2024.

The demand for FA awards significantly exceeded the resources available for the awards:

- 610 organizations requested $1.05 billion in CDFI Program Base-FA awards; 332 organizations received $257.1 million.
- 272 organizations requested $158 million in CDFI Program PPC-FA awards; 145 organizations received $42.9 million.
- 29 organizations requested $26.5 million in DF-FA awards; 14 organizations received $12.9 million (CDFI Program and NACA Program combined).
- 28 organizations requested $162 million in HFFI-FA awards; 15 organizations received $48 million (CDFI Program and NACA Program combined).

The demand for TA awards is also expected to exceed the resources available for the awards:

- 286 organizations requested $83.8 million in CDFI Program TA awards.



**Consists of funding provided under the Consolidated Appropriations Act, 2023 (Pub. L. 117-328), as well as the Consolidated Appropriations Act, 2024 (Pub. L. 118-47).*

CDFI Program Impact

In FY 2024, CDFI Program award recipients reported originating loans or investments totaling over $24 billion, based on their portfolio of activities in 2023. This includes, but is not limited to:

- $13.0 billion for consumer loans;
- $5.3 billion for home improvement and home purchase loans;
- $2.3 billion for business and microenterprise loans; and
- $1.6 billion for residential real estate transactions.

In addition, recipients financed over 45,000 affordable housing units.

The FY 2024 performance results reported in the table below reflect program outcomes and activities for 2023 and are based on information entered into the CDFI Fund's performance reporting system by CDFI Program award recipients.

Annual Performance Report of CDFI Program Award Recipients for FY 2024

(Based on program activities reported in 2023)

Lending and Investing Activity	Amount
Amount of Total Loans/Investments Originated	**$24,480,823,385**
Number of Total Loans/Investments Originated	1,054,174
Business and Microenterprise Originations	**$2,349,680,022**
Number of Originations	180,126
Consumer Originations	**$12,961,128,344**
Number of Originations	819,928
Home Improvement and Home Purchase Originations	**$5,267,359,386**
Number of Originations	46,117
Residential Real Estate Originations	**$1,563,966,736**
Number of Originations	1,074
Commercial Real Estate Originations	**$1,455,660,817**
Number of Originations	966
Climate-Centered Originations[23]	**$5,247,900**
Number of Originations	29
All Other Originations	**$877,783,180**
Number of Originations	5,934
Affordable Housing Units Financed	**45,255**
Rental Units	42,929
Owner Units	2,326
Businesses Financed	**109,151**

Notes: Consumer loan data for banks and credit unions who are joint CDFI-FA and CDFI RRP award recipients is included in the table above rather than being included in the CDFI RRP impact data tables.

[23] "Climate-Centered" finance was a new answer choice added to the TLR for FY2023 reporting. It is defined as "Financing projects related to climate resilience; response to or preparation for extreme weather; reduction of emissions; sustainability; energy, water, or location efficiency; or clean energy projects, including Solar (NAICS 221114), Wind power (NAICS 221115), Geothermal power (NAICS 221116), Biomass (NAICS 221117), as well as other terms such as "LEED", "recycling", "waste processing", "Biofuel", "brownfield", "renewable energy" or "green lending. Financing with a climate-centered purpose of some form can include investment supporting weatherization; energy-efficient prefabrication or manufacturing; supply chain use, processes or productions resulting in lower emissions; energy site transitions; sustainable and/or climate-smart agriculture and forestry; renewable energy development or implementation (including wind, solar, hydroelectric, biomass, geothermal, and other low-carbon technologies); electric vehicle innovation or use; and other investments that aim to build climate resilience, support adaptation to extreme weather and climate events, and/or mitigate climate change." https://www.cdfifund.gov/sites/cdfi/files/2023-12/CDFI_NACA_RRP_FULL_TLR_Final_December2023.pdf

CDFI Program cumulative impact data is reported in the table below for FY 2010 to FY 2024, based on recipients' activities in 2009 to 2023.

Cumulative Performance Report of CDFI Program Award Recipients for FYs 2010 to 2024

(Based on program activities reported from 2009 to 2023)

Lending and Investing Activity (includes late reporters not included in FY2023 Annual Report)	Amount
Amount of Total Loans/Investments Originated	**$298,090,058,289**
Number of Total Loans/Investments Originated	20,368,961
Business and Microenterprise Originations	**$55,845,125,575**
Number of Originations	1,667,586
Consumer Originations	**$105,622,786,491**
Number of Originations	17,989,546
Home Improvement and Home Purchase Originations	**$68,851,226,785**
Number of Originations	530,126
Residential Real Estate Originations	**$28,411,076,533**
Number of Originations	54,759
Commercial Real Estate Originations	**$30,989,670,303**
Number of Originations	42,003
Climate-Centered Originations[24]	**$5,247,900**
Number of Originations	29
All Other Originations	**$8,364,924,702**
Number of Originations	84,192
Affordable Housing Units Financed	**557,698**
Rental Units	512,517
Owner Units	45,181
Businesses Financed	**1,343,850**

[24] "Climate-Centered" finance was a new answer choice added to the TLR for FY2023 reporting. It is defined as "Financing projects related to climate resilience; response to or preparation for extreme weather; reduction of emissions; sustainability; energy, water, or location efficiency; or clean energy projects, including Solar (NAICS 221114), Wind power (NAICS 221115), Geothermal power (NAICS 221116), Biomass (NAICS 221117), as well as other terms such as "LEED", "recycling", "waste processing", "Biofuel", "brownfield", "renewable energy" or "green lending. Financing with a climate-centered purpose of some form can include investment supporting weatherization; energy-efficient prefabrication or

Notes: All consumer loan data for banks and credit unions who are joint CDFI-FA and CDFI RRP award recipients is included in the table above, rather than being included in the CDFI RRP impact data tables

HFFI-FA Program Impact

Since the inception of the HFFI-FA program in 2011, HFFI-FA award recipients have reported healthy food investments totaling close to $460.4 million. There were retail investments totaling nearly $377.0 million that developed over 4.7 million square feet of new retail space for projects ranging from small greengrocers to large supermarkets which served low-income, low-access Census Tracts. In addition, there were non-retail investments totaling nearly $83.4 million in projects involving production and distribution, which developed more than 17.9 million square feet of space for eligible healthy food activities. The HFFI Program's cumulative impact is derived from transactional reports by HFFI recipients.

manufacturing; supply chain use, processes or productions resulting in lower emissions; energy site transitions; sustainable and/or climate-smart agriculture and forestry; renewable energy development or implementation (including wind, solar, hydroelectric, biomass, geothermal, and other low-carbon technologies); electric vehicle innovation or use; and other investments that aim to build climate resilience, support adaptation to extreme weather and climate events, and/or mitigate climate change." https://www.cdfifund.gov/sites/cdfi/files/2023-12/CDFI_NACA_RRP_FULL_TLR_Final_December2023.pdf

HFFI-FA Program Cumulative Performance Report of Award Recipients for FY 2024

(Based on program activities reported from 2012 to 2023)

Lending and Investing Activity	Amount
Amount of Total Loans/Investments Originated	**$460,356,239**
Number of Total Loans/Investments Originated	780
Number of Projects	560
Number of Award Recipients Reported	43
HFFI Retail Investments	
Amount of Retail Loans/Investments	$376,984,241
Number of Retail Loans/Investments	461
HFFI Non-Retail Investments	
Amount of Non-Retail Loans/Investments	$83,371,999
Number of Non-Retail Loans/Investments	319
HFFI Square Footage - Project Level	
Square Footage of New Retail Healthy Food Outlets	4,708,720
Square Footage of New Non-Retail Healthy Food Outlets	17,900,355

Notes: Some HFFI transactions from previous years were excluded from past year totals due to data migration issues when information was transferred from Community Investment Impact System (CIIS) to AMIS. These transactions have been restored in this year’s calculation. As a result, this year’s totals include adjustments for several prior periods that were previously omitted.

CDFI Rapid Response Program (RRP)

The CDFI RRP was established in FY 2021 to help CDFIs deliver emergency support to distressed and underserved communities suffering from the economic hardships created by the COVID-19 pandemic.

How It Works

Purpose

The Consolidated Appropriations Act, 2021, (P.L. 116-260) provided $1.25 billion for the CDFI Fund to use to provide grants to enable Certified CDFIs "to support, prepare for, and respond to the economic impact of the coronavirus." The CDFI Fund awarded these grants to Certified CDFIs through the CDFI RRP. Unlike the CDFI Fund's competitive funding programs, the CDFI RRP was a formula-based grant program designed to provide awards to all eligible applicants. The only application round of the CDFI RRP was conducted in FY 2021. Further CDFI RRP application rounds will not be conducted unless Congress provides additional funding for the program.

Award Process

All CDFI RRP awards were made in the form of a grant. The minimum grant amount was $200,000, and the maximum amount was $1.8 million. The legislation authorizing the program stipulated that at least $25 million of the more than $1.2 billion awarded through the program be used to benefit Native Communities.

Only organizations that the CDFI Fund had certified as CDFIs were eligible to apply. An applicant could request the minimum award amount of $200,000 or up to 150% of its total financial products closed in an eligible market and/or target market for its most recent historic fiscal year, whichever was greater.

CDFIs may use CDFI RRP grant funds for five categories of eligible activities supporting the provision of financial products and services: Financial Products, Financial Services, Loan Loss Reserves, Development Services, and Capital Reserves.

In addition, CDFIs may use the greater of $200,000 or 15% of the grant for seven categories of eligible activities supporting operations: Compensation – Personal Services, Compensation – Fringe Benefits, Professional Service Costs, Travel Costs, Training and Education Costs, Equipment, and Supplies.

CDFIs may use the grants to support a variety of eligible lines of business: Commercial Real Estate, Small Business, Microenterprise, Community Facilities, Consumer Financial Products, Consumer Financial Services, Commercial Financial Services, Commercial Financial Products, Affordable Housing, and Intermediary Lending to Nonprofits and CDFIs.

In conducting the application review process for the CDFI RRP, the CDFI Fund implemented the language of the Consolidated Appropriations Act, 2021, which authorizes the CDFI Fund to make grants to CDFIs using "a formula approach that takes into account criteria such as certification status, financial and compliance performance, portfolio and balance sheet strength, a diversity of CDFI business model types, and program capacity."

Awards Since Inception

The FY 2021 round of the CDFI RRP was the first and only round of the program. The CDFI Fund awarded more than $1.2 billion in grants to 863 organizations.

FY 2024 Activities

There was no CDFI-RRP Funding round during FY 2024. Most CDFI-RRP recipients have reached the end of their period of performance and awards have been closed out; however, a few recipients continue to execute the requirements pursuant to their assistance agreements and are still actively reporting on their uses of the award as well as their progress toward meeting any applicable performance goals.

Program Impact

In FY 2024, CDFI RRP award recipients reported originating loans or investments totaling more than $18.7 billion, based on their portfolio of activities in 2023. This includes, but is not limited to:

- $7.8 billion for consumer loans;
- $3.4 billion for home improvement and home purchase loans;
- $3.6 billion for business and microenterprise loans; and
- $1.8 billion for residential real estate transactions.

In addition, recipients financed 30,900 affordable housing units.

The FY 2024 performance results reported in the table below reflect program outcomes and activities for 2023 and are based on information entered into the CDFI Fund's performance reporting system by CDFI RRP Program award recipients.

Annual Performance Report of CDFI RRP Program Award Recipients for FY 2024

(Based on program activities reported in 2023)

Lending and Investing Activity	Amount
Amount of Total Loans/Investments Originated	**$18,692,901,417**
Number of Total Loans/Investments Originated	582,883
Business and Microenterprise Originations	**$3,617,187,848**
Number of Originations	23,306
Consumer Originations	**$7,790,314,381**
Number of Originations	520,950
Home Improvement and Home Purchase Originations	**$3,366,887,894**
Number of Originations	26,909
Residential Real Estate Originations	**$1,828,302,315**
Number of Originations	5,175
Commercial Real Estate Originations	**$1,689,444,245**
Number of Originations	3,248
Climate-Centered Originations[25]	**$5,591,386**
Number of Originations	19
All Other Originations	**$395,173,348**
Number of Originations	3,276
Affordable Housing Units Financed	**30,900**
Rental Units	28,149
Owner Units	2,751
Businesses Financed	**22,956**

Notes: Consumer loan data for banks and credit unions who are joint CDFI-FA and CDFI RRP award recipients is excluded from the table above.

[25] "Climate-Centered" finance was a new answer choice added to the TLR for FY2023 reporting. It is defined as "Financing projects related to climate resilience; response to or preparation for extreme weather; reduction of emissions; sustainability; energy, water, or location efficiency; or clean energy projects, including Solar (NAICS 221114), Wind power (NAICS 221115), Geothermal power (NAICS 221116), Biomass (NAICS 221117), as well as other terms such as "LEED", "recycling", "waste processing", "Biofuel", "brownfield", "renewable energy" or "green lending. Financing with a climate-centered purpose of some form can include investment supporting weatherization; energy-efficient prefabrication or manufacturing; supply chain use, processes or productions resulting in lower emissions; energy site transitions; sustainable and/or climate-smart agriculture and forestry; renewable energy development or implementation (including wind, solar, hydroelectric, biomass, geothermal, and other low-carbon technologies); electric vehicle innovation or use; and other investments that aim to build climate resilience, support adaptation to extreme weather and climate events, and/or mitigate climate change." https://www.cdfifund.gov/sites/cdfi/files/2023-12/CDFI_NACA_RRP_FULL_TLR_Final_December2023.pdf

CDFI RRP Program cumulative impact data is reported in the table below for FY 2022 to FY 2024, based on recipients' activities in 2021 to 2023.

Cumulative Performance Report of CDFI RRP Program Award Recipients for FYs 2022 to 2024

(Based on program activities reported from 2021 to 2023)

Lending and Investing Activity (includes late reporters not included in FY 2023 Annual Report)	Amount
Amount of Total Loans/Investments Originated	**$64,633,467,074**
Number of Total Loans/Investments Originated	1,877,767
Business and Microenterprise Originations	**$9,700,809,741**
Number of Originations	68,327
Consumer Originations	**$27,003,032,223**
Number of Originations	1,685,377
Home Improvement and Home Purchase Originations	**$13,104,528,718**
Number of Originations	87,536
Residential Real Estate Originations	**$5,444,365,175**
Number of Originations	14,087
Commercial Real Estate Originations	**$7,312,966,240**
Number of Originations	10,561
Climate-Centered Originations[26]	**$5,591,386**
Number of Originations	19
All Other Originations	**$2,062,173,591**
Number of Originations	11,860
Affordable Housing Units Financed	**68,311**
Rental Units	59,419
Owner Units	8,892
Businesses Financed	**66,033**

[26] "Climate-Centered" finance was a new answer choice added to the TLR for FY2023 reporting. It is defined as "Financing projects related to climate resilience; response to or preparation for extreme weather; reduction of emissions; sustainability; energy, water, or location efficiency; or clean energy projects, including Solar (NAICS 221114), Wind power (NAICS 221115), Geothermal power (NAICS 221116), Biomass (NAICS 221117), as well as other terms such as "LEED", "recycling", "waste processing", "Biofuel", "brownfield", "renewable energy" or "green lending. Financing with a climate-centered purpose of some form can include investment supporting weatherization; energy-efficient prefabrication or

Notes: Consumer loan data for banks and credit unions who are joint CDFI-FA and CDFI RRP award recipients or joint NACA-FA and CDFI RRP recipients is excluded from the table above.

manufacturing; supply chain use, processes or productions resulting in lower emissions; energy site transitions; sustainable and/or climate-smart agriculture and forestry; renewable energy development or implementation (including wind, solar, hydroelectric, biomass, geothermal, and other low-carbon technologies); electric vehicle innovation or use; and other investments that aim to build climate resilience, support adaptation to extreme weather and climate events, and/or mitigate climate change." https://www.cdfifund.gov/sites/cdfi/files/2023-12/CDFI_NACA_RRP_FULL_TLR_Final_December2023.pdf

Economic Mobility Corps (EMC)

EMC is a joint initiative of the CDFI Fund and AmeriCorps that places full-time national service members in Certified CDFIs to enhance their capacity to provide financial literacy, financial planning, budgeting, saving, and other financial counseling activities. The program launched in FY 2021 and announced its first financial awards in August 2021.

How It Works

Purpose

Providing access to credit and capital in distressed communities requires the presence of a dedicated team with the ability to deliver a wide range of financial education services. EMC is a national service program that provides grants to place AmeriCorps national service members in Certified CDFIs to support their financial education programs.

Grant funding was made available to fund AmeriCorps service members for a two-year term of service. After receiving training in the principles of financial counseling and financial literacy, members help CDFIs promote, market, and deliver a variety of financial counseling and financial planning programs.

Members who work full-time also receive living allowances and are eligible to earn a Segal AmeriCorps Education Award from the National Service Trust, which they can use to pay for higher education expenses or to apply to qualified student loans.

The creation of EMC was initially authorized by the Consolidated Appropriations Act, 2020 (P.L. 116-93), which provided $2 million in funding to support the first funding round of the program, which occurred in FY 2021.

Award Process

An organization is not required to be a Certified CDFI to apply for an EMC award. However, award recipients are required to use their EMC awards to fund the placement of AmeriCorps service members in Certified CDFIs.

Any organization that meets AmeriCorps' State and National Direct Grant Program eligibility criteria can apply for an EMC award. These organizations include Certified CDFIs and other financial institutions as well as Native American tribes, institutions of higher learning, state and local governments, and nonprofit organizations.

An organization can apply to EMC either as a single-state applicant, or as a national direct applicant if it intends to place AmeriCorps service members at Certified CDFIs in more than one state. Organizations that apply for and receive EMC funds must comply with all AmeriCorps' State and National Direct Grant Program guidelines.

Awards Since Inception

Since inception of EMC, the CDFI Fund and AmeriCorps have awarded nearly $2.5 million in grants to three organizations to support 78 national service members over a three-year period. To date, Awards have been provided to only a single round of Recipients as part of the FY 2021 round of EMC. There were no organizations that submitted Applications for EMC funding in FYs 2022 or 2023.

FY 2024 Activities

Due to a lack of funding demand in prior EMC applications rounds, the CDFI Fund decided to not hold an FY 2024 EMC program round. The Further Consolidated Appropriations Act, 2024 (Pub. L. 118-47) provided “up to” $2 million for EMC activities, which was instead directed to provide Awards under the FY 2024 round of the CDFI Program.

Program Impact

The CDFI Fund collects performance data from AmeriCorps about the impact of EMC award recipients. Since inception, EMC Awards have been used to provide 1,024 individuals with financial literacy education training and 759 individuals have improved financial knowledge as a result of EMC Award Recipient activities.

Native Initiatives

The Native Initiatives was launched in 2001 to help Native Communities — defined as Native American, Alaska Native, and Native Hawaiian communities — grow by increasing their access to credit, capital, and financial services.

How It Works

Purpose

The origin of the Native Initiatives dates to the Riegle Act, when Congress mandated, through the CDFI Fund's authorizing statute, a study on lending and investment practices in Native communities. The CDFI Fund conducted the study from 1999 to 2000 and published the Native American Lending Study in 2001.

The study reported that Native Communities face several unique challenges to economic growth, including higher barriers to accessing capital and basic financial services and increased difficulty interacting with private and public sector programs. The study affirmed the importance of developing Native CDFIs — CDFIs that specialize in serving Native Communities — to play a key role in the broader effort to lead Native Communities into the nation's economic mainstream.

The study led to the formation of the CDFI Fund's Native Initiatives. The program's purpose is to generate economic opportunity in Native Communities by supporting the creation and expansion of Native CDFIs through the Native American CDFI Assistance Program (NACA Program).

The NACA Program is similar to the CDFI Program. Like the CDFI Program, it provides Base-FA awards, HFFI-FA awards, PPC-FA awards, DF-FA awards, and TA awards. However, the NACA Program focuses solely on supporting Native CDFIs.

By building and strengthening Native CDFIs, the NACA Program helps these community-based organizations increase access to credit, capital, and financial services in their communities, which in turn creates jobs, develops affordable housing, and provides opportunities for Native American, Alaska Native, and Native Hawaiian people to obtain appropriate financial services and counseling.

Award Process

The NACA Program has similar award components to the CDFI Program, but with an exclusive focus on Native CDFIs. An overview of the award types may be found in the CDFI Program discussion. Details specific to the NACA Program's FA and TA awards are described below.

FA Awards: To be eligible for a Base-FA award through the NACA Program, an organization must be a Certified CDFI. It also must have a Target Market of a Native Community and must ensure that at least 50% of its activities serve Native American, Alaska Native, and/or Native Hawaiian communities.

The Indian Community Economic Enhancement Act of 2020 (P. L. 116–261) permanently waived the Matching Funds requirement for Native American CDFIs, and, as a result, Native American CDFI FA Applicants are not required to provide matching funds.

TA Awards: Three types of organizations are eligible to apply for a TA award through the NACA Program: Certified Native CDFIs, Emerging Native CDFIs, and Sponsoring Entities (organizations primarily serving Native Communities that propose to create a separate Certified CDFI). Emerging Native CDFIs must demonstrate the ability to become a Certified Native CDFI within three years of receiving a TA grant. Sponsoring Entities must demonstrate the ability to create a new entity that will become a Certified Native CDFI within four years of receiving an award.

Awards Since Inception

Since the inception of the NACA Program in 2001, the CDFI Fund has completed 21 rounds of the program and has provided FA and TA awards totaling $289.8 million, which includes PPC-FA awards totaling $15.0 million.

FY 2024 Activities

In FY 2024, the CDFI Fund completed the FY 2024 award round of the NACA Program, which combined appropriations from FY 2023 and FY 2024. The round opened on December 8, 2023, and awards were announced on September 26, 2024. The CDFI Fund anticipates announcing TA awards in the fall of 2024.

The demand for FA awards significantly exceeded the resources available for the awards:

- 37 organizations requested $61.6 million in NACA Program Base-FA awards; 25 organizations received $43.2 million.
- 12 organizations requested $6.4 million in NACA PPC-FA awards; eight organizations received $4 million.

The demand for TA awards is also expected to exceed the resources available for the awards:

- 15 organizations requested $5.5 million in NACA Program TA awards.

NACA Program Impact

Since the NACA Program was launched in 2001, the CDFI Fund has provided nearly $221.8 million in FA and TA awards through the program. Those funds have helped build a nationwide network of Certified Native CDFIs:

- In 2001, the number of Certified Native CDFIs totaled 14.
- As of the end of FY 2024, the number of Certified Native CDFIs totaled 64.

The performance results reported by NACA Program award recipients in FY 2024 show that Native CDFIs originated more than 4,100 loans or investments totaling $157.9 million, based on their portfolio of activities in 2023. This includes $68.6 million in business and microenterprise loans, $22.7 million in home improvement and home purchase loans, and $24.8 million in consumer loans.

The Native Initiatives Program is generating economic opportunity and fostering economic self-determination in Native Communities nationwide. The table below demonstrates the cumulative impact of NACA recipient activities from FY 2010 to FY 2024.

Cumulative Performance Report of NACA Program Award Recipients for FYs 2010 to 2024

(Based on program activities reported from 2009 to 2023)

Lending and Investing Activity (includes late reporters not included in FY 2023 Annual Report)	Amount
Amount of Total Loans/Investments Originated	**$2,571,806,710**
Number of Total Loans/Investments Originated	73,245
Business and Microenterprise Originations	**$659,045,757**
Number of Originations	5,375
Consumer Originations	**$343,614,142**
Number of Originations	54,802
Home Improvement and Home Purchase Originations	**$1,077,830,249**
Number of Originations	7,531
Residential Real Estate Originations	**$3,549,080,598**
Number of Originations	8,934
Commercial Real Estate Originations	**$101,741,101**
Number of Originations	323
All Other Originations	**$301,430,225**
Number of Originations	5,035
Affordable Housing Units Financed	**499**
Rental Units	363
Owner Units	136
Businesses Financed	**4,336**

Notes: Consumer loan data for banks and credit unions who are joint NACA-FA and RRP award recipients is included in the table above.

New Markets Tax Credit (NMTC) Program

The NMTC Program was established by Congress in 2000 to attract private investment to underserved communities by offering a tax credit to investors.

How It Works

Purpose

One of the most significant obstacles to economic development in low-income communities is the lack of access to private investment capital. The NMTC Program is designed to attract new private investment to qualifying businesses located in Low-Income Communities (generally defined as population Census Tracts with at least 20% poverty or 80% or less of the median family income) or businesses that are owned by, employ, or serve Low-Income Targeted Populations.

The NMTC Program attracts private investment by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making Qualified Equity Investments (QEIs) in specialized financial intermediaries called CDEs. The credit totals 39% of the original investment amount; the investor claims the credit over a period of seven years.

Congress authorized the NMTC Program under the Community Renewal Tax Relief Act of 2000 (P.L. 106-554), which included $15 billion in allocation authority for seven years. Since then, the NMTC Program has been reauthorized eight times. Most recently, the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (P.L. 116-260) extended authorization of the program for calendar year (CY) 2021 to CY 2025 with $5 billion in annual NMTC allocation authority.

Award Process

The CDFI Fund allocates tax credits to Certified CDEs through a competitive application process. If successful, the CDE has five years to offer the tax credits to investors in exchange for QEIs.

A CDE has 12 months to invest “substantially all” of the proceeds from the QEIs into Qualified Low Income Community Investments (QLICIs). The proceeds must be used to make loans or equity investments in qualified businesses or CDEs, to purchase qualifying loans originated by other CDEs, or to provide financial counseling to businesses located in Low-Income Communities.

Awards Since Inception

Since the inception of the NMTC Program in 2000, the CDFI Fund has completed 20 allocation rounds and has made 1,667 awards totaling $81 billion in tax allocation authority. This includes $3 billion in Recovery Act Awards and $1 billion of special allocation authority used for the recovery and redevelopment of the Gulf Opportunity Zone.

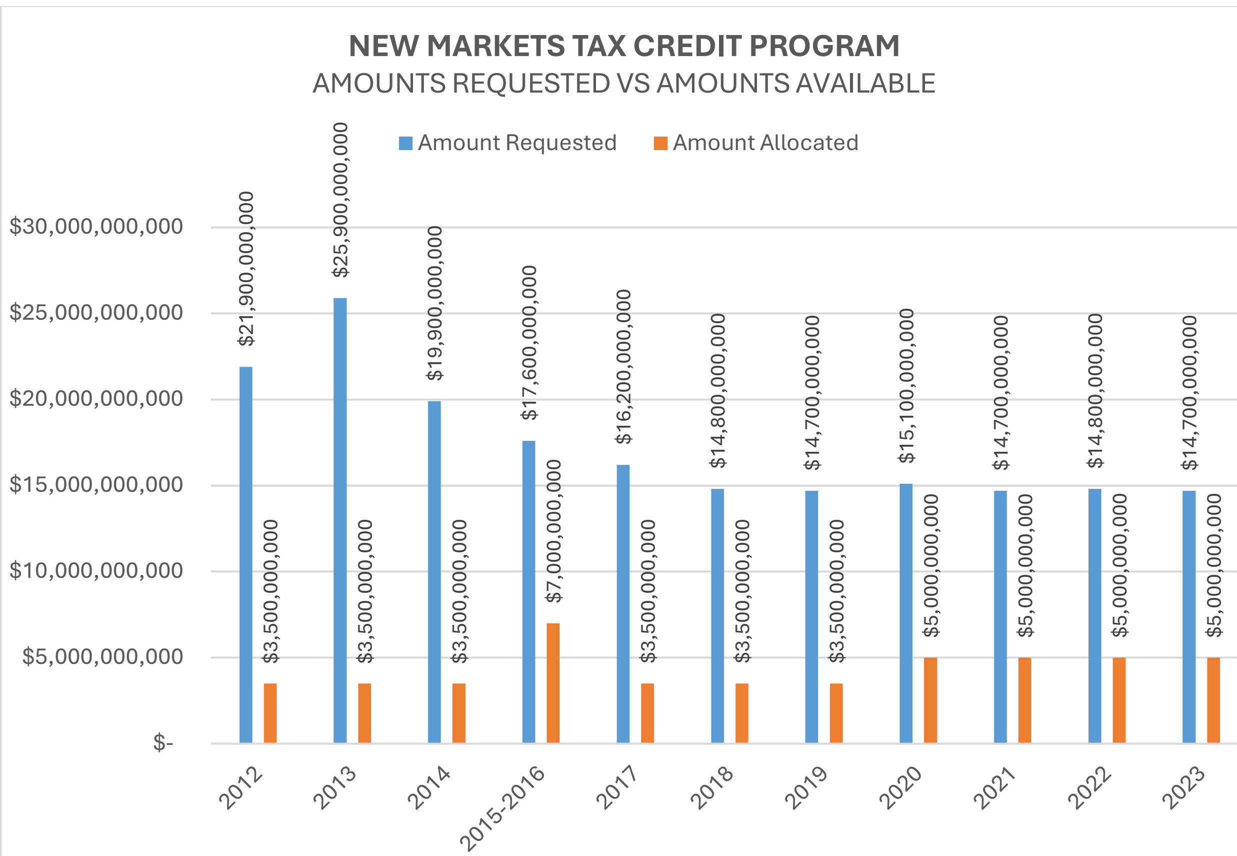
FY 2024 Activities

In FY 2024, the CDFI Fund opened the CY 2023 round of the NMTC Program on October 23, 2023, and announced the awards on September 19, 2024. The demand for NMTC allocation authority significantly exceeded the tax credits available during the round:

- 196 CDEs submitted applications requesting $14.7 billion in tax credit allocation authority.
- $5 billion in tax credit allocation authority was awarded to 104 CDEs.

The CDFI Fund anticipates opening a combined CY 2024-2025 application round of the NMTC Program in fall 2024 and announcing $10 billion in allocation awards in fall 2025.

The CDFI Fund solicited public comments on the NMTC Allocation Application as part of its renewal under the PRA in FY 2024. Initial public comments were due on April 23, 2024. The CDFI fund adjudicated over 400 comments and will implement the latest version of the NMTC Allocation Application in fall of 2024.



NMTC Program Impact

The CDFI Fund has awarded a total of $81 billion to CDEs through the NMTC Program. As of September 30, 2024, allocation recipients had reported raising QEIs totaling more than $72.8 billion.

In FY 2024, allocation recipients reported making nearly $4.4 billion in loans and investments in QLICIs, as shown in the table below.

Of these investments, 20.3% of the dollars invested were invested in “real estate Qualified Active Low Income Community Businesses (QALICBs)” (i.e., businesses that develop or lease real property for use by others), 79.4% of the dollars were invested in “non-real estate QALICBs” (i.e., operating businesses) in low-income communities, and the remaining investments were direct investments into other CDEs. Since the inception of the NMTC Program, recipients of allocations have reported making more than $71.0 billion in cumulative qualified low-income community investments.

FY 2024 Annual & Cumulative Performance Report of NMTC Program Allocation Recipients

(Based on program activities reported from 2009 to 2023)

	Annual Performance (Based on program activities reported in 2023)	**Cumulative Performance** (Based on program activities reported in 2003 to 2023)
Total Qualified Low-Income Community Investments (QLICI)	**$4,405,964,759**	**$71,018,792,860**
Number of QLICI (TOTAL)	1,293	21,204
Real Estate Activity	**$896,496,860**	**$29,525,764,063**
Number of QLICI (RE)	268	7,938
Non-Real Estate Activity	**$3,500,470,899**	**$40,541,554,031**
Number of QLICI (NRE)	1,022	12,979
Loans/Investments Made to Other CDEs	**$9,000,000**	**$951,474,766**
Number of QLICI (CDE)	3	287
Percentage in Distressed Area	**79.3%**	**75.9%**
Affordable Housing Units Financed[27]	**623**	**14,100**
Owner Units	262	6,340
Rental Units	361	7,760
Square Feet of Commercial Real Estate	**10,518,564**	**268,279,410**
Office	2,423,383	108,583,059
Retail	870,011	67,077,118
Manufacturing	7,225,170	92,619,233
Businesses Financed	**630**	**9,905**
Financial Counseling and Other Services		
Total Investments	492,835	6,345,771
Number of Businesses Served	27,914	179,576

[27] Beginning with the FY 2024 Annual Report to Congress, a one-time adjustment has been made to the Affordable Housing Units Financed numbers for total units, owner units, and rental units to reflect corrections made to previously reported TLR data. The adjustment ensures that the reported value accurately represents the current TLR data in the CDFI Fund's Awards Management Information System (AMIS).

In FY 2024, NMTC allocation recipients projected 28,957 permanent jobs, 59,244 construction-related jobs, and 37,409 tenant-based jobs for activities covering FY 2021 to FY 2023. From the inception of the program until FY 2020, allocation recipients have reported the creation of 166,470 permanent jobs, 453,293 construction jobs, and 268,458 tenant-based jobs.

FY 2024 Projected and Actual Jobs Report of NMTC Program Allocation Recipients

	Projected Performance (Based on program activities reported in FY 2021-2023)[28]	**Cumulative Performance** (Based on program activities reported in FY 2003-2020)[29]
Total Projected Jobs	**125,610**	
Projected Permanent Jobs	28,957	
Projected Construction Jobs	59,244	
Projected Tenant Jobs	37,409	
Total Actual Jobs		**888,221**
Actual Permanent Jobs		166,470
Actual Construction Jobs		453,293
Actual Tenant Jobs		268,458

The NMTC Program catalyzes investment where investment is needed most. Over 79.3% of NMTC investments reported in FY 2024 have been made in highly distressed areas. NMTC investments are helping these communities with low median incomes and high rates of unemployment transform into places of opportunity.

[28] NMTC Allocatees are required to report projected permanent jobs at the business financed, construction jobs, and tenant jobs in the first year of the compliance period. Actual jobs for those three categories are not required to be reported until the third year. With the FY 2023 Annual Report to Congress, projected jobs numbers were published for the three most recent fiscal years for which the CDFI Fund had data.
[29] With the FY 2023 Annual Report to Congress, the Jobs at Reporting Period End category was replaced by three distinct job categories representing actual permanent jobs at the businesses financed, construction jobs, and tenant jobs. Because actual jobs numbers are not required until the third year of the compliance period, actual jobs numbers will only be published for investments that are past the three-year threshold.

Small Dollar Loan (SDL) Program

The SDL Program helps Certified CDFIs address the issue of expanding consumer access to mainstream financial institutions and provides alternatives to high-cost small dollar loans that are prevalent in low-income communities. The program also helps unbanked and underbanked populations build credit and access the mainstream financial system.

How It Works

Purpose

The SDL Program was authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203).

The SDL Program provides grants to help Certified CDFIs offer fair and affordable small dollar loan programs in communities that are underserved by mainstream financial institutions. The SDL Program statute stipulates that these grants can be used only to support programs offering small dollar consumer loans that:

- are made in amounts that do not exceed $2,500;
- are repaid in installments;
- have no prepayment penalty;
- report the loan payments to at least one of the consumer reporting agencies that compile and maintain files on consumers on a nationwide basis; and
- are underwritten with standards that consider the consumer's ability to repay.

The SDL Program not only provides safe alternatives to high-cost small dollar loans, but also helps unbanked and underbanked borrowers build credit and enter the mainstream financial system by reporting their loan activity to the credit bureaus.

Award Process

Through the SDL Program, the CDFI Fund provides two types of awards to Certified CDFIs:

1. **Grants for Loan Loss Reserves (LLRs**) to enable Certified CDFIs to establish a loan loss reserve fund to cover losses on establishing or maintaining a small dollar loan program.
2. **Grants for TA** to support a variety of activities to enable Certified CDFIs to establish and maintain a small dollar loan program. The seven categories of eligible activities are: Compensation — Personal Services, Professional Service Costs, Travel Costs, Training and Education Costs, Equipment, Supplies, and Development Services.

Grant recipients cannot use SDL Program awards to provide direct loans to consumers.

Eligible applicants may request up to $150,000 for TA awards, $350,000 for LLR awards, and up to a total of $500,000 for a combination of TA and LLR awards.

Three types of applicants are eligible to apply for SDL Program grants:

- Certified CDFIs;
- Partnerships between a Certified CDFI and any federally insured depository institution with a primary mission to serve targeted Investment Areas; and
- Partnerships between two or more Certified CDFIs.

All organizations that receive an award through the SDL Program are required to meet various performance goals within three years of receiving an award, and award recipients must report annually on how they used the funds.

FY 2024 Activities

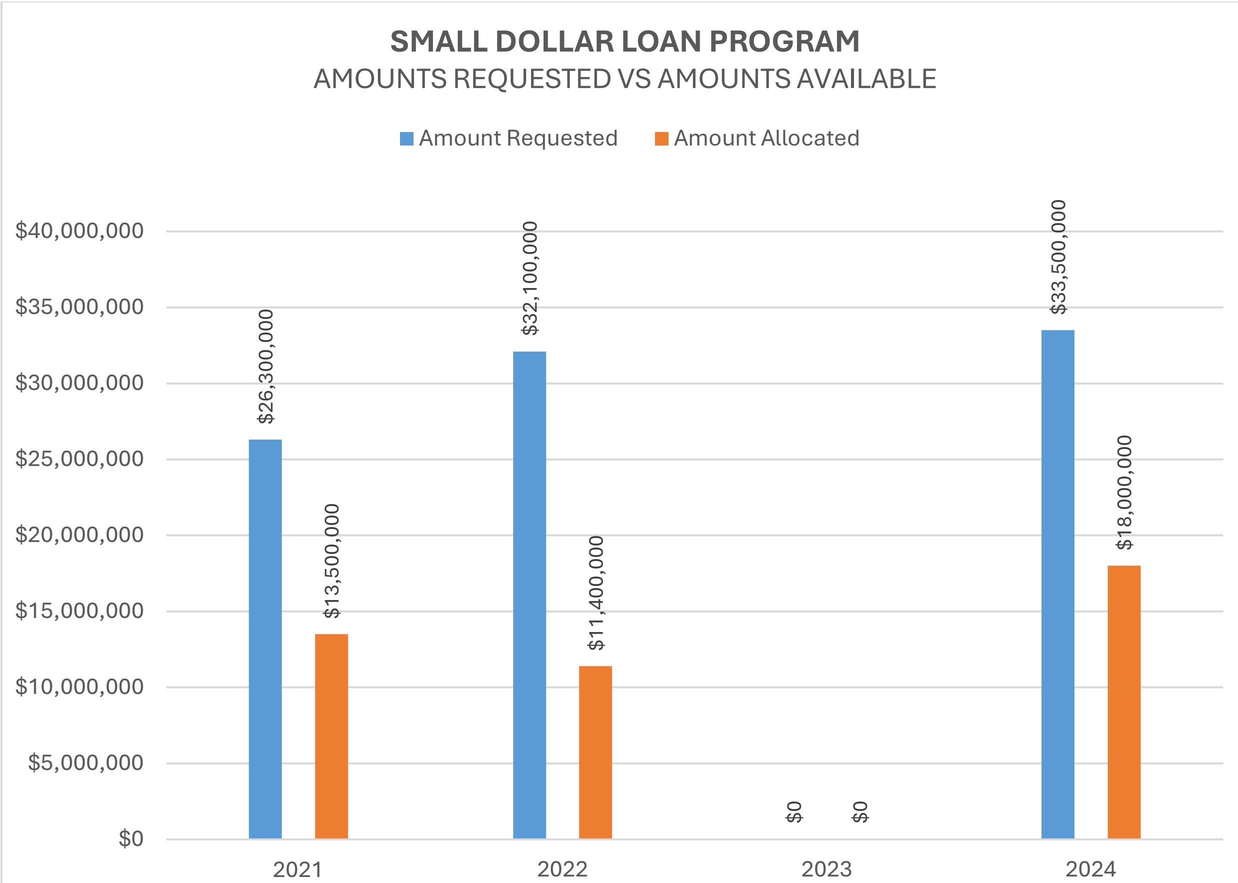
Awards for the most recent funding round (FY 2024) were announced on April 16, 2024, and $18 million was awarded to 66 Recipients. The FY 2024 round included funding under the Consolidated Appropriations Acts of 2023 and 2024.

Minority Depository Institutions (MDIs) received 18 awards (27% of total awards) totaling $5.1 million (28% of total award funds). Of the 66 Recipients, 22 Awardees receiving $5.8 million in award dollars (32% of total dollars awarded) were headquartered in Persistent Poverty Counties, significantly exceeding the 10% congressional mandate.

The 66 Recipients are expected to generate $142.8 million in small dollar loans with the support of the $18 million in grants. This equates to $8 of small dollar loans for every $1 of the SDL Program Award. These Recipients' reporting data for the first year of the performance period will be provided in the next annual report.

Awards Since Inception

Since the inaugural funding round of the SDL Program in 2021, in total, the CDFI Fund has completed three funding rounds and awarded more than $40.2 million through 184 grants.



Program Impact

The 184 awards made in the three funding rounds will enable 149 unique CDFIs to increase their capacity to provide fair and affordable loans in their communities and to help unbanked and underbanked borrowers build their credit.

<u>FY 2022 Recipients' Impact to Date</u>
FY 2022 SDLP Recipients have reported on their first year of performance, and as of June 30, 2024, these Recipients reported closing over $45.6 million in small dollar loans. Reporting data for the second year of the performance period will be provided in the next annual report.

<u>FY 2021 Recipients' Impact to Date</u>
FY 2021 SDLP Recipients have reported on two of the three years of their performance period, and as of June 30, 2024, these Recipients reported closing over $88.8 million in small dollar loans. Reporting data for the third year of the performance period will be provided in the next annual report.

ADMINISTRATIVE DISCUSSION AND ANALYSIS

The CDFI Fund

Initiatives to Maximize Performance

In addition to administering the nine programs discussed above, the CDFI Fund in FY 2023 continued four key administrative initiatives to maximize its performance, efficiency, and program results:

1. Finalized the development of a revised CDFI Certification Application and related data collection tools.
2. Ongoing maintenance and enhancement of the Awards Management Information System (AMIS).
3. Ongoing maintenance and enhancement of the CDFI Program Assessment and Risk Management Framework (ARM Framework).
4. Enhancement of compliance monitoring and evaluation.

Development of Revised CDFI Certification Application and Data Collection Tools

The criteria and measurements for certifying organizations as CDFIs have not been updated since the CDFI Fund was established in 1994. During this time, the CDFI industry has grown and evolved. To ensure that certification criteria support the growth and reach of CDFIs, minimize regulatory burden, and foster a diversity of CDFI types, the CDFI Fund began reviewing its CDFI Certification policies and tests applied to organizations seeking to become recognized as CDFIs in 2016.

In May 2020, the CDFI Fund published a 60-day request for public comment on proposed revisions to the CDFI Certification Application and embodied work that begin in 2016 of reviewing CDFI Certification practices. As a result of the 55 letters received during that public comment period, the CDFI Fund revised the proposed Certification Application.

In November 2022, the Office of Management and Budget (OMB) published the final 30-day request for public comment on the revised version of the CDFI Certification Application, which generated an unprecedented 275 comment letters. The CDFI Fund thoroughly reviewed and carefully considered all public comments received in its efforts to update the CDFI Certification process by carefully reviewing all public comments received.

In December 2022, OMB published the final 30-day request for public comment a revised version of the Annual Certification & Data Collection Report and the abbreviated Transaction Level Report, which received 40 comment letters. To coincide with the revisions outlined in the CDFI Certification Application, the CDFI Fund also proposed changes to the Annual Certification and Data Collection Report (ACR), which Certified CDFIs are required to submit annually to verify that they continue to meet CDFI Certification requirements. The proposed revisions to the ACR align with the changes CDFI Fund proposed to the CDFI Certification Application. This will ensure that all CDFIs that become certified under the new requirements will be evaluated on the new CDFI Certification requirements.

In addition, the CDFI Fund initially proposed the introduction of a new Certification Transaction Level Report (CTLR) for Certified CDFIs that are not current CDFI Program or NACA Program FA Recipients to better track their target market activity. Based in part on the comments received during the public comment period, the CDFI Fund decided to utilize with a few changes the current Transaction Level Report (TLR) used by CDFI Program and NACA Program FA Recipients to examine the degree to which all organizations are serving distressed and underserved populations. The modified TLR creates a more data-driven, quantitative evaluation of Certified CDFIs and CDFI Certification Applicants' Target Market activity and automates key processes.

Supporting the changes to the Certification policies and collection of transaction level data, the CDFI Fund published a list of pre-approved Target Market assessment methodologies that Applicants and Certified CDFIs may use to demonstrate that they are serving their identified Target Market(s) (e.g., Investment Area [IA], Low Income Targeted Population [LITP], or Other Targeted Population [OTP]). Providing pre-approved assessment methodologies increases transparency and reduces burden.

Together, these three data collection tools — the CDFI Certification Application, ACR, and TLR — will provide the CDFI Fund the ability to better track, measure, and adapt to the ever-evolving CDFI universe[30]. The combined information collected will allow the CDFI Fund to paint a more complete picture of the impact and activity of Certified CDFIs. Having a greater sense of the CDFI industry will help the CDFI Fund to not only build awareness, but also illustrate and evaluate the comprehensive effects of CDFIs in distressed communities. In addition, the CDFI Fund will be able to better assess and target financing gaps and needs and attract new sources of capital to the CDFI industry.

Maintenance and Enhancement of AMIS

To optimize the quality of its data, decision-making, user experience, and delivery of program resources, the CDFI Fund developed AMIS. This cloud-based, enterprise-wide business platform supports all CDFI Fund programs through each phase of a program's life cycle, including certification, program awards and allocations, data analysis, compliance, and reporting.

Since the launch of AMIS in 2015, the CDFI Fund has integrated the CDFI Program, NACA Program, BEA Program, NMTC Program, CMF, SDL Program, the CDFI RRP, the CDFI ERP, and the CDFI Bond Guarantee Program Qualified Issuer and Guarantee applications into AMIS. The CDFI Fund has also built award recipient compliance and performance reporting into the AMIS

[30] The CDFI Fund released the revised CDFI Certification Application, ACR, and TLR on December 7, 2023.

platform. AMIS also supports the Annual Certification and Data Collection Report that Certified CDFIs are required to submit to maintain their certification status.

Maintenance and Enhancement of the ARM Framework

The multi-year contractor Task Order for the development of the ARM tools in AMIS wrapped up in October 2021. Version 1.0 of the ARM tools is considered complete with various business units continuing to work to integrate the tools into their processes during FY 2024.

The ARM Framework is a suite of six tools the CDFI Fund is using to assess the financial and programmatic risk of CDFI Program applicants and award recipients. The framework aims to enhance data-driven decision-making and to mitigate post-award compliance reporting risks. ARM tools include:

- **The CDFI and NACA Program Application Assessment Tool:** Provides the functionality to assess and evaluate the organizational risk of CDFI and NACA FA awards applicants' financial portfolio and management capabilities.
- **The Certification Assessment Tool:** Provides the functionality to support the application review process for new CDFI certification applicants and to monitor the maintenance of CDFI certification status.
- **The Compliance Assessment/Noncompliance Score Card:** Measures the risk of non-compliance or default for both regulated and unregulated CDFIs that have received awards by using three metrics to rate and score the risk. The three factors are based on the award recipients' compliance with reporting requirements, Performance Goals and Measures as specified in its Assistance Agreement (including a safety and soundness check), and technical issues.
- **The CDFI Industry Data Analysis Reporting Tool:** Integrates internal CDFI Fund data from applicants' data and award recipients' transactional and organizational data reports. This data is used to generate analytical tables and graphical data visualizations to evaluate how the applicants' proposed business plans and activities may address market gaps for distressed communities and underserved populations.
- **The Macroeconomic Risk Tool:** Analyzes macroeconomic factors and external data derived from authoritative public sources to assess markets served or to be served in the certification application and CDFI Fund programs' review processes.
- **The Direct Loan Component/Portfolio Monitoring Tool:** Provides the functionality to assess CDFI recipients' financial risk if they are awarded a direct loan as a match. The tool also monitors risk within the portfolio and award recipient loan performance for CDFIs consistent with Treasury's credit risk measures for CDFIs and Office of Management and Budget Circular A-129 on Policies for Federal Credit Programs and Non-Tax Receivables.

In FY 2025, the CDFI Fund will continue work regarding additional enhancements to the tools, including external data updates, changes resulting from the implementation of the CDFI ERP, incorporating desk review and site visit findings, and any changes resulting from the implementation of the new Certification Application, as well as revised ACR and TLR.

Enhancement of Compliance Monitoring and Evaluation

Compliance monitoring is an essential part of the CDFI Fund's operations. The CDFI Fund recognizes the importance of ensuring that each dollar of appropriations it receives is used in ways that advance the public interest and support the CDFI Fund's mission. The CDFI Fund also ensures award recipients and allocatees are adhering to the terms and conditions outlined in their agreements.

In FY 2024, the CDFI Fund continued its multi-year effort to enhance monitoring using risk-based strategies, including conducting several desk reviews and site visits. It also continued to invest time and attention to examining core compliance monitoring processes for the CDFI Program, CDFI RRP, NACA Program, NMTC Program, BEA Program, SDL Program, and CMF Program, including but not limited to: aligning the CDFI Fund's post-award administration for federal FA with the newly revised Uniform Administrative Requirements effective October 1, 2024; developing a module within AMIS to track the submission and process Title VI Compliance Worksheets; and monitoring of the CDFI Fund's loans and equity investment portfolio. It also continued development of the compliance monitoring process for the previously funded CDFI ERP, as well as launched its multi-year TA and outreach plan for CDFI ERP Recipients consisting of a series of planned workshops, desk reviews, and site visits targeted to building the organizational capacity of the CDFI ERP Recipients. Lastly, the CDFI Fund revised the CMF Performance Report to align with the CMF Revised Interim Rule changes. Although not all these developments and enhancements will be visible to the public, they continue to improve the experience of our award recipients and Allocatees while allowing the compliance staff to focus more on compliance analysis.

Appendix: Glossary of Acronyms

A

ACR – Annual Certification and Data Collection Report
AFR – Agency Financial Report
AMIS – Awards Management Information System
ARM Framework – Assessment and Risk Management Framework
ARP – American Rescue Plan Act

B

Base-FA – Base Financial Assistance
BEA Program – Bank Enterprise Award Program
BG Program – Bond Guarantee Program

C

CDE – Community Development Entity
CDFI – Community Development Financial Institution
CDFI ERP – CDFI Equitable Recovery Program
CDFI Fund – Community Development Financial Institutions Fund
CDFI Program – Community Development Financial Institutions Program
CDFI RRP – CDFI Rapid Response Program
CLTR - Certification Transaction Level Report
CMF – Capital Magnet Fund
CRA – Community Reinvestment Act
CTLR – Certification Transaction Level Report
CY – Calendar Year

D

DF-FA – Disability Funds – Financial Assistance

E

EMC – Economic Mobility Corps

F

FA – Financial Assistance
Fannie Mae – Federal National Mortgage Association
FFB – Federal Financing Bank
FHFA – Federal Housing Finance Agency
Freddie Mac – Federal Home Loan Mortgage Corporation
FY – Fiscal Year

G

GSE – Government Sponsored Enterprise

H
HERA – Housing and Economic Recovery Act
HFFI – Healthy Food Financing Initiative
HFFI-FA – Healthy Food Financing Initiative – Financial Assistance

L
LLRs – Loan Loss Reserves

N
NACA Program – Native American CDFI Assistance Program
NMTC – New Markets Tax Credit
NMTC Program – New Markets Tax Credit Program
NRE – Non Real Estate

P
P.L. – Public Law
PPC-FA – Persistent Poverty County-Financial Assistance
PPC - Persistent Poverty County

Q
QALICB – Qualified Active Low-Income Community Business
QEI – Qualified Equity Investment
QLICI – Qualified Low-Income Community Investment

R
RE- Real Estate
Riegle Act – Riegle Community Development and Regulatory Improvement Act of 1994

S
SDL Program – Small Dollar Loan Program
SECA – Small and Emerging CDFI Assistance

T
TA – Technical Assistance
Title VI – Title VI of the Civil Rights Act
TLR – Transaction Level Report