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## \$13.9 MILLION AWARDED TO BANKS & THRIFTS FOR WORK IN DISTRESSED COMMUNITIES

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Tony T. Brown, Director of the Treasury Department's Community Development Financial Institutions (CDFI) Fund, traveled to Louisville, Kentucky to announce today that \$13.9 million has been awarded to 75 banks and thrifts in support of their activities aimed at benefiting economically distressed communities across the country. These awards were made under the Bank Enterprise Award (BEA) Program that is administered by the CDFI Fund. Joining Director Brown at the announcement was Congresswoman Anne M. Northup.

The BEA Program provides an incentive for FDIC-insured banks and thrifts to annually increase the levels of financial services provided in such distressed communities, such as providing new savings accounts, providing home mortgage loans or investing in local small businesses; or increasing investments in community-based organizations known as Community Development Financial Institutions (CDFIs).

"The BEA Program helps to provide needed jobs and grow the economies of many underserved distressed communities across the country," said Director Brown. "By fostering the creation of partnerships between banks and CDFIs and by providing residents and business owners of low-income communities needed financial services, we are pursuing the vision of an America in which all people have adequate access to affordable credit, capital and financial services."

Under the BEA Program statute, awards are based on the increase in a bank's community development activities over a pre-defined period of time. Awards may be made for three categories of activities. This round, 25 of the awarded banks and thrifts provided \$162.9 million in loans, investments and financial services to residents and small business owners of economically distressed communities. In addition, 60 of the awarded banks and thrifts provided \$28.3 million in equity investments, grants, loans, deposits or technical assistance to 40 CDFIs.

Thus, \$13.9 million in federal awards helped to encourage \$191.2 million worth of investment and financing activities in the nation's economically distressed communities.

"The BEA Program has been an incredibly helpful tool for local CDFIs in raising the funds needed to finance many of Louisville's inner-city revitalization projects," said Congresswoman Northup.

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CDFIs are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. They provide a wide range of financial products and services including: mortgage financing for first time home buyers, financing for needed community facilities, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing and financial services needed by low income households and local businesses. In addition, these institutions provide services to help ensure credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers. CDFIs include community development banks, credit unions, loan funds, venture capital funds and microenterprise loan funds.

The deadline for the next round of the BEA Program is February 25, 2004. Application materials are available through the CDFI Fund's website: <http://www.cdfifund.gov/>

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