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**July 12, 2004**

**Contact: Bill Luecht**  
**(202) 622-8042**

## **\$17 MILLION AWARDED TO BANKS & THRIFTS FOR WORK IN DISTRESSED COMMUNITIES**

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Washington, DC - Arthur A. Garcia, Director of the Treasury Department's Community Development Financial Institutions (CDFI) Fund announce today that \$17 million has been awarded to 49 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.

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 strives to help address the need for capital and basic financial services in many of the underserved distressed communities across the country," said Director Garcia. "By encouraging the development of partnerships between banks and CDFIs, and by providing residents of low-income communities needed financial services, we are achieving the Fund's vision of an America in which all people have adequate access to affordable credit, capital and financial services."

Through the BEA Program, the CDFI Fund recognizes the key role played by mainstream depository institutions -- banks and thrifts -- in promoting community revitalization through the provision of essential financial services, credit, and investment capital. The BEA Program complements the community development activities of banks and thrifts by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities. Providing monetary awards for increasing community development activities leverages the CDFI Fund's dollars and puts more capital to work in Distressed Communities throughout the nation.

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



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Washington, D.C. ■ 20005 ■ (202) 622-8662

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.

For more information about the CDFI Fund and its programs, please visit the Fund's website at: <http://www.cdfifund.gov/>.

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