



# FUND NEWS

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## **\$23 MILLION AWARDED TO BANKS & THRIFTS FOR WORK IN DISTRESSED COMMUNITIES**

Tony T. Brown, Director of the Treasury Department's Community Development Financial Institutions (CDFI) Fund, announced today that over \$23 million has been awarded to 81 banks and thrifts in support of their activities benefiting underserved distressed communities across the country. These awards were made under the seventh annual round of the Bank Enterprise Award (BEA) Program that is administered by the CDFI Fund.

The BEA Program recognizes the key role played by FDIC-insured depository institutions in community development lending and investing. It provides an incentive for these regulated banks and thrifts to annually invest more in community-based organizations known as Community Development Financial Institutions (CDFIs) and to increase their financial services, lending and investments in distressed communities.

"The BEA Program helps underserved distressed communities across the country," said Director Brown. "By fostering the creation 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."

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, the banks increased their equity investments or grants made to CDFIs by \$23 million over the previous year. Loans, deposits and technical assistance made by the banks to CDFIs increased by \$107 million; and loans, investments and financial services provided by the banks to residents of underserved distressed communities increased by \$167 million.

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 homebuyers, 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 next round of the BEA Program will 'open' with the publishing of a Notice of Funds Availability, or NOFA, in the Federal Register this fall.

Please visit the Fund's website [www.cdfifund.gov](http://www.cdfifund.gov) for more information on the CDFI Fund and these awards.



US Department of the Treasury

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