

Emergency Capital Investment Program: Investing for Impact

The Emergency Capital Investment Program (ECIP) was created to support eligible mission-driven institutions in their lending to financially underserved borrowers and communities. The statute authorizes Treasury to make ECIP investments in community financial institutions, which includes federally insured banks, savings and loan associations, holding companies, and credit unions that are designated as Community Development Financial Institutions (CDFIs) by Treasury's CDFI Fund or as Minority Depository Institutions (MDIs). Community financial institutions have the relationships needed to deliver responsible capital, credit, and services to financially underserved communities that the statute seeks to benefit, including low- and moderate-income (LMI), minority, and rural communities. Unlike some past federal investment programs that were aimed at stabilizing financial institutions in a time of economic stress, ECIP is designed to work through these CDFIs and MDIs to deliver loans and other investments to LMI, minority, and rural communities that were particularly impacted by the COVID-19 pandemic.

Under ECIP, Treasury invests in preferred stock or subordinated debt issued by participating CDFIs or MDIs. The dividend or interest rate that participating institutions pay Treasury will be reduced if they achieve specified benchmarks for increasing their qualified lending to minority, rural, and urban low-income and underserved communities, LMI borrowers, and other similar lending. When ECIP participants engage in "deep impact lending," Treasury will provide additional credit toward this rate reduction. Deep impact lending, which is outlined in the [ECIP Rate Reduction Guidelines](#), includes loans to low-income borrowers and underserved small businesses, for deeply affordable housing, and in persistent-poverty communities. The additional credit recognizes the fact that the kind of lending that will be most impactful in achieving the statutory purpose of the program often requires more time and resources from the lender. This approach is designed to help level the playing field for borrowers that face the greatest barriers to accessing capital and will provide greater transparency into the impact of the program.

While the funds invested by Treasury in ECIP participants are not used for any specific borrower or recipient, examples of impactful lending by ECIP participants since their ECIP closings include:

- Native American Bank recently closed a \$10 million loan to finance an opioid addiction treatment facility in North Dakota, in partnership with a Tribe that used American Rescue Plan funds as seed funding for the facility.
- Carver State Bank, based in Georgia, recently extended a \$650,000 working capital loan to an Atlanta-based, Black-owned housing developer that is building affordable single-family homes.
- Optus Bank, based in South Carolina, lent \$4.5 million to a minority-owned family entertainment center for its facilities and operations in a rural, persistent-poverty county. After receiving its ECIP investment, Optus approved more than \$30 million in loans in a four-week period, when their average monthly lending last year was about \$1 million.
- Latino Community Credit Union, based in North Carolina, recently financed a \$250,000 mortgage for a Latino family to buy their first home.

- Hope Federal Credit Union, based in Mississippi, recently made a \$10,000 small business loan to a Black- and woman-owned organic, fresh-roasted coffee distribution business based in Louisiana to expand operations.

The following lists highlight examples of ECIP participants.¹

25 ECIP participants that reported the highest percentage of lending to LMI borrowers and Other Targeted Populations²

(not in ranked order)

- Alternatives Federal Credit Union
- Broadway Financial Corporation
- Carver Financial Corporation
- Citizens Bancshares Corporation
- City Federal Credit Union
- Grandview Bankshares, Inc.
- Grant Bancshares, Inc.
- Holy Rosary Credit Union
- Hope Federal Credit Union
- IBW Financial Corporation
- Kauai Federal Credit Union
- Latino Community Credit Union
- Liberty Financial Services, Inc.
- Lower East Side People's Federal Credit Union
- M&F Bancorp, Inc.
- MNB Ventures, Inc.
- NMB Financial Corporation
- Northeast Community Federal Credit Union

¹ Each list of institutions in this release is based solely on data from two sources. The first source is data submitted to Treasury by institutions in their ECIP applications. The second is initial reporting submitted by ECIP participants prior to closing. Regardless of the source of the data, each list only includes institutions that provided data to Treasury in their ECIP application supporting their track record of lending. For lists that are based on data submitted in the ECIP application, the list only includes institutions that informed Treasury that the data they provided relied on (1) actual borrower demographic data or (2) borrower demographic data supported by structured survey or evaluation efforts. These lists may not include other financial institutions that engage in significant amounts of lending to LMI, Other Targeted Populations, or other target communities but that did not submit such data to Treasury.

² Based on data provided by ECIP participants in their ECIP applications for the period 2019-2020. "LMI" is defined as an individual income that is less than 120 percent of the area median income, or a median family income that is less than 120 percent, in the case of a geography. "Other Targeted Populations" are defined by the CDFI Fund as individuals, or an identifiable group of individuals, who lack adequate access to financial products or financial services. The members of Other Targeted Populations reside within the boundaries of the United States (which encompass any State of the United States, the District of Columbia or any territory of the United States, i.e., Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Northern Mariana Islands). This includes such population so designated pursuant to any regulation issued by the CDFI Fund, and includes Black Americans, Hispanics, Native Americans, Native Alaskans residing in Alaska, Native Hawaiians residing in Hawaii, and Other Pacific Islanders residing in Other Pacific Islands. Asian Americans are considered an Other Targeted Population for a CDFI if the CDFI Fund has previously made such a determination for that CDFI.

- O Bee Credit Union
- One World Holding, Inc.
- Optus Financial Corporation
- Self-Help Federal Credit Union
- Sisseton-Wahpeton Federal Credit Union
- The Native American Bancorporation Co.
- Toledo Urban Federal Credit Union

ECIP participants that reported the highest percentage of mortgage loans to Other Targeted Populations³

- Latino Community Credit Union
- Liberty Financial Services, Inc.
- Self-Help Federal Credit Union

ECIP participants that reported the highest percentage of their lending in Persistent Poverty Counties⁴

- AOB Ventures, Inc.
- Caldwell Holding Company
- Commerce Bancorp, Inc.

ECIP participants that reported the highest percentage of their lending in Indian Reservations and Native Hawaiian Homelands⁵

- First Antlers Bancorporation, Inc.
- Grandview Bankshares, Inc.
- Sisseton-Wahpeton Federal Credit Union

³ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. Other Targeted Populations is defined as Minorities and, solely for CDFIs, populations designated as Other Targeted Populations for that CDFI pursuant to any regulation issued by the CDFI Fund. “Minority” means any Black American, Native American, Hispanic American, Asian American, Native Alaskan, Native Hawaiian, or Pacific Islander.

⁴ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. “Persistent Poverty Counties” are defined as any county, including county equivalent areas in Puerto Rico, that has had 20% or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2011–2015 5-year data series available from the American Community Survey of the Bureau of the Census or any other territory or possession of the United States that has had 20% or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000 and 2010 Island Area Decennial Censuses, or equivalent data, of the Bureau of the Census.

⁵ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. “Indian Reservations and Native Hawaiian Homelands” means (1) an “Indian Reservation” as defined in the CDFI Fund regulations at 12 C.F.R § 1805.104 (i.e., any geographic area that meets the requirements of section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)), and includes land held by incorporated Native groups, regional corporations, and village corporations, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1602); public domain Indian allotments; and former Indian reservations in the State of Oklahoma); or (2) Hawaiian Home Lands.

ECIP participants that reported the highest percentage of their lending in U.S. Territories⁶

- Banesco USA
- Community First Guam Federal Credit Union

ECIP participants that reported the highest percentage of their lending to Underserved Small Businesses⁷

- M&F Bancorp, Inc.
- Millennium Bancorp, Inc.
- The Native American Bancorporation

ECIP participants that reported the highest percentage of their lending to support Deeply Affordable Housing⁸

- Hope Federal Credit Union
- The Native American Bancorporation
- Virginia Community Capital Bank

ECIP participants that reported the highest percentage of Public Welfare Investments⁹

- Harbor Bankshares Corporation

⁶ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. U.S. Territories are defined as Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Northern Mariana Islands.

⁷ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. “Underserved Small Business” is defined as a business with gross annual revenues that do not exceed \$100,000 or that is majority owned by individual(s) who are Low-Income Borrowers or Other Targeted Populations.

⁸ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. “Deeply Affordable Housing” is defined as financing for any (1) affordable housing units restricted to households earning below 30% of area median income for a period not less than 10 years, prorated based on the percentage that such units make up of the total number of housing units; or (2) Affordable Housing in a “high opportunity area” as defined by the Federal Housing Finance Agency in 12 C.F.R. § 1282.1(b).

⁹ Based on data provided by ECIP participants in their Initial Supplemental Report for the 12 months ending September 30, 2020. “Public Welfare and Community Development Investments” means Public Welfare Investments made pursuant to 12 U.S.C. 24(eleventh) or 12 U.S.C. 338a as reported to an Applicant’s primary federal financial regulator. This list includes ECIP participants that reported the highest percentage of Public Welfare and Community Development Investments that primarily benefit Low-Income Borrowers, Minority borrowers, or minority businesses.