

Community Development Financial Institutions Fund

Program Summary

The fiscal year (FY) 2026 Budget requests an appropriation of \$133,146,000 for the Community Development Financial Institutions Fund (CDFI Fund) to administer the CDFI Fund's programs and oversee the existing portfolio of awards. The CDFI Fund supports Treasury's strategic goals of Increase Mainstreet Growth and Affordability and Improve Processes to Increase Customer Value and Mission Outcomes.

The CDFI Fund expands the availability of credit, investment capital, and financial services in distressed rural communities. The CDFI Fund carries out the Community Development Banking and Financial Institutions Act of 1994, as well as certain programmatic provisions of the Community Renewal Tax Relief Act of 2000, the Housing and Economic Recovery Act of 2008 (HERA), the Small Business Jobs Act of 2010, and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P. L. 116-260) that provided \$3 billion for emergency support for Community Development Financial Institutions (CDFIs) and communities that were responding to the COVID-19 pandemic.

The CDFI Fund supports the creation and expansion of different types of CDFIs, which provide loans, investments, business counseling, basic banking services, and financial literacy training to overlooked communities. Working primarily through CDFIs, the CDFI Fund facilitates business development, commercial real estate, housing development and home ownership. The CDFI Fund's activities historically have leveraged billions of private sector investment dollars from banks, foundations and other funding sources on a cumulative basis.

The FY 2026 Budget proposes to create a new program, the Rural Financial Assistance Program, that would direct at least 60 percent of CDFI investments into rural areas. The Budget also proposes to eliminate funding for the Community Development Financial Institutions Program (CDFI Program), the Native American CDFI Assistance Program (NACA Program), the Healthy Food Financing Initiative (HFFI), the Economic Mobility Corps (EMC), the Bank Enterprise Award Program (BEA Program), and the Small Dollar Loan Program (SDL Program). In the past, the CDFIs have relied on the program for "seed" money, and it is important that private capital play an expanded role in their continued operations.

The FY 2026 Budget also includes funding for the administration, operational support, and management associated with CDFI and Community Development Entity (CDE) Certification, the Rural Financial Assistance Program, Rural Native Program, the New Markets Tax Credit Program (NMTC Program), and the CDFI Bond Guarantee Program (BG Program); as well as award compliance and closeout requirements for the eliminated programs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2025 Enacted	88	\$324,000
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$90
Pay Annualization (FY 2025 2.0% average pay raise)	0	\$90
Efficiency Savings	0	(\$90)
Absorb MCL's	0	(\$90)
Subtotal Changes to Base	0	\$0
FY 2026 Current Services	88	\$324,000
Program Changes:		
Program Decreases	(12)	(\$290,854)
Community Development Financial Institutions Program	0	(\$186,000)
Healthy Food Financing Initiative	0	(\$24,000)
Economic Mobility Corp	0	(\$2,000)
Bank Enterprise Award Program	0	(\$40,000)
Native American CDFI Assistance Program	0	(\$28,000)
Small Dollar Loan Program	0	(\$9,000)
Administration	(12)	(\$1,854)
Program Increases	0	\$100,000
Rural Financial Assistance Program	0	\$100,000
Subtotal Program Changes	(12)	(\$190,854)
FY 2026 President's Budget Request	76	\$133,146

Budget Adjustments

FY 2026 Maintaining Current Levels +\$90,000 / +0 FTE

Pay Annualization (2.0% in 2025) +\$90,000 / +0 FTE

Funds are requested for annualization of the January 2025 2.0 % average pay raise.

Efficiency Savings -\$90,000 / -0 FTE

Absorption of MCLs -\$90,000 / -0 FTE

Program will absorb costs for the annualization of the January 2025 average pay raise.

Program Decreases -\$290,854,000 / -12 FTE

CDFI Core Program -\$186,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Healthy Food Financing Initiative -\$24,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Economic Mobility Corp -\$2,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Bank Enterprise Award Program -\$40,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Native American CDFI Assistance Program -\$28,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Small Dollar Loan Program -\$9,000,000 / -0 FTE

Decrease is due to change in Administration policy priorities that recommend elimination of the program.

Administration -\$1,854,000 / -12 FTE

Decrease is due to reduction in number of programs to administer and reduction in FTEs from attrition from the prior fiscal year.

Program Increases +\$100,000,000 / +0 FTE

Rural Financial Assistance Program +\$100,000,000 / +0 FTE

Increase is due to change in Administration policy priorities that recommend creation of a new program that will direct at least 60 percent of CDFI investments into rural areas.