

Department of the Treasury
Community Development
Financial Institutions Fund

Congressional Budget
Justification

FY 2026

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Section I – Budget Request

A – Mission Statement

To expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

B – Summary of the Request

The U.S. Department of the Treasury requests the following for the Community Development Financial Institutions Fund (CDFI Fund) for fiscal year (FY) 2026:

- \$100 million for the Rural Financial Assistance Program, a new program that would provide access to affordable financing and spur economic development in rural America. This new program would require 60 percent of Community Development Financial Institutions' (CDFIs') loans and investments to go to rural areas and would leverage existing administrative resources within the CDFI Fund to increase access to capital, infrastructure financing, and main street business development.
- \$33.1 million in administrative funding to support a variety of program purposes, including:
 - Staffing and resource demands for the Rural Financial Assistance Program, the New Markets Tax Credit (NMTC) Program and the CDFI Bond Guarantee Program (BG Program); as well as the award compliance and closeout requirements of the CDFI Fund's eliminated discretionary programs (the award lifespans range from five to 30 years).
 - Administration of non-monetary programs and activities, including compliance monitoring and CDFI and Community Development Entity (CDE) Certification;
 - Enhancement of the Awards Management Information System (AMIS) including automation of key elements of the compliance, certification, program administration, research, reporting systems, continuing improvements for operational efficiency and effectiveness and preventing waste and fraud.
 - Continued refinement of the Assessment and Risk Management (ARM) Framework, a suite of tools that the CDFI Fund uses to assess the financial and programmatic risk of and award recipients, enhance data-driven decision-making, and mitigate post-award compliance reporting risks.

Table 1.1 – Budget Adjustments

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

C – Budget Increases and Decreases Description**Maintaining Current Levels (MCLs)+\$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 FTEAbsorption 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 FTECDFI 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% of CDFI investments into rural areas.

Section II – Additional Information

A – Summary of Capital Investments

As part of its FY 2026 capital investment strategy, the CDFI Fund plans to spend approximately \$7.06 million for enhancements, operations, and maintenance of its Information Technology (IT) infrastructure. The CDFI Fund only has non-major IT investments.

Non-Major IT Investments:

For FY 2026, the CDFI Fund has identified three non-major IT investments: AMIS; System Operations and Help Desk Support; and Program Support Systems Software. AMIS is an enterprise-wide commercial, cloud-based solution that supports CDFI Fund certification, tax credit allocation, bond guarantee, and grant programs. The System Operations and Help Desk Support investment provides help desk support for external and internal CDFI Fund users, system upgrades, consulting, and other services as needed. The Program Support Systems Software investment consists of software licenses and maintenance support needed by IT systems that meet the CDFI Fund's certification, program, and compliance needs.

In FY 2026, the CDFI Fund plans to provide Operations and Maintenance (O&M) support as well as enhancements to AMIS. O&M includes system updates, help desk support, and software licenses. AMIS enhancements include annual program updates and improvements to program compliance monitoring and reporting.