

Community Development Financial Institutions Fund

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2025 Operating Plan	FY 2026 Enacted	FY 2027 Request	FY 2026 to FY 2027	
				\$ Change	% Change
Community Development Financial Institutions Fund Program	\$186,000	\$186,000	\$0	(\$186,000)	-100%
Economic Mobility Corps	\$2,000	\$2,000	\$0	(\$2,000)	-100%
Bank Enterprise Award Program	\$40,000	\$40,000	\$0	(\$40,000)	-100%
Native American CDFI Assistance Program	\$28,000	\$28,000	\$0	(\$28,000)	-100%
Administration ¹	\$35,000	\$35,000	\$19,500	(\$15,500)	-44%
Healthy Food Financing Initiative	\$24,000	\$24,000	\$0	(\$24,000)	-100%
Small Dollar Loan Program	\$9,000	\$9,000	\$0	(\$9,000)	-100%
Rural Financial Assistance Program	\$0	\$0	\$100,000	\$100,000	100.0%
Subtotal, CDFI Fund	\$324,000	\$324,000	\$119,500	(\$204,500)	-63%
Offsetting Collections from Emergency Capital Investment Program	\$144,465	\$231,173	\$97,969	(\$133,204)	-58%
User Fees	\$1,400	\$1,500	\$1,550	\$50	3%
Recoveries from Prior Years	\$2,000	\$2,000	\$2,000	\$0	0%
Unobligated Balances from Prior Years	\$128,620	\$468,333	\$584,000	\$115,667	25%
Subtotal Other Resources	\$276,485	\$703,006	\$685,519	(\$17,487)	-2%
Total Budgetary Resources	\$600,485	\$1,027,006	\$805,019	(\$221,987)	-22%
FTE	86	76	27	(49)	-64%
Total Full-time Equivalents (FTE)	86	76	27	(49)	-64%

FY 2025 Other Resources and Full-time Equivalents (FTE) reflect actuals.

Summary

The fiscal year (FY) 2027 Budget requests an appropriation of \$119,500,000 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 Main Street 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 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 2027 Budget 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), the Small Dollar Loan Program (SDL Program), and the Bond Guarantee Program (BG Program). The Budget also proposes to create a new program, the Rural Financial Assistance Program, that would target at least 60% of CDFI investments into rural areas.

The FY 2027 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, and the New Markets Tax Credit Program (NMTC Program); as well as award compliance and closeout requirements for the eliminated programs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2026 Enacted	76	\$324,000
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$28
Pay Annualization (FY 2026 1.0% average pay raise)	0	\$28
Efficiency Savings	0	(\$28)
Absorption of MCLs	0	(\$28)
Subtotal Changes to Base	0	\$0
FY 2027 Current Services	76	\$324,000
Program Changes:		
Program Decreases	(49)	(\$304,500)
CDFI Core Program	0	(\$186,000)
Healthy Food Financing Initiative	0	(\$24,000)
Economic Mobility Corps	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	(49)	(\$15,500)
Program Increases	0	\$100,000
Rural Financial Assistance Program	0	\$100,000
Subtotal Program Changes	(49)	(\$204,500)
FY 2027 President's Budget Request	27	\$119,500

Budget Adjustments

Maintaining Current Levels (MCLs)+\$28,000 / +0 FTE

Pay Annualization (1.0% in 2026) +\$28,000 / +0 FTE

Funds are requested for annualization of the January 2026 1.0% average pay raise.

Efficiency Savings-\$28,000 / -0 FTE

Absorption of MCLs -\$28,000 / -0 FTE

Program will absorb costs for the annualization of the January 2026 average pay raise.

Program Decreases-\$304,500,000 / -49 FTE

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

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

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

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

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

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

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

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

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

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

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

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

Administration -\$15,500,000 / -49 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 changes in Administration policy priorities that recommend creation of a new program that will target at least 60% of CDFI investments into rural areas.

Performance Highlights

Budget Activity	Performance Measure	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Target	FY 2027 Target
Community Development Financial Institutions Fund	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	66.00	76.10	65.64	60	60
Community Development Financial Institutions Fund	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Number of Loans (Annual %)	71.60	88.70	77.82	60	60
Administration	All Award Cycle Time (Months)	8.0	8.6	10.9	6.5	6.5
Administration	ALL- Number of Affordable Housing Units Developed or Produced	109,599	84,386	67,463	I	I
New Markets Tax Credit Program	NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities (Annual %)	75.40	79.30	80.10	85.00	85.00

Key: I – Indicator

Notes:

There is no proposed funding for the CDFI Program for FY 2027.

For FY 2023 Actual All Award Cycle Time, this measure has been updated from FY 2025 BiB and now reflects all of the appropriate program rounds for that year. For FY 2025 Actual All Award Cycle Time, there were only two programs (NMTC and CDFI Program/NACA Program Technical Assistance (TA) which actually completed an award cycle. In the case of CDFI Program/NACA Program-TA, this only represents awards made from the FY 2024 allocation.

For FY 2023, the Number of Affordable Housing Units Developed or Produced measure includes units produced by CDFI Rapid Response Program (CDFI RRP) FY 2021 award recipients. For FY 2025, the Number of Affordable Housing Units Developed or Produced measure includes units produced by CDFI Equitable Recovery Program (CDFI ERP) FY 2023 award recipients.

NMTC is awarded by calendar year and does not align with the CDFI Fund's fiscal year. For example, FY 2023 represents the CY 2023 NMTC round even though the allocation announcement was made in FY 2024.

Description of Performance

The CDFI Fund opened the FY 2025 CDFI Program round on January 17, 2025. The application period for CDFI Program TA awards, Base-Financial Assistance (FA) awards, Persistent Poverty Counties-FA awards, Disability Funds-FA awards, and HFFI-FA awards closed on March 21, 2025, while the application period for Housing Production Financial Assistance (HP-FA) awards closed on April 4, 2025. The CDFI Fund amended the Notice of Funds Availability for the CDFI Program on September 25, 2025, to promote consistency with recent Executive Orders regarding race-based preferences and to reflect certain priorities of the Administration.

On September 30, 2025, the CDFI Fund announced 46 CDFI Program TA awards totaling \$6,825,000. These TA Awards were made using funds appropriated by Congress in FY 2024 that expired on September 30, 2025.

On December 23, 2025, the CDFI Fund awarded \$10 billion in CY 2024-2025 NMTC Program allocation authority to 142 organizations out of a pool of 216 applicants that requested \$19.2 billion in New Market Tax Credit (NMTC) allocations.

Highlights of Select Performance Measures

In FY 2025, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (65.64 percent) and the number of CDFI loans (77.82 percent) made to eligible distressed communities and underserved populations.

In FY 2025, CDEs reported that 80.1 percent of NMTC investments were made in severely distressed communities, meeting the target of 80 percent. Beginning in FY 2026, the target increases to 85 percent. The expectation is that the NMTC investments performance report for FY 2026 and FY 2027 may fall slightly below this new 85 percent target for the initial few years as allocatees from earlier rounds with lower requirements cycle out of the reporting rounds.

The Award Cycle Time measures the average time from the date when applications are received to the date of award announcement (calculated in months as an average across all programs). The Award Cycle Time in FY 2025 was 10.9 months, thereby exceeding the target of 6.5 months. FY 2025 reflects the NMTC program, as well as the FY 2024 portion of CDFI Program and NACA Program TA awards. None of the other Fund's appropriated programs completed an award round for FY 2025. The targets for FY 2026 and FY 2027 will remain at 6.5 months because the CDFI Fund will be standing up an additional program in FY 2027 with the Rural Financial Assistance Program.

The Number of Affordable Housing Units Developed or Produced metric measures the number of affordable housing units developed or produced as a result of CDFI Fund awards as reported by CDFI Program, NMTC Program, and CMF awardees. In FY 2021, this performance measure was converted to an indicator because the variability in projecting annually the number of affordable housing units funded for three programs made it difficult to project a reliable target. For the FY 2022 through FY 2023 actual results, the CDFI Fund has included the units resulting from the FY 2021 CDFI RRP awardees. In FY 2025, CDFI Fund has included the units resulting from the FY 2023 CDFI ERP award recipients. The FY 2025 actual result was 67,463 affordable housing units. This was a decline from prior years because of the closing out of CDFI RRP award recipients.

The proposed elimination of FY 2027 funding for the CDFI Program, the NACA Program, the HFFI, the EMC, the BEA Program, and the SDL Program will impact the performance measures as existing award recipients complete their reporting requirements. The CDFI Fund will continue to be able to report on the NMTC Program performance measure since it is not based on appropriated dollars. The FY 2027 Budget also proposes to create a new program, the Rural Financial Assistance Program, that would have a performance measure where at least 60% of CDFI investments must take place in rural areas. The existing Administration performance measures involving award or allocation rounds which are currently based on multiple CDFI Fund programs would in FY 2027 be limited to the NMTC Program and Rural Financial Assistance Programs.