

Department of the Treasury  
Community Development  
Financial Institutions Fund

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2021

# Table of Contents

<b>Section I – Budget Request.....</b>	<b>3</b>
A – Mission Statement.....	3
B – Summary of the Request .....	3
1.1 – Appropriations Detail Table .....	4
1.3 – Object Classification (Schedule O) Obligations .....	4
D – Appropriations Language and Explanation of Changes .....	5
E – Legislative Proposals.....	7
<b>Section II – Annual Performance Plan and Report.....</b>	<b>8</b>
A – Strategic Alignment .....	8
B – Budget and Performance by Budget Activity .....	9
2.1.1 – Administration Resources and Measures.....	9
2A - Administration .....	9
2.1.2 – Community Development Financial Institutions Program Resources and Measures...	10
2B – Community Development Financial Institutions Program.....	10
2.1.3 – New Markets Tax Credit Resources and Measures .....	11
2C – New Markets Tax Credit Program .....	11
2.1.4 – Bank Enterprise Award Program Resources and Measures .....	12
2D – Bank Enterprise Award Program .....	12
2.1.5 – Native American CDFI Assistance Program Resources and Measures.....	13
2E – Native American CDFI Assistance Program.....	13
2.1.6 – Healthy Food Financing Initiative Detail Resources and Measures .....	14
2F – Healthy Food Financing Initiative .....	14
2.1.7 – Small Dollar Loan Program Resources and Measures .....	14
2G - Small Dollar Loan Program.....	14
2.1.8 – Capital Magnet Fund Program Resource Detail .....	15
2H – Capital Magnet Fund Program.....	15
2.1.9 – CDFI Bond Guarantee Program Resource Detail.....	16
2.1.10 – Financing Accounts Non-Budgetary Summary .....	16
2I. – CDFI Bond Guarantee Program Budget and Performance .....	16
C – Changes in Performance Measures .....	17
D – Evidence - Building Activity .....	17
<b>Section III – Additional Information .....</b>	<b>17</b>
A – Summary of Capital Investments.....	17

## **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 Community Development Financial Institutions Fund (CDFI Fund) requests the following for the CDFI Fund for FY 2021:

- \$14 million in administrative funding to support:
  - Management of the CDFI Bond Guarantee Program (BG Program) and the New Markets Tax Credit Program (NMTC Program); and
  - Ongoing certification and compliance monitoring for all programs, including the Bank Enterprise Award Program (BEA Program), CDFI Program, Native American CDFI Assistance Program (NACA Program) and Healthy Food Financing Initiative (HFFI).
- The Budget eliminates funding for the CDFI Fund’s five discretionary grant and direct loan programs (i.e. the CDFI Program, the BEA Program, the NACA Program, HFFI and the SDL Program) and includes a proposal to eliminate new funding for Capital Magnet Fund (CMF). The CDFI industry has matured, and these institutions should have access to private capital needed to build capacity, extend credit, and provide financial services to the communities they serve.
- The Budget proposes to extend the CDFI BG Program through December 31, 2021, which offers CDFIs low-cost, long-term financing at no cost to taxpayers.
  - The BG Program provides CDFIs access to capital by providing guarantees of bonds issued by Qualified Issuers. CDFIs invest the bond proceeds into our nation’s most distressed communities. CDFIs benefit by accessing long-term credit at below-market interest rates. The BG Program incentivizes and empowers CDFIs to execute large-scale projects, including the development of charter schools, commercial real estate, rental housing, senior living, daycare or healthcare centers, small businesses, and rural infrastructure, among others. The program requires no credit subsidy.
  - The BG Program was originally authorized in the Small Business Jobs Act of 2010 (P.L. 111–240) for a period of four years to provide a source of long-term capital in low-income and underserved communities. The Administration is implementing significant administrative reforms to the Bond Guarantee Program. To increase taxpayer protections, the program will change its collateral and cash requirements. The CDFI Fund will also pursue additional risk mitigation strategies and streamlining of administrative processes such as new liquidity premiums, escrow procedures and a designated bonding authority.
  - The Budget proposes an annual commitment authority of \$300 million and legislative changes to eliminate the relending account, as it is currently not utilized and redundant.

## 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2019		FY 2020		FY 2021		FY 2020 to FY 2021	
	Operating Plan		Enacted		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Community Development Financial Institutions Program	0	\$160,000	0	\$165,500	0	\$0	NA	-100.0%
Bank Enterprise Award Program	0	\$25,000	0	\$25,000	0	\$0	NA	-100.0%
Native American CDFI Assistance Program	0	\$16,000	0	\$16,000	0	\$0	NA	-100.0%
Administration	67	\$27,000	76	\$28,500	39	\$14,000	-48.7%	-50.9%
Healthy Food Financing Initiative	0	\$22,000	0	\$22,000	0	\$0	NA	-100.0%
Small Dollar Loan Program	0	\$0	0	\$5,000	0	\$0	NA	-100.0%
<b>Subtotal New Appropriated Resources</b>	<b>67</b>	<b>\$250,000</b>	<b>76</b>	<b>\$262,000</b>	<b>39</b>	<b>\$14,000</b>	<b>-48.7%</b>	<b>-94.7%</b>
<b>Other Resources</b>								
User Fees	0	\$880	0	\$1,000	0	\$1,200	NA	20.0%
Recoveries from Prior Years	0	\$364	0	\$500	0	\$500	NA	0.0%
Unobligated Balances from Prior Years	0	\$32,542	0	\$194,145	0	\$8,000	NA	-95.9%
<b>Subtotal Other Resources</b>	<b>0</b>	<b>\$33,786</b>	<b>0</b>	<b>\$195,645</b>	<b>0</b>	<b>\$9,700</b>	<b>NA</b>	<b>-95.0%</b>
<b>Total Budgetary Resources</b>	<b>67</b>	<b>\$283,786</b>	<b>76</b>	<b>\$457,645</b>	<b>39</b>	<b>\$23,700</b>	<b>-48.7%</b>	<b>-94.8%</b>

FY 2019 Other Resources and Full-time Equivalents (FTE) reflect actuals.

## 1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2019 Actual Obligations	FY 2020 Estimated Obligations	FY 2021 Estimated Obligations
11.1 - Full-time permanent	8,706	10,068	4,584
<b>11.9 - Personnel Compensation (Total)</b>	<b>8,706</b>	<b>10,068</b>	<b>4,584</b>
12.0 - Personnel benefits	2,778	2,672	2,050
<b>Total Personnel and Compensation Benefits</b>	<b>\$11,484</b>	<b>\$12,740</b>	<b>\$6,634</b>
21.0 - Travel and transportation of persons	57	124	14
24.0 - Printing and reproduction	50	15	1
25.1 - Advisory and assistance services	9,900	2,331	0
25.2 - Other services from non-Federal sources	18	132	15
25.3 - Other goods and services from Federal sources	6,991	8,524	5,352
25.7 - Operation and maintenance of equipment	972	1,000	2,960
26.0 - Supplies and materials	34	30	5
31.0 - Equipment	9	7,000	0
41.0 - Grants, subsidies, and contributions	66,247	428,000	0
<b>Total Non-Personnel</b>	<b>\$84,278</b>	<b>\$447,156</b>	<b>\$8,347</b>
<b>Total Obligations</b>	<b>\$95,762</b>	<b>\$459,896</b>	<b>\$14,981</b>

<b>Full-time Equivalents (FTE)</b>	<b>67</b>	<b>76</b>	<b>39</b>
------------------------------------	-----------	-----------	-----------

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

**D – Appropriations Language and Explanation of Changes**

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY Community Development Financial Institutions Fund <i>Federal Funds</i></p> <p style="text-align: center;">SALARIES AND EXPENSES</p> <p>To carry out the Riegle Community Development and Regulatory Improvement Act of 1994 (subtitle A of title I of Public Law 103-325), including services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for EX-III, [\$262,000,000. Of the amount appropriated under this heading-]</p> <p>[(1) not less than \$165,500,000, notwithstanding section 108(e) of Public Law 103-325 (12 U.S.C. 4707(e)) with regard to Small and/or Emerging Community Development Financial Institutions Assistance awards, is available until September 30, 2021, for financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1), respectively, of Public Law 103-325 (12 U.S.C. 4707(a)(1)(A) and (B)), of which up to \$1,600,000 may be available for training and outreach under section 109 of Public Law 103-325 (12 U.S.C. 4708), of which up to \$2,397,500 may be used for the cost of direct loans, of which up to \$4,000,000, notwithstanding subsection (d) of section 108 of Public Law 103-325 (12 U.S.C. 4707 (d)), may be available to provide financial assistance, technical assistance, training, and outreach to community development financial institutions to expand investments that benefit individuals with disabilities, and of which not less than \$2,000,000 shall be for the Economic Mobility Corps to be operated in conjunction with the Corporation for National and Community Service, pursuant to 42 U.S.C. 12571: <i>Provided</i>, That the cost of direct and guaranteed loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: <i>Provided further</i>, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000: <i>Provided further</i>, That of the funds provided under this paragraph, excluding those made to community development financial institutions to expand investments that benefit individuals with disabilities and those made to community development financial institutions that serve populations living in persistent poverty counties, the CDFI Fund shall prioritize Financial Assistance awards to organizations that invest and</p>	<p>The Budget is proposing the elimination of CDFI appropriated programs, while maintaining \$14M for administration and oversight of existing grants.</p>

lend in high-poverty areas: *Provided further*, That for purposes of this section, the term "high-poverty area" means any census tract with a poverty rate of at least 20 percent as measured by the 2011-2015 5-year data series available from the American Community Survey of the Bureau of the Census for all States and Puerto Rico or with a poverty rate of at least 20 percent as measured by the 2010 Island Areas Decennial Census data for any other territory or possession of the United States;]

[(2) not less than \$16,000,000, notwithstanding section 108(e) of Public Law 103-325 (12 U.S.C. 4707(e)), is available until September 30, 2021, for financial assistance, technical assistance, training, and outreach programs designed to benefit Native American, Native Hawaiian, and Alaska Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, tribes and tribal organizations, and other suitable providers;]

[(3) not less than \$25,000,000 is available until September 30, 2021, for the Bank Enterprise Award program;]

[(4) not less than \$22,000,000, notwithstanding subsections (d) and (e) of section 108 of Public Law 103-325 (12 U.S.C. 4707(d) and (e)), is available until September 30, 2021, for a Healthy Food Financing Initiative to provide financial assistance, technical assistance, training, and outreach to community development financial institutions for the purpose of offering affordable financing and technical assistance to expand the availability of healthy food options in distressed communities;]

[(5) not less than \$5,000,000 is available until September 30, 2021, to provide grants for loan loss reserve funds and to provide technical assistance for small dollar loan programs under section 122 of Public Law 103-325 (12 U.S.C. 4719): *Provided*, That sections 108(d) and 122(b)(2) of such Public Law shall not apply to the provision of such grants and technical assistance;]

[(6) up to \$28,500,000 is available until September 30, 2020,] \$14,000,000, for administrative expenses, including administration of CDFI Fund programs and the New Markets Tax Credit Program:[, of which not less than \$1,000,000 is for development of tools to better assess and inform CDFI

investment performance, and up to \$300,000 is for administrative expenses to carry out the direct loan program; and]

[(7) during fiscal year 2020] *Provided, that during fiscal year 2021, none of the funds available under this heading are available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of commitments to guarantee bonds and notes under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4713a): Provided further, That commitments to guarantee bonds and notes under such section 114A shall not exceed [\$500,000,000]\$300,000,000: Provided further, That such section 114A shall remain in effect until December 31, [2020]2021[: *Provided further, That of the funds awarded under this heading, not less than 10 percent shall be used for awards that support investments that serve populations living in persistent poverty counties: Provided further, That for the purposes of this paragraph and paragraph (1) the term "persistent poverty counties" means any county, including county equivalent areas in Puerto Rico, that has had 20 percent 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 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000 and 2010 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census]. (Department of the Treasury Appropriations Act, 2020.)**

### **E – Legislative Proposals**

The Budget proposes to extend the BG Program’s authorization, with an annual guarantee level not to exceed \$300 million, and requests an extension of the BG Program through December 31, 2021. The Budget also proposes to eliminate the relending account, as it is currently not utilized and redundant. The BG Program will continue to operate at no budgetary cost for new issuances. The Budget also requests elimination of new allocations into the Capital Magnet Fund.

## **Section II – Annual Performance Plan and Report**

### **A – Strategic Alignment**

The CDFI Fund's mission is 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. The CDFI Fund supports the following the Department of the Treasury's FY 2018-2022 strategic goals:

- Goal 1: Boost U.S. Economic Growth
  - Objective 1.2 - Strong Economic Fundamentals
  
- Goal 4: Transform Government-wide Financial Stewardship
  - Objective 4.1 - Financial Data Access and Use

The CDFI Fund's award recipients provide loans, investments, business counseling, basic banking services, and financial literacy training in some of the most distressed communities in the nation. These are the communities where job opportunities remain stagnant and that otherwise lack access to more mainstream forms of capital – the places in the United States that are not progressing economically as other parts of our economy have improved. CDFI Fund award recipients use their awards to increase access to capital and help to improve the quality of life and the local economy in these communities.

The FY 2021 Budget will advance these goals by allowing the CDFI Fund to administer and fully staff the CDFI Fund's programs that are authorized by Congress but do not require appropriated funds to make awards, i.e., the NMTC Program and BG Program. In addition, the CDFI Fund will continue to conduct ongoing program compliance for prior-year award recipients for all programs.

The budget request is also intended to cover the cost to administer certification of CDFIs, as required by the Riegle Act, as well as Community Development Entities, as required by the NMTC Program. CDFI certification is a prerequisite for eligibility for the CDFI Program, the NACA Program, the BG Program and the Capital Magnet Fund (CMF), as well as other federal programs outside of the CDFI Fund.



**B – Budget and Performance by Budget Activity**  
**2.1.1 – Administration Resources and Measures**

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$23,100	\$23,600	\$26,000	\$27,000	\$27,000	\$28,500	\$14,000
<b>Budget Activity Total</b>	<b>\$23,100</b>	<b>\$23,600</b>	<b>\$26,000</b>	<b>\$26,713</b>	<b>\$27,000</b>	<b>\$28,500</b>	<b>\$14,000</b>
<b>Full-time Equivalents (FTE)</b>	<b>76</b>	<b>77</b>	<b>74</b>	<b>66</b>	<b>67</b>	<b>76</b>	<b>39</b>

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents.

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
ALL Award Cycle Time (Months)	8.3	7.6	6.3	5.8	6.4	6.5	6.5	6.5
ALL - Time to Initial Disbursement (#Months)	N/A	B	7.5	7	N/A*	4.5	4.5	4.5
ALL - Number of Affordable Housing Units Developed or Produced	27,004	35,251	27,443	34,083	61,000	21,500	21,500	21,500

The FY 2019 results for this measure will be tabulated after 4.5 months have elapsed from the end of FY 2019

**2A - Administration**

*(\$14,000,000 from direct appropriations):*

This encompasses the CDFI Fund’s operational support and management activities for each of its ongoing award programs. It includes, among other activities, developing notices of award availability and application materials; reviewing and evaluating certification and award applications; selecting awardees; finalizing the terms of award agreements; making disbursements; collecting and evaluating performance data; monitoring awardees’ compliance; and award closeout processes.

*Description of Performance:*

The CDFI Fund’s three administrative performance measures focus on organization-wide efficiency. They measure how quickly awards are made and funds are disbursed, and the creation of affordable housing units across all CDFI Fund programs. Note that targets are set for these FY2021 administrative measures because the results reflect prior year activities reported in the fiscal year.

- The All 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 2019 was 6.4 months, thereby meeting the target of 6.5 months. This achievement reflects improved efficiency in making awards, which is largely a function of the implementation of the Awards Management and Information system (AMIS). FY 2020 and FY 2021 Targets will be maintained at 6.5 months to reflect the improved efficiencies in the award making processes.
- The Time to Initial Disbursement indicates in months how quickly the CDFI Fund completes award agreements and makes the first disbursement of funds or issues tax credits. The FY 2019 results for this measure will be tabulated after 4.5 months have elapsed from the end of FY 2019. The results are not yet available.
- 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 and allocation recipients. The FY 2019 actual result of 61,011 affordable housing units was well above the target of 21,500 affordable housing units, largely due to large CDFI Program investments in over 47,500 affordable home ownership units. Despite this result, the FY 2021 target was set to 21,500 units to reflect a potential decrease in program funding which may reduce projected outcomes for program investments.

### 2.1.2 – Community Development Financial Institutions Program Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$152,400	\$153,423	\$161,500	\$160,000	\$160,000	\$165,500	\$0
<b>Budget Activity Total</b>	<b>\$152,400</b>	<b>\$153,423</b>	<b>\$161,500</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$165,500</b>	<b>\$0</b>

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan.

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	80.1	80.9	81.2	73.7	75.6	60	60	N/A
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Number of Loans	80.5	81.5	83	72.1	78.5	60	60	N/A

### 2B – Community Development Financial Institutions Program

(\$0 from direct appropriations):

The CDFI Program makes Financial Assistance (FA) awards to CDFIs that have comprehensive business plans for creating community development impact and that demonstrate the ability to leverage private sector sources of financing, as well as Technical Assistance (TA) grants to CDFIs and entities proposing to become CDFIs. CDFIs use FA awards to further goals such as:

- Economic development (job creation, business development, and commercial real estate development);
- Affordable housing (rental housing and homeownership); and
- Financial services (provision of basic banking services and financial literacy training to underserved people and communities).

For the FY 2019 CDFI Program round, the CDFI Fund awarded \$132 million in Financial Assistance to 261 organizations. The CDFI Fund also awarded \$18.2 million in Persistent Poverty Counties-Financial Assistance (PPC-FA) to 125 CDFIs specifically to serve Persistent Poverty Counties nationwide. In addition, the CDFI Fund awarded \$22 million in HFFI-Financial Assistance to 14 CDFIs, as well as \$3 million in Disability Funds-Financial Assistance awards to 16 CDFIs to help finance projects and services to assist individuals with disabilities. A total of 60 organization were also awarded more than \$7.2 million in Technical Assistance.

Description of Performance:

The CDFI Program has two measures: (1) the percentage of loans and investments originated in eligible distressed communities or made to underserved populations, as measured against the *total dollar amount of loans originated* by awardees; and (2) the percentage of loans and investments originated in eligible distressed communities or to underserved populations, as measured against *the total number of loans originated* by awardees.

Certification criteria require that all certified CDFIs originate at least 60.0 percent of their loans and investments in eligible distressed census tracts or to underserved populations. The target is set at a level that allows CDFIs to balance their mission to serve distressed communities and underserved populations with their safety and soundness considerations.

In FY 2019, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (75.6 percent) and the number of CDFI loans (78.5 percent) made to eligible distressed communities and underserved populations. No target is set for the FY 2021 measures because no appropriation is proposed for the CDFI Program for this fiscal year.

**2.1.3 – New Markets Tax Credit Resources and Measures**

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities	75.2	74.5	77.5	73.6	80	75	75	N/A

**2C – New Markets Tax Credit Program**

*(\$0 from direct appropriations):*

The NMTC Program stimulates capital investment in low-income communities nationwide by permitting individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in vehicles known as Community Development Entities (CDEs). CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities.

On December 20, 2019, legislation was enacted extending allocation authority of the NMTC Program for one year through calendar year (CY) 2020 at \$5 billion.

Description of Performance:

In FY 2019, the CDFI Fund awarded \$3.5 billion in calendar year 2018 New Markets Tax Credit Program (NMTC Program) allocation authority to 73 organizations out of a pool of 214 applicants that requested \$14.8 billion in NMTC allocations.

In FY 2019, CDEs reported that 80 percent of NMTC investments were made in severely-distressed communities, well above the target of 75 percent. The expectation is that the NMTC investments performance report for FY2020 will meet or exceed the 75 percent target. Due to the expiration of the extension of the allocation authority at the end of calendar year 2020, no target has been set for FY 2021.

### 2.1.4 – Bank Enterprise Award Program Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$18,000	\$19,000	\$23,000	\$25,000	\$25,000	\$25,000	\$0
<b>Budget Activity Total</b>	<b>\$18,000</b>	<b>\$19,000</b>	<b>\$23,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan.

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
BEA - Increase in Community Development Activities Over Prior Year For All BEA Program Applicants (\$ million)	460	539	522	646	429	500	500	N/A

### 2D – Bank Enterprise Award Program

*(\$0 from direct appropriations):*

The Bank Enterprise Award (BEA) Program provides monetary awards to regulated banks and thrifts for increasing their investments in CDFIs through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance, and for increasing their lending, investment, and service activities in economically-distressed communities where at least 30 percent of residents have incomes less than the national poverty level and where the unemployment rate is at least 1.5 times the national unemployment rate.

#### Description of Performance:

The BEA Program measures applicants' increase in qualified community development activities over the prior year. In FY 2019, the CDFI Fund announced awards under both the FY 2018 and FY 2019 rounds of the BEA Program. A total of \$25 million was awarded to 119 organization under the FY 2018 round in December 2018 and then \$25.2 million was awarded to 113 organizations under the FY 2019 round in September 2019.

BEA Program results for FY2019 was \$429 million in qualified community development activities, which is below the target of \$500 million. The target was not met due to delays in opening the round. No target is set for the FY 2021 measure because no appropriation is proposed for the BEA Program for this fiscal year.

## 2.1.5 – Native American CDFI Assistance Program Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$15,000	\$15,500	\$15,500	\$16,000	\$16,000	\$16,000	\$0
<b>Budget Activity Total</b>	<b>\$15,000</b>	<b>\$15,500</b>	<b>\$15,500</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$0</b>

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan.

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
NACA - Percentage of NACA Loans and Investments in Native Areas (\$ Amount of Loans)	65	48.4	42.6	84.9	78	50	50	N/A
NACA - Percentage of NACA Loans and Investments in Native Areas (# of Loans)	95.9	94.9	94.5	94.4	86	50	50	N/A

## 2E – Native American CDFI Assistance Program

*(\$0 from direct appropriations):*

Through the NACA Program, the CDFI Fund assists entities in overcoming barriers that prevent access to credit, capital, and financial services in American Indian, Alaska Native, and Native Hawaiian communities. The NACA Program makes monetary awards to increase the number and capacity of existing or new Native CDFIs (i.e., CDFIs that serve Native communities). In addition, the NACA Program provides training to help strengthen and develop Native CDFIs. Native CDFIs lend where other mainstream financial institutions do not and serve the poorest individuals, families, and businesses in Native communities.

For the FY 2019 round of the NACA Program, the CDFI Fund awarded \$12 million in Financial Assistance to 23 organizations in 11 states. In addition, 11 organizations received \$1.5 million in PPC-FA awards. More than \$1.9 million in Technical Assistance was also awarded to 13 organizations.

### Description of Performance:

The two measures of performance for the NACA Program are: (1) the percentage of the number of loans, and (2) the dollar amount of loans, made in tribal lands (based on Federal Designations of Tribal Areas) or to Native people. In accordance with their Financial Assistance agreements, NACA awardees are required to originate 50 percent or more of their loans and investments in Native areas or to Native populations. This threshold is set to allow the awardees to balance their mission of serving Native areas and populations with safety and soundness considerations.

In FY 2019, NACA recipients reported outcome data for their 2018 activities, which showed that 78 percent of loans by dollar amount and 86 percent of the number of loans originated were in Native Areas or to Native borrowers. No target is set for the FY 2021 measures because no appropriation is proposed for the NACA Program for this fiscal year.

## 2.1.6 – Healthy Food Financing Initiative Detail Resources and Measures

Dollars in Thousands

Resource Level	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Enacted	Request
Appropriated Resources	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$0
<b>Budget Activity Total</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$0</b>

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan.

Performance Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
HFFI - Retail Outlets Created/Preserved	35	19	24	20	20	23	20	N/A

## 2F – Healthy Food Financing Initiative

*(\$0 from direct appropriations):*

The HFFI aims to eliminate “food deserts” – low-income urban and rural areas in the United States with limited access to affordable and nutritious food – by financing interventions that expand the supply of, and demand for, nutritious foods. The objectives include increasing the distribution of agricultural products, developing and equipping grocery stores, and strengthening producer-to-consumer relationships.

Through the HFFI, the CDFI Fund provides awards to Certified CDFIs to help address the need for healthy food in underserved and low-income communities. These organizations use federal grants, below market-rate loans, loan guarantees, and tax credits to attract private sector financing for projects that increase access to healthy food options.

### *Description of Performance:*

The primary HFFI performance measure is the number of healthy food retail stores created and maintained in low-income areas that have been identified through detailed census tract analysis as having limited access to healthy food options. In FY 2019, the number of HFFI Retail outlets created was 23, thereby exceeding the target of 20 new retail outlets for FY 2019. No target is set for the FY 2021 measures because no appropriation is proposed for the HFFI Program for this fiscal year.

## 2.1.7 – Small Dollar Loan Program Resources and Measures

Dollars in Thousands

Resource Level	FY 2020	FY 2021
	Enacted	Request
Appropriated Resources	\$5,000	\$0
<b>Budget Activity Total</b>	<b>\$5,000</b>	<b>\$0</b>

## 2G - Small Dollar Loan Program

*(\$0 from direct appropriations):*

Authorized by Section 1206 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), the Small Dollar Loan Program provides Financial Assistance, in the form of grants for loan loss reserves, and Technical Assistance to enable CDFIs to establish and maintain

small dollar loan programs. This funding helps allow CDFIs provide consumers access to mainstream financial institutions and combat high-cost small dollar lending.

Description of Performance:

No target has been set because this is a new program.

**2.1.8 – Capital Magnet Fund Program Resource Detail**

Dollars in Thousands

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Resource Level	Actual	Actual	Actual	Actual	Actual	Estimate	Request
GSE Distribution	N/A	\$100,292	\$119,413	\$144,917	\$131,884	\$162,000	\$0
<b>Budget Activity Total</b>	<b>N/A</b>	<b>\$100,292</b>	<b>\$119,413</b>	<b>\$144,917</b>	<b>\$131,884</b>	<b>\$162,000</b>	<b>\$0</b>
<b>FTE</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>3*</b>

The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents.

\*FY 2021 will require FTE for compliance monitoring.

**2H – Capital Magnet Fund Program**

*(\$0 from direct appropriations):*

The CMF Program authorized by the Housing and Economic Recovery Act of 2008 (P.L. 110-289), establishes recurrent funding of the CMF through allocations from the Government-Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac. Through CMF, the CDFI Fund provides grants to CDFIs and qualified non-profit housing organizations to finance affordable housing, community service facilities, and economic development. Award recipients can use funds to create financing tools such as loan loss reserves, revolving loan funds, risk-sharing loans, and loan guarantees. The Budget proposes to eliminate new funding for CMF.

Description of Performance:

The primary performance measures of the CMF are the number of affordable housing units for which CMF funding was a source of financing, and the degree to which private funding sources were leveraged by CMF financing. Data on affordable housing units are included in performance table 2.1.1.

Based on award recipients’ projections, the FY 2018 round of the CMF will leverage an estimated \$5.5 billion in public and private investment. The award recipients plan to develop more than 25,000 affordable housing units, including nearly 23,000 rental units and more than 2,000 homeownership units. Of these:

- 95 percent of all housing units will be developed for low-income families (80 percent of the area median income or below).
- 94 percent of the homeownership units will be developed for low-income families (80 percent of the area median income or below).
- 57 percent of the rental units will be developed for very low-income and extremely low-income families (50 percent of the area median income or below).

## 2.1.9 – CDFI Bond Guarantee Program Resource Detail

Dollars in Thousands

Resource Level	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Enacted	Request
Obligations	\$327,000	\$265,000	\$245,000	\$150,000	\$100,000	\$500,000	\$300,000
Loan Limitation Obligation Authority	\$750,000	\$750,000	\$500,000	\$500,000	\$500,000	\$500,000	\$300,000

## 2.1.10 – Financing Accounts Non-Budgetary Summary

Dollars in Thousands

Resource Level	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Enacted	Request
Obligations	\$327,000	\$265,000	\$245,000	\$150,000	\$100,000	\$500,000	\$300,000
Collections*	\$2,966	\$9,377	\$19,789	\$34,337	\$51,493	\$59,791	\$63,667

\*Includes the principal and interest repayments and a 10 basis point fee for administrative expenses pursuant to Section 1134 of the *Small Business Jobs Act of 2010*. These amounts assume a zero subsidy rate with bond loan disbursement of \$438 million and \$452 million in FY 2020 and FY 2021, respectively.

## 2I. – CDFI Bond Guarantee Program Budget and Performance

Through the BG Program, Treasury provides a 100 percent guarantee of bonds (including principal, interest, and call premiums) issued by Qualified Issuers. Bonds issued through the program support CDFI lending and investment activity in underserved communities by providing a source of long-term capital. Qualified Issuers use bond proceeds to finance loans to eligible CDFIs for community and economic development purposes.

Since the inception of the program, the total amount of bonds guaranteed is \$1.592 billion. A total of 25 Eligible CDFIs and three Qualified Issuers participate in the BG Program. Upon the closing of each bond, the eligible CDFIs have five years to lend or disburse the bond proceeds.

The table below provides the year-to-date (FYE) and proposed disbursement for the top eight asset classes:

**FY2019 BGP Proposed and Disbursed Funds (Cumulative)**

Assets Classes	Disbursements	Disbursements	Proposed	Proposed
	(\$Millions)	(%)	Disbursements (\$Millions)	Disbursements (%)
Charter Schools	\$288.50	26.84%	\$440.00	29.49%
Rental Housing	\$297.90	27.72%	\$360.60	24.17%
Commercial Real Estate	\$192.70	17.93%	\$267.80	17.95%
Financing Entity	\$107.10	9.97%	\$132.30	8.87%
Healthcare Facilities	\$78.60	7.31%	\$104.20	6.98%
Not-For-Profits	\$50.00	4.65%	\$80.20	5.38%
Small Business	\$30.70	2.86%	\$37.80	2.53%
Senior Living and Long Term Care Facilities	\$17.60	1.64%	\$44.00	2.95%
Daycare Centers	\$11.60	1.08%	\$25.10	1.68%
<b>Total</b>	<b>\$1,074.70</b>	<b>100.00%</b>	<b>\$1,492.00</b>	<b>100.00%</b>



### **C – Changes in Performance Measures**

With the publication of Treasury’s Strategic Plan for FY 2018-2022, the CDFI Fund will work this year to baseline the performance for the new strategic objectives. The CDFI Fund has had discussions with the Office of Strategic Planning and Performance Improvement (OSPPI) about changes to performance measures in FY 2021.

### **D – Evidence - Building Activity**

#### **Development of the Assessment and Risk Management Framework**

During FY 2019, the CDFI Fund continued its development of the CDFI Program Assessment and Risk Management Framework (ARM Framework), which began in FY 2015. The ARM Framework is a suite of six tools that the CDFI Fund will use to assess the financial and programmatic risk of CDFI Program applicants and award recipients, enhance data-driven decision-making, and mitigate post-award compliance and reporting risks. The full suite of tools will be implemented by the end of FY 2020 and will support the needs of multiple CDFI Fund business units.

## **Section III – Additional Information**

---

### **A – Summary of Capital Investments**

As part of its FY 2021 capital investment strategy, the CDFI Fund plans to spend approximately \$3.20 million for operations and maintenance of its Information Technology (IT). The CDFI Fund has no major IT investments, nor any capital investments other than IT.

#### **Non-Major IT Investments:**

For FY 2021, the CDFI Fund has identified two non-major IT investments: Awards Management Information System (AMIS) and the CDFI Fund public website. AMIS is an enterprise-wide commercial, cloud-based solution that supports CDFI Fund certification, tax credit allocation, bond guarantee, and grant programs. The CDFI Fund programs were fully deployed in AMIS in September 2018. The CDFI Fund public website, another cloud-based solution, provides access to general information about the CDFI Fund and is used to ensure the public can obtain information and guidance regarding CDFI Fund programs. For FY 2021, the CDFI Fund plans to provide Operations and Maintenance (O&M) support for these two IT investments.

A summary of capital investments, including major information technology and non-technology investments, can be accessed at:

<https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.