

Department of the Treasury  
Community Development  
Financial Institutions Fund

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2025

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## **Section I – Budget Request**

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### **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 fiscal year (FY) 2025:

- \$210 million for the Community Development Financial Institutions Program (CDFI Program) to provide Financial Assistance (FA) and Technical Assistance (TA) awards, training and technical assistance. Through the CDFI Program, the CDFI Fund makes awards to invest in and build the capacity of Community Development Financial Institutions (CDFIs) to serve low-income communities lacking adequate access to affordable financial products and services. Increased investment in the CDFI Program supports the need for greater capital flow to communities and geographies where access to capital is least efficient and most needed, including rural areas and persistent poverty counties, and to CDFIs seeking to build both capital and capacity to deploy resources. The proposed budget supports FA and TA awards to CDFIs to further goals that include, among others:
  - Economic development (job creation, small business lending, and commercial real estate development);
  - Affordable housing development (housing development and homeownership);
  - Provision of financial services (such as basic banking services to underserved communities); and
  - Provision of development services (such as financial literacy or homebuyer counseling and education).
- \$35 million for the Bank Enterprise Award Program (BEA Program), which incentivizes insured banks and thrifts to invest in Certified CDFIs and increase their lending and financial services in economically distressed communities.
- \$25 million for FA and TA awards for the Native CDFI Assistance Program (NACA Program), which provide awards and training to CDFIs that primarily serve Native Communities and to entities proposing to become or create Native CDFIs. These awards will increase access to credit, capital, and financial services in Native Communities.
- \$35.9 million in administrative funding to support a variety of purposes, including:
  - Staffing and resource demands created by significant increases in demand and activity across programs, including the New Markets Tax Credit (NMTC) Program and the CDFI Bond Guarantee Program (BG Program);
  - Administration of non-monetary programs and activities, including compliance monitoring and CDFI Certification;
  - Enhancement of the Awards Management Information System (AMIS) including automation of key elements of the compliance, certification, program administration, research reporting systems to support operational efficiency and effectiveness;
  - Continued work to improve the customer experience as part of the CDFI Fund’s designation as a High Impact Service Provider (HISP). The CDFI Fund will survey data

from CDFIs who interact with our reporting systems, analyze the data, and develop action plans for improvements based on analysis of the data.

- Continued refinement of the CDFI Program Assessment and Risk Management (ARM) Framework, a suite of tools that the CDFI Fund uses to assess the financial and programmatic risk of CDFI Program applicants and award recipients, enhance data-driven decision-making, and mitigate post-award compliance reporting risks; and
- Evaluating the effectiveness of CDFI Fund programs.
- \$9 million for the Small Dollar Loan Program (SDL Program) to provide grants for Loan Loss Reserves and Technical Assistance to certified CDFIs to establish and maintain small dollar loan programs. The SDL Program funding is intended to expand consumer access to mainstream financial institutions by providing alternatives to high-cost small dollar lending. The SDL Program funding is also intended to help unbanked and underbanked populations build credit, access affordable capital, and allow greater access into the mainstream financial system.
- \$10 million for the CDFI BG Program to establish a credit subsidy to modify existing over-collateralization and/or recourse requirements for individual applications thereby expanding the potential pool of CDFIs that could successfully participate in the BG Program.

## 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2023 Operating Plan		FY 2024 Annualized CR		FY 2025 Request		FY 2024 to FY 2025 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>New Appropriated Resources</b>								
Community Development Financial Institutions Fund Program	0	\$194,000	0	\$194,000	0	\$210,000	NA	8%
Economic Mobility Corps	0	\$2,000	0	\$2,000	0	\$0	NA	-100%
Bank Enterprise Award Program	0	\$35,000	0	\$35,000	0	\$35,000	NA	0%
Native American CDFI Assistance Program	0	\$25,000	0	\$25,000	0	\$25,000	NA	0%
Administration <sup>1</sup>	80	\$35,000	102	\$35,000	102	\$35,908	0%	3%
Healthy Food Financing Initiative	0	\$24,000	0	\$24,000	0	\$0	NA	-100%
Small Dollar Loan Program	0	\$9,000	0	\$9,000	0	\$9,000	NA	0%
Bond Guarantee Program Credit Subsidy	0	\$0	0	\$0	0	\$10,000	NA	NA
<b>Subtotal New Appropriated Resources</b>	<b>80</b>	<b>\$324,000</b>	<b>102</b>	<b>\$324,000</b>	<b>102</b>	<b>\$324,908</b>	<b>0</b>	<b>0%</b>
<b>Other Resources</b>								
Offsetting Collections from Emergency Capital Investment Program	0	\$0	0	\$44,883	0	\$167,000	NA	272%
User Fees	0	\$1,200	0	\$1,250	0	\$1,300	NA	4%
Recoveries from Prior Years	0	\$0	0	\$1,000	0	\$1,000	NA	0%
Unobligated Balances from Prior Years	0	\$237,621	0	\$260,134	0	\$50,000	NA	-81%
<b>Subtotal Other Resources</b>	<b>0</b>	<b>\$238,821</b>	<b>0</b>	<b>\$307,267</b>	<b>0</b>	<b>\$219,300</b>	<b>NA</b>	<b>-29%</b>
<b>Total Budgetary Resources</b>	<b>80</b>	<b>\$562,821</b>	<b>102</b>	<b>\$631,267</b>	<b>102</b>	<b>\$544,208</b>	<b>0%</b>	<b>-14%</b>

<sup>1</sup> FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.

## 1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
<b>FY 2024 Annualized CR</b>	<b>102</b>	<b>\$324,000</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$870
Pay Annualization (2024 5.2% average pay raise)	0	\$210
Pay Raise (2025 2.0% average pay raise)	0	\$245
Non-Pay (2025 2.2% non-pay inflation)	0	\$415
Subtotal Changes to Base	0	\$870
<b>FY 2025 Current Services</b>	<b>102</b>	<b>\$324,870</b>
<b>Program Changes:</b>		
Program Decreases:	0	(\$26,000)
Economic Mobility Corps	0	(\$2,000)
Healthy Food Financing Initiative	0	(\$24,000)
Program Increases:	0	\$26,038
CDFI Program	0	\$16,000
BG Program Credit Subsidy	0	\$10,000
Administration	0	\$38
<b>Subtotal Program Changes</b>	<b>0</b>	<b>\$38</b>
<b>FY 2025 President's Budget Request</b>	<b>102</b>	<b>\$324,908</b>

### C – Budget Increases and Decreases Description

**Maintaining Current Levels (MCLs) .....+\$870,000 / +0 FTE**

Pay Annualization (5.2% in 2024) +\$210,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +\$245,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +\$415,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

**Program Decreases .....-\$26,000,000 / -0 FTE**

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

Due to lack of ongoing demand for the Economic Mobility Corps (EMC), no funding is included for this initiative as part of the CDFI Fund's budget request. In Fiscal Years 2022 and 2023, the CDFI Fund received no applications for EMC funding. However, eligible organizations can still apply for awards under the Corporation for National and Community Service's AmeriCorps State and National Direct program to support EMC-related activities, which places service members in Certified CDFIs, through funding directly appropriated to that program.

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

Due to diminishing demand and lack of a robust pool of applicants to the program, the Budget request eliminates dedicated funding for the Healthy Food Financing Initiative (HFFI). Over the past three years, the total annual number of applicants for HFFI has decreased more than 46% while the number of applicants for CDFI program FA has increased by 14%. In the most recent

round in FY 2022, only 15 organizations applied for HFFI. This represents about 1% of all Certified CDFIs. This funding reallocation will support a broader pool of CDFIs participating in other CDFI Fund programs, as outlined in program increases below.

**Program Increases .....+\$26,038,000 / +0 FTE**

**CDFI Program +\$16,000,000 / +0 FTE**

Funds will be reallocated from the request to eliminate dedicated funding for HFFI and eliminate EMC to provide an increase to the CDFI Program budget by \$16,000,000 providing an additional 27 Base-FA awards to CDFIs.

**BG Program Credit Subsidy +\$10,000,000 / +0 FTE**

Request for \$10,000,000 to modify existing over-collateralization and/or recourse requirements for individual applications thereby expanding the potential pool of CDFIs that could successfully participate in the BG Program.

**Administration +\$38,000 / +0 FTE**

Request \$38,000 to support on-going programming, research and data collection activities, certification of CDFIs and Community Development Entities (CDEs), compliance monitoring, evaluating the effectiveness of CDFI Fund programs, and activities related to the CDFI Fund's designation as a HISP.

### 1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2023 Actual Obligations	FY 2024 Estimated Obligations	FY 2025 Estimated Obligations
11.1 - Full-time permanent	\$11,257	\$13,692	\$13,900
<b>11.9 - Personnel Compensation (Total)</b>	<b>11,257</b>	<b>13,692</b>	<b>13,900</b>
12.0 - Personnel benefits	4,060	4,642	4,622
<b>Total Personnel and Compensation Benefits</b>	<b>\$15,317</b>	<b>\$18,334</b>	<b>\$18,522</b>
21.0 - Travel and transportation of persons	74	155	120
24.0 - Printing and reproduction	29	25	30
25.1 - Advisory and assistance services	7,362	4,132	2,673
25.2 - Other services from non-Federal sources	32	60	80
25.3 - Other goods and services from Federal sources	10,287	9,826	10,177
25.7 - Operation and maintenance of equipment	179	115	113
26.0 - Supplies and materials	96	100	80
31.0 - Equipment	4,715	6,237	4,113
41.0 - Grants, subsidies, and contributions	271,260	550,000	443,000
<b>Total Non-Personnel</b>	<b>\$294,034</b>	<b>\$570,650</b>	<b>\$460,386</b>
<b>New Budgetary Resources</b>	<b>\$309,351</b>	<b>\$588,984</b>	<b>\$478,908</b>
<b>Full-time Equivalents</b>	<b>80</b>	<b>102</b>	<b>102</b>

Note: 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><i>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, \$324,908,000. Of the amount appropriated under this heading— (1) not less than \$210,000,000, 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, 2026, 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 \$3,153,750 may be used for the cost of direct loans, of which up to \$10,000,000, 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: Provided, 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: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000: Provided further, 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 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</i></p>	<p>Elimination of EMC due to lack of ongoing demand.</p>

*the 2016–2020 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]2020 Island areas Decennial Census data for any territory or possession of the United States; (2) not less than \$25,000,000, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, 2026, 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 \$35,000,000 is available until September 30, 2026, for the Bank Enterprise Award program; (4) not less than \$9,000,000 is available until September 30, 2026, 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; (5) up to \$35,908,000 is available 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 the development of tools to better assess and inform CDFI investment performance and CDFI program impacts, and up to \$300,000 is for administrative expenses to carry out the direct loan program; and (6) up to \$10,000,000 is available until September 30, 2026, 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, That commitments to guarantee bonds and notes under such section 114A shall not exceed \$500,000,000: Provided further, That such section 114A shall remain in effect until December 31, 2026: 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*

The budget requests to eliminate dedicated funding for HFFI and reallocate for the creation of a BGP subsidy and to the CDFI Core Program



<p><i>and the 2016–2020 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, 2010, and 2020 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census.</i></p> <p>Note. --A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of P.L. 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.</p>	<p>Extension of the Bond Guarantee Program through December 31, 2026 to allow more time to close complex and time-consuming bond commitments and for 2-year subsidy period of availability</p> <p>To establish a credit subsidy for the Bond Guarantee Program for a two-year period of availability that would allow the CDFI Fund to adjust underwriting requirements for applicants on a case-by-case basis. The CDFI Fund would specifically be able to modify existing over-collateralization and/or recourse policy requirements for future individual applications thereby expanding the potential pool of CDFIs that could successfully participate in the Bond Guarantee Program.</p>
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## **E – Legislative Proposals**

The Budget proposes to modify the Capital Magnet Fund Program, section 1339 of the Housing and Economic Recovery Act (HERA) to allow for certain existing statutory requirements to be determined by the Secretary, either via promulgation of regulations or in the annual Notice of Fund Availability, and to expand the eligible applicant types to include consortium of two or more eligible applicants. Current market conditions and the CDFI Fund’s experience with this affordable housing program necessitate updates to the program to make it more accessible to applicants, which include CDFIs and non-profit affordable housing organizations, and more effective in spurring the production and preservation of affordable housing.

Specific requirements and standards in the statute create significant obstacles to potential applicants wishing to apply for these funds, such as the required 10:1 ratio of leverage of private and other public funding, a two-year commitment deadline, and restrictions related to targeting funds. Modifications proposed to the statute would allow for the Secretary to establish or modify

standards for these requirements to address market conditions over time and ensure effective utilization of funds across diverse geographies.

Funding for this program is not typically appropriated. Per HERA requirements, Fannie Mae and Freddie Mac provide allocations annually based on their annual unpaid principal mortgage balances. The first awards based on these allocations were made in 2016.

Additionally, the Budget proposes to reauthorize and reform the CDFI BG Program consistent with the bipartisan CDFI Bond Guarantee Program Improvement Act of 2023 ([S.869](#)), which would reauthorize the program for four years, reduce the minimum issuance amount to \$25 million, make a technical correction to the relending account, and eliminate the limitation on the number of guarantees that may be issued annually.

The Budget proposes technical corrections and updates to Section 122 of Riegle Community Development and Regulatory Improvement Act (P.L. 117-286) that would allow increased participation in the SDL Program. Proposed revisions to the legislation would authorize the Secretary of the Treasury to administratively amend the definition of a small dollar loan or other requirements to address industry trends and adjust the maximum loan amount for inflation. Technical corrections would clarify the definition of Federally Insured Depository Institutions (FIDIs) eligible to apply for an SDL Program Award and allow all applicants to apply for all eligible uses of the program.

### **Proposed Capital Magnet Fund Language**

*In General. Section 1339 of the Housing and Economic Recovery Act of 2008, (12 U.S.C.4569) is amended (1) in subsection (e) Eligible grantees. (A) in paragraph (2) (i) by striking “1” and inserting “one”; and (ii) by striking “management” and inserting “preservation; and (iii) by inserting”; or” after “affordable housing; and (iv) by adding at the end the following new paragraph: “(3) a consortium of two or more of the eligible grantees as described in paragraphs (1) and (2) of this subsection.” (2) in subsection (f) Eligible uses. (A) in paragraph (5) by adding “or loan guarantees.” after “For risk-sharing loans” (3) in subsection (g) Applications. (A) in paragraph (1) by adding at the end the following, “The Secretary of the Treasury may also set-aside an amount to fund designated eligible grantees or activities in geographic areas, or to address unique market conditions through a competitive process.” (4) in subsection (h) Grant limitation (A) by striking paragraph (2) Geographic Diversity in its entirety and inserting the following: “(2) Priority Goals. The Secretary of the Treasury shall seek to fund activities--(A) located in geographically diverse areas of the United States, including metropolitan and rural areas and U.S. Territories and Tribal Areas; (B) benefitting low-income families, very low-income, and extremely low-income families; (C) located in areas of economic distress; or (D) which meet any other criteria designated by the Secretary of the Treasury.” (B) by striking paragraph (3) Leverage of funds in its entirety and inserting the following new paragraph: “(3) Leverage of Funds. Each grant from the Capital Magnet Fund awarded under this section shall be reasonably expected to attract additional private or public investment beyond the grant amount that finances and/or supports eligible affordable housing projects, or eligible economic and community development projects at a leverage ratio that shall be determined by the Secretary of the Treasury.” (C) in paragraph (4) Commitment for use deadline. (i) by striking*

*“within 2 years of the date of such allocation” and inserting “by a deadline set by the Secretary of the Treasury.” (ii) by striking “the first year after such recapture” and inserting “a subsequent funding round.”*

### **Proposed Language Small Dollar Loan Program**

*In General. Section 122 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4719) is amended in subsection (b) Grants. (A) in paragraph (1) (i) by inserting “, to any partnership between or among such community development financial institutions,” after “The Fund shall make grants to community development financial institutions,” and (ii) striking “with a primary mission to serve targeted investment areas, as such areas are defined under section 103(16)” (B) in paragraph (4) (i) by striking “or” and inserting “, to”; and (ii) by inserting “community development financial” after “or among such”; and (iii) by inserting “, or to any partnership between such community development financial institutions and any other federally insured depository institution” before “to support and maintain a small dollar loan program.” (2) in subsection (c) Definitions (A) in paragraph (2) (i) by striking “or” and inserting “, ”; and (ii) by inserting “community development financial” after “or among such”; and (ii) by inserting “, or any partnership between such community development financial institution and any other federally insured depository institution” before “offers loans to consumers that “ (B) in paragraph (2) (i) subparagraph (A) by striking “amounts not exceeding \$2,500” and inserting “an amount that does not exceed the amount designated by the Secretary of the Treasury in an applicable Notice of Funds Availability.” (ii) in subparagraph (E) by striking “Administrator.” and inserting “Secretary of the Treasury.”*

## **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’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 in the United States where job opportunities remain stagnant and that otherwise lack access to more mainstream forms of capital – the places and populations 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 improve the quality of life and boost the local economy in these communities.

In accordance with the Government Performance and Results Act Modernization Act (GPRAMA) of 2010, Treasury developed the FY 2022 – 2026 Departmental Strategic Plan. The Annual Performance Plan has been updated to reflect new departmental strategic goals and objectives.

The CDFI Fund is working to align budget activities and performance measures to the objectives in the Treasury FY 2022 – 2026 Strategic Plan, specifically to Goal 1: Promote Equitable Economic Growth and Recovery; Objective 1.3 Economically Resilient Communities and Goal 5: Modernize Treasury Operations.

The FY 2025 Budget will advance the CDFI Fund’s current goals by allowing the CDFI Fund to administer all programs, including those that are authorized by Congress but do not require annual appropriations (i.e., the NMTC 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, and of CDEs, as required by the NMTC program. CDFI certification makes organizations eligible to apply for the CDFI Program, the NACA Program, the BG Program, the SDL Program, and the Capital Magnet Fund (CMF) Program, as well as other federal programs outside of the CDFI Fund. CDE certification is a prerequisite for eligibility for the NMTC program.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021, as included in the Consolidated Appropriations Act, 2021 (P. L. 116-260), provided \$3 billion to the CDFI Fund to help CDFIs deliver immediate assistance in communities impacted by the COVID-19 pandemic. In the spring of FY 2021, the CDFI Fund awarded \$1.25 billion of these funds through its newly established CDFI Rapid Response Program (CDFI RRP), which was designed to quickly deploy capital to CDFIs through a streamlined application and review process. Through the CDFI RRP, CDFIs were provided with resources necessary to respond to the economic impacts of the COVID-19 pandemic in distressed and underserved communities and people.

In the Spring of FY 2023, the CDFI Fund awarded an additional \$1.73 billion in grant funds to CDFIs to address the economic impact of the COVID-19 pandemic through the CDFI Equitable Recovery Program (CDFI ERP). These grants will further assist distressed communities by expanding lending, grant making, and investment activity to low- or moderate-income communities; to borrowers that have significant unmet capital or financial service needs; and to enable CDFIs to build organizational capacity and acquire technology, staff, and other tools necessary to accomplish the activities under a CDFI ERP Award.

## B – Budget and Performance by Budget Activity

### 2.1.1 – Administration – Resources and Measures

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$27,000	\$28,500	\$29,000	\$33,617	\$35,000	\$35,000	\$35,908
<b>Budget Activity Total</b>	<b>\$27,000</b>	<b>\$28,500</b>	<b>\$29,000</b>	<b>\$33,617</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,908</b>
<b>Full-time Equivalents (FTE)</b>	<b>67</b>	<b>76</b>	<b>67</b>	<b>71</b>	<b>80</b>	<b>102</b>	<b>102</b>

Performance Measure	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
All Award Cycle Time (Months)	5.8	5.5	5.6	8.8	8.0	6.5	6.5	6.5
All-Time to Initial Disbursement (#Months)	7.0	4.4	5.1	3.5	1.7	4.5	4.5	4.5
ALL- Number of Affordable Housing Units Developed or Produced	34,083	44,361	58,125	71,615	109,599	I	I	I

Key: I – Indicator

Note: The “All Award Cycle Time” and “All-Time to Initial Disbursement” performance measures are based on the award or allocation rounds for the BEA Program, CDFI Program, CMF Program, NACA Program, NMTC Program and SDL Program. The “ALL-Number of Affordable Housing Units Developed or Produced” performance measure is based on the number of affordable housing units reported by CDFI Program, CMF Program, NACA Program, NMTC Program, and CDFI RRP subject to the start of a program’s recipient reporting timeframe.

## 2A – Administration Budget and Performance

*(\$35,908,000 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, measuring how quickly awards are made, funds are disbursed, and the creation of affordable housing units across all CDFI Fund programs.

- The All-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 All-Award Cycle Time in FY 2023 was 8 months, thereby exceeding the target of 6.5 months. All award cycle time was higher than the target due to the need to divert staff to manage COVID-19 response programs authorized in Consolidated Appropriations Bill, 2021. Further, FY 2023 did not have a funding round for every program, so the programs that did conduct a round, including NMTC and CMF, are programs with a longer award cycle time, resulting in an average that is higher than the target. Going forward, the CDFI Fund plans to normalize award program timing while welcoming the increased demand for CDFI Fund programs.
- The Time to Initial Disbursement indicates how quickly the CDFI Fund completes award agreements and makes the first disbursement of funds or issues tax credits. The FY 2023 program disbursement results were tabulated in calendar year (CY) 2023 at 1.7 months which is faster than the target set of 4.5 months. It should be noted that the tabulation does not include estimates for all programs because only three programs (BEA, NMTC, and CMF) conducted funding rounds during FY 2023. The number may increase at a later date because two of the programs (NMTC and CMF) have not signed all of their agreements – at least 54 percent have been signed through December 2023. The target will remain at 4.5 months for FY 2024 and FY 2025.
- 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, NACA Program, NMTC Program, and CMF Program awardees or allocatees. 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 four programs made it difficult to project a reliable target. As with FY 2022, the CDFI Fund has included the units resulting from the CDFI RRP awardees in the FY 2023 results. The FY 2023 actual result was 109,599 affordable housing units. The large increase in the number of units may be due to CDFI RRP awardees having completed their first full fiscal year of reporting in FY 2023 on their FY 2022 activities.

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

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$160,000	\$165,500	\$165,000	\$165,000	\$196,000	\$196,000	\$210,000
<b>Budget Activity Total</b>	<b>\$160,000</b>	<b>\$165,500</b>	<b>\$165,000</b>	<b>\$165,000</b>	<b>\$196,000</b>	<b>\$196,000</b>	<b>\$210,000</b>

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
Performance Measure	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	75.6	75.0	71.4	67.1	66.0	60.0	60.0	60.0
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Number of Loans (Annual %)	78.8	79.6	75.7	77.7	71.6	60.0	60.0	60.0

## 2B – Community Development Financial Institutions Fund Program

*(\$210,000,000 from direct appropriations):*

The CDFI Program makes 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 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).

In addition to the FA awards, the CDFI Fund also provides the following supplemental FA awards: Persistent Poverty County-Financial Assistance (PPC-FA); Healthy Foods Financing Initiative-Financial Assistance (HFFI-FA); and Disability Funds-Financial Assistance (DF-FA).

The CDFI Program also makes TA awards to CDFIs and emerging CDFIs to build their organizational capacity.

Appropriated funds for FY 2023 will be combined with FY 2024 appropriated funds for a joint FY 2024 funding round for the CDFI Program, which opened on December 8, 2023.

The EMC is a joint initiative of the CDFI Fund and Corporation for National and Community Service (CNCS) that places full-time national service members in Certified CDFIs to enhance their capacity to provide financial literacy, financial planning, budgeting, saving, and other financial counseling activities.

The EMC program received \$2 million in funding through the Consolidated Appropriations Act of 2022 (P.L. 117-103) which was used to support the FY 2023 round of the program.

Applications for this round of the EMC, which were again made available through the FY 2023 AmeriCorps State and National Grant program that was released in September 2022, were due in January 2023. There were no applicants for the FY 2023 round of EMC, which was the second consecutive year for which there were no EMC applicants. Due to an ongoing lack of demand, the Budget request eliminates funding for EMC.

*Description of Performance:*

In February 2023, the CDFI Fund awarded \$127.1 million in base-FA FY 2022 CDFI Program FA awards, an additional \$17.6 million in PPC-FA awards, and \$6.5 million in DF-FA awards. 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 recipients; 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 recipients.

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 safety and soundness considerations.

In FY 2023, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (66.0 percent) and the number of CDFI loans (71.6 percent) made to eligible distressed communities and underserved populations.



## 2.1.3 – New Markets Tax Credit Resources and Measures

Dollars in Thousands

Resource Level	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Annualized CR	FY 2025 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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2023 Target	FY 2024 Target	FY 2025 Target
NMTC - Percentage of Loans and Investments That Went into Severely Distressed Communities	80.3	77.2	77.0	79.0	75.4	75.0	75.0	75.0

## 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 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.

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, that was included in the Consolidated Appropriations Act 2021, extended allocation authority of the NMTC Program through CY 2025 at \$5 billion annually. The FY 2025 revenue proposal volume (also referred to as the “greenbook”) seeks a permanent reauthorization of the NMTC set at \$5 billion each year and indexed for inflation after 2026 and adds a third allocation priority to favor CDEs that intend to concentrate their Qualified Low Income Community Investments on populations, geographies and/or businesses that are identified by the Secretary as having significantly deeper levels of economic distress. Please see <https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals> for more information.

### Description of Performance:

On October 28, 2022, the CDFI Fund announced \$5 billion NMTC awards for the CY 2021 NMTC Program allocation authority to 107 organizations out of a pool of 199 applicants that requested \$14.7 billion in NMTC allocations. Additionally, on September 22, 2023, the CDFI Fund awarded \$5 billion in CY 2022 NMTC Program allocation authority to 102 organizations out of a pool of 197 applicants that requested \$14.8 billion in NMTC allocations.

In FY 2023, CDEs reported that 75.4 percent of NMTC investments were made in severely distressed communities, slightly exceeding the target of 75 percent. The expectation is that the NMTC investments performance report for FY 2024 and FY 2025 will meet or exceed the 75 percent target.

## 2.1.4 – Bank Enterprise Award Program Resources and Measures

Dollars in Thousands

Resource Level	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Annualized CR	FY 2025 Request
Appropriated Resources	\$25,000	\$25,000	\$26,000	\$26,000	\$35,000	\$35,000	\$35,000
<b>Budget Activity Total</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$26,000</b>	<b>\$26,000</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$35,000</b>

Performance Measure	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2023 Target	FY 2024 Target	FY 2025 Target
BEA - Increase in Community Development Activities Over Prior Year For All BEA Program Applicants (\$ million)	429	469	DISC	DISC	DISC	DISC	DISC	DISC
Bank Enterprise Award Program (BEA) Leverage Ratio is the \$ Sum of All Award Recipients Qualified Activities to the \$ Sum of All Awards in a Given Year	N/A	N/A	2.6	N/A	N/A	N/A	N/A	N/A

Key: DISC - Discontinued; N/A - Not Available

## 2D – Bank Enterprise Award Program

*(\$35,000,000 from direct appropriations):*

The 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:

Awards for the FY 2023 BEA Program funding round were announced in September 2023 using FY 2022 and FY 2023 appropriated funds. A total of 184 organization received \$70 million in awards through this round of the BEA Program.

The Fund will use the values for FY 2021 through FY 2024 to establish a baseline trend from which to compute a target threshold. For FY 2021, the leverage ratio for the total sum of award recipients' total qualified activities to the total sum of all awards in a year is 2.6. There will be no measure for FY 2022 because the Fund conducted a joint funding round in FY 2023 combining FY 2022 and FY 2023 funds. As a result, the baseline will be extended to include FY 2024 in its calculation of the target threshold.

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

Dollars in Thousands

Resource Level	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Annualized CR	FY 2025 Request
Appropriated Resources	\$16,000	\$16,000	\$16,500	\$16,500	\$25,000	\$25,000	\$25,000
<b>Budget Activity Total</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$16,500</b>	<b>\$16,500</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>

  

Performance Measure	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Annual	FY 2023 Actual	FY 2023 Target	FY 2024 Target	FY 2025 Target
NACA - Percentage of NACA Loans and Investments in Native Areas (\$ Amount of Loans)	78.0	57.2	60.1	65.3	89.0	50.0	50.0	50.0
NACA - Percentage of NACA Loans and Investments in Native Areas (# of Loans)	86.0	72.1	72.6	70.3	81.0	50.0	50.0	50.0

## 2E – Native American CDFI Assistance Program

*(\$25,000,000 from direct appropriations):*

Through the Native American CDFI Assistance (NACA) Program, the CDFI Fund builds the capacity of Certified Native CDFIs, Emerging Native CDFIs, and Sponsoring Entities, and increases access to capital in Native American, Alaskan Native, and Native Hawaiian communities (Native Communities). The NACA Program provides two types of monetary awards – FA awards and TA grants. Native CDFIs lend where other mainstream financial institutions do not and often serve the most financially distressed individuals, families, and businesses in Native communities. In addition, the NACA Program provides training to help strengthen and develop Native CDFIs.

Appropriated funds for FY 2023 will be combined with FY 2024 appropriated funds for a joint FY 2024 funding round for the NACA Program, which opened on December 8, 2023.

### Description of Performance:

In February 2023, the CDFI Fund awarded \$17.1 million in FY 2022 NACA Program FA awards and an additional \$2.8 million in PPC-FA awards. 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 Assistance Agreements, NACA recipients 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 recipients to balance their mission of serving Native areas and populations with safety and soundness considerations.

In FY 2023, NACA recipients reported outcome data for their FY 2022 activities, which showed that 89.0 percent of loans by dollar amount and 81.0 percent of the number of loans originated were in Native areas or to Native borrowers, thereby exceeding the target of 50 percent for both measures. A contributing factor to the increase of more than 10 percentage points for both performance measures between FY 2022 and FY 2023 is a change in the composition of awardees with NACA reporting requirements in FY 2023.

## 2.1.6 –Healthy Food Financing Initiative Resources and Measures

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$22,000	\$22,000	\$23,000	\$23,000	\$24,000	\$24,000	\$0
<b>Budget Activity Total</b>	<b>\$22,000</b>	<b>\$22,000</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$0</b>

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
Performance Measure	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
HFFI - Retail Outlets Created/Preserved	23.0	25.0	29.0	32.0	23.0	I	I	I

Key: I - Indicator

## 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 FA 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.

Appropriated funds for FY 2023 will be combined with FY 2024 appropriated funds for a joint FY 2024 funding round for the supplemental HFFI Program awards, which opened on December 8, 2023.

### Description of Performance:

In February 2023, the CDFI Fund awarded \$23 million in HFFI awards to eight CDFIs for the FY 2022 round. 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 2021, the HFFI performance measure was reported as an indicator because the variability of investments in new retail HFFI outlets makes it difficult to forecast an annual target. In FY 2023, the number of HFFI Retail outlets created was 23. This performance measure may start to show a decline in number compared to previous years as the 3-year performance reporting for FY 2022 and FY 2024 award recipients winds down given no proposed funding in FY 2025 or beyond.

## 2.1.7 – Small Dollar Loan Program Resources and Measures

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$0	\$5,000	\$8,500	\$8,500	\$9,000	\$9,000	\$9,000
<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$8,500</b>	<b>\$8,500</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>

Performance Measure	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Ratio of the dollar amount of SDL Program loans closed in a given year to the number of SDL Program recipients reporting in the year	N/A	N/A	N/A	\$700,586.21	\$537,919.2	I	I	I

Key: I - Indicator; N/A - Not Available

Note: The FY 2021 SDL Program Award Round made their award announcement on September 23, 2021, therefore, outcome reporting will not start until FY 2023. The FY 2022 SDL Program Award Round made their award announcement on May 16, 2022, therefore, outcome reporting will not start until FY 2024. The SDL Program performance measure has been changed from prior budget submissions because the earlier concept of the performance measure was not feasible to collect based on current reporting forms. FY 2023 reporting has not yet concluded as of 12/13/2023, so this number will most likely increase as more reports are submitted.

## 2G – Small Dollar Loan Program

*(\$9,000,000 from direct appropriations):*

Authorized by Section 1206 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), the SDL Program provides grants for Loan Loss Reserves (LLR) and TA to CDFIs to establish and maintain small dollar loan programs. SDL Program funding is intended to expand consumer access to mainstream financial institutions by providing alternatives to high-cost small dollar lending. The SDL Program funding is also intended to help unbanked and underbanked populations build credit, access affordable capital, and allow greater access to the mainstream financial system.

### Description of Performance:

The Initial FY 2021 SDL Program awards were announced in FY 2021. Outcome reporting for these awards will not start until FY 2023. The FY 2022 SDL Program awards were announced September 27, 2022. A total of 66 CDFIs received \$11.4 million in the FY 2022 round; recipients are headquartered in 23 states, the District of Columbia, Guam, and Puerto Rico. The FY 2024 SDL Program round (using FY 2023 and FY 2024 appropriated funds) opened on October 20, 2023, and awards are expected to be announced in the spring of 2024.

The performance measure for SDL Program is the ratio of the dollar amount of SDL Program loans closed in a given year to the number of SDL Program recipients reporting in the year. There is a three-year period of performance for this funding. For FY 2022 and FY 2023, the results are \$700,586.21 and \$537,919.92, respectively. However, performance reporting for FY 2023 has not completed, so the value for FY 2023 may increase. For the FY 2022 SDL Program Award Recipients, their outcome reporting will not start until FY 2024. The SDL Program performance measure has changed from prior budget submissions because the earlier concept of the performance measure was not feasible to collect based on current reporting forms.

## 2.1.8 – Capital Magnet Fund Program Resource Detail Table

Dollars in Thousands

Resource Level	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
GSE Distribution	\$131,884	\$175,809	\$382,748	\$398,357	\$190,779	\$117,000	\$137,000
<b>Budget Activity Total</b>	<b>\$131,884</b>	<b>\$175,809</b>	<b>\$382,748</b>	<b>\$398,357</b>	<b>\$190,779</b>	<b>\$117,000</b>	<b>\$137,000</b>
<b>Full-time Equivalents (FTE)*</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>9</b>

\*CMF staff are funded through GSE fees

## 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 facilities. Award recipients can use funds to create financing tools such as loan funds, loan loss reserves, revolving loan funds, risk-sharing loans, and loan guarantees.

### 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.

FY 2023 CMF Awards were announced on October 4, 2023. Awards were made to 52 organizations totaling \$321.2 million to support the development of affordable housing and community facilities serving low-income individuals, families, and communities. For the FY 2023 round the awardees anticipate that nearly \$11.1 billion will be invested in total, including more than \$8.6 billion in private investment.

## 2.1.9 – CDFI Bond Guarantee Program Resource Detail Table

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Obligations	\$150,000	\$100,000	\$100,000	\$355,000	\$300,000	\$500,000	\$500,000
Loan Limitation Obligation Authority	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>Budget Activity Total</b>	<b>\$150,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$355,000</b>	<b>\$300,000</b>	<b>\$500,000</b>	<b>\$500,000</b>

## 2.1.10 – CDFI Bond Guarantee Program Financing Account – Non-Budgetary Summary

Dollars in Thousands

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Resource Level	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Obligations	\$150,000	\$100,000	\$100,000	\$355,000	\$500,000	\$500,000	\$500,000
Collections*	\$51,493	\$61,621	\$74,320	\$162,425	\$105,834	\$94,137	\$115,727

\*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 \$349 million and \$346 million in FY 2024 and FY 2025, 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 exceeds \$2.4 billion. A total of 29 Eligible CDFIs and 4 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 (FY ending 2023) and proposed disbursement for the top nine asset classes:

Assets Class	Disbursements (\$Millions)	Disbursements (%)	Proposed Disbursements (\$Millions)	Proposed Disbursements (%)
Rental Housing	\$479.94	31.94%	\$718.27	29.35%
Charter Schools	\$394.85	26.27%	\$579.18	23.67%
Commercial Real Estate	\$255.76	17.02%	\$370.70	15.15%
Financing Entity	\$133.50	8.88%	\$361.63	14.78%
Not-for Profits	\$72.03	4.79%	\$124.86	5.10%
Healthcare Facilities	\$54.22	3.61%	\$112.22	4.59%
Small Business	\$55.32	3.68%	\$92.59	3.78%
Senior Living and Long-Term Care Facilities	\$42.11	2.80%	\$57.60	2.35%
Daycare Centers	\$15.05	1.00%	\$29.96	1.22%
<b>Total</b>	<b>\$1,502.79</b>	<b>100.00%</b>	<b>\$2,447.00</b>	<b>100.00%</b>

## **Section III – Additional Information**

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

As part of its FY 2025 capital investment strategy, the CDFI Fund plans to spend approximately \$8.86 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 2025, 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 all 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 Salesforce and other software licenses and maintenance support needed by IT systems that meet the CDFI Fund's certification, program, and compliance needs.

In FY 2025, 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.

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>.

### **B – Utilization of Offsetting Collections from Emergency Capital Investment Program (ECIP)**

Authorized by P. L. 116-260, the CDFI Fund anticipates receiving additional funding resources from ECIP through the transfer of proceeds from the sale of investments and related earned interest and dividends beginning in FY 2024. Approximately 80 percent of the funds available in FY 2024 and FY 2025 will be used for the FY 2025 CDFI and NACA Programs for financial assistance grants to Certified CDFIs, including Certified Native CDFIs, as well as for grants for technical assistance to organizations seeking Certification and for Certified CDFIs seeking to increase their organizational capacity. The remaining funds are expected to be used for a new pilot grant program that will provide funding for CDFIs seeking to improve their technological and cybersecurity systems.