

Department of the Treasury
Community Development
Financial Institutions Fund

Congressional Justification
for Appropriations and
Annual Performance
Report and Plan

FY 2018

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Section I – Budget Request

A – Mission Statement

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

B – Summary of the Request

The Community Development Financial Institutions Fund (CDFI Fund) requests the following for FY 2018:

- \$14 million in administrative funding to support:
 - Management of the Community Development Financial Institutions (CDFI) Bond Guarantee (BG) Program and the New Markets Tax Credit (NMTC) Program; and
 - Ongoing certification and compliance monitoring for all programs, including the Bank Enterprise Award (BEA) Program, CDFI Program, Native American CDFI Assistance (NACA) Program and Healthy Food Financing Initiative (HFFI).
- The Budget eliminates funding for the Fund's four discretionary grant and direct loan programs (i.e. the CDFI Program, the BEA Program, the NACA Program, and HFFI) and proposes to extend the CDFI BG Program, which offers CDFIs low-cost, long-term financing at no cost to taxpayers, as the program requires no credit subsidy.
 - The CDFI BG Program provides CDFIs access to a significant source of capital. The CDFI BG Program injects new and substantial capital into our nation's most distressed communities by providing guarantees of bonds issued by Qualified Issuers. CDFIs benefit from the potential scale of the CDFI BG Program, which offers 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. These benefits will be realized at no cost to taxpayers because the program requires no credit subsidy.
 - The Budget proposes an annual commitment authority of \$500 million and program changes to (i) reduce the minimum bond issue size from \$100 million to \$50 million; and (ii) to correct a technical drafting error related to the calculation of the relending account maximum.

1.1 – Appropriations Detail Table

Dollars in Thousands

Community Development Fund Appropriated Resources	FY 2016		FY 2017		FY 2018		FY 2017 to FY 2018			
	Enacted		Annualized		Request		\$ Change		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources:										
Community Development Fund Institutions Program	0	\$153,423	0	\$153,131	0		0	(\$153,131)	NA	-100%
Bank Enterprise Award Program	0	\$19,000	0	\$18,964	0		0	(\$18,964)	NA	-100.00%
Native American CDFI Assistance Program	0	\$15,500	0	\$15,471	0		0	(\$15,471)	NA	-100.00%
Administration	77	\$23,600	77	\$23,555	42	\$14,000	35	(\$9,555)	45.45%	-40.56%
Healthy Food Financing Program	0	\$22,000	0	\$21,958	0		0	(\$21,958)	NA	-100.00%
Subtotal New Appropriated Resources	77	\$233,523	77	\$233,079	42	\$14,000	35	(\$219,079)	45.45%	-93.99%
Other Resources*:										
User Fees**	0	\$220	0	\$362	0	\$619	0	\$257	NA	70.99%
Recoveries from Prior Years	0	\$3,375	0	\$3,400	0	\$3,400	0	\$0	NA	0.00%
Unobligated Balances Brought Forward	0	\$5,500	0	\$21,545	0	\$18,964	0	(\$2,581)	NA	-11.98%
Subtotal Other Resources	0	\$9,095	0	\$25,307	0	\$22,983	0	(\$2,324)	NA	-9.18%
Total Budgetary Resources	77	\$242,618	77	\$258,386	42	\$36,983	35	(\$221,403)	45.45%	-85.69%

* FY 2016 Other Resources are actual

**This request reflects authorization of the Bond Guarantee Program in FY 2016

1.3 – Operating Levels Table

Dollars in Thousands

Community Development Financial Institutions Fund Object Classification	FY 2016 Actual*	FY 2017 Annualized CR	FY 2018 Request
11.1 - Full-time permanent	\$8,748	\$9,311	\$4,589
11.9 - Total personnel compensation	\$8,748	\$9,311	\$4,589
12.0 - Personnel benefits	\$2,866	\$3,120	\$2,160
Total Personnel and Compensation Benefits	\$11,614	\$12,431	\$6,749
21.0 - Travel and transportation of persons	\$72	\$103	\$37
22.0 - Transportation of things	\$0	\$3	\$1
24.0 - Printing and reproduction	\$5	\$5	\$2
25.1 - Advisory and assistance services	\$4,999	\$3,355	\$0
25.2 - Other services from non-Federal sources	\$170	\$118	\$63
25.3 - Other goods and services from Federal sources	\$5,726	\$4,546	\$5,518
25.7 - Operation and maintenance of equipment	\$523	\$0	\$1,603
26.0 - Supplies and materials	\$61	\$59	\$27
31.0 - Equipment	\$383	\$2,935	\$0
33.0 - Investments and loans	\$499	\$0	\$0
41.0 - Grants, subsidies, and contributions	\$188,466	\$209,524	\$0
Total Non-Personnel	\$200,904	\$220,648	\$7,251
Subtotal New Budgetary Resources	\$212,518	\$233,079	\$14,000
Budget Activities**:			
Community Development Financial Institutions Program	\$156,798	\$156,531	\$3,400
Bank Enterprise Award Program**	\$24,500	\$40,509	\$18,964
Native American CDFI Assistance Program	\$15,500	\$15,471	\$0
Administration	\$23,820	\$23,917	\$14,619
Healthy Food Financing Program	\$22,000	\$21,958	\$0
Total Budgetary Resources	\$242,618	\$258,386	\$36,983
FTE	77	77	42

* FY 2016 actual includes FY 2015 awards made in FY 2016.

** All but Administration are funded with two-year appropriations.

*** The FY 2017 Bank Enterprise Award Program budget resource includes FY 2016 grant funding of \$19 million to be awarded in FY 2017. The FY 2018 amount represents the FY 2017 grant funding that will be awarded in FY 2018.

C – 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</p> <p><i>To carry out the Riegle Community Development and Regulatory Improvements 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-3, \$14,000,000, to be used for administrative expenses, including administration of CDFI fund programs and the New Markets Tax Credit Program: Provided, That during fiscal year 2018, 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: Provided further, That such section 114A shall remain in effect until September 30, 2018.</i></p> <p>Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.</p>	<p>Extension of the Bond Guarantee Program through FY 2018.</p>

D – Legislative Proposals

The Budget requests extension of the CDFI Bond Guarantee Program through FY 2018 and elimination of new allocations into the Capital Magnet Fund effective in FY 2018.

Suggested Legislative Language

SEC. 126. AMENDMENTS TO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS BOND PROGRAM. Section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4713a) is amended— (a) in subsection (c)(2) by striking ", multiplied by an amount equal to the outstanding principal balance of issued notes or bonds"; and (b) in subsection (e)(2)(B), by striking "\$100,000,000" and inserting "\$50,000,000".

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 FY 2018-2022 Strategic Plan is currently under development. The Annual Performance Plan will be updated in the FY 2019 Budget to reflect the new Treasury priorities.

The CDFI Fund’s award recipients include Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), Federal Deposit Insurance Corporation (FDIC)-insured banks, and nonprofit housing organizations that together and in partnership with traditional banks and other community organizations 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 and communities in the United States that are feeling “left behind” 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 primary goal of the CDFI Fund’s Strategic Plan is to “increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFI Fund awardees.” The requested budget will advance this goal 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 CDFI BG Program. In addition, the CDFI Fund will continue to conduct ongoing program compliance for prior-year award recipients.



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

B – Budget and Performance by Budget Activity

2.1.1 Administration- Resources and Measures

Dollars in Thousands

Administration Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$21,965	\$21,764	\$24,636	\$23,100	\$23,544	\$23,555	\$14,000
Budget Activity Total	\$21,965	\$21,764	\$24,636	\$23,100	\$23,544	\$23,555	\$14,000
FTE	79	76	76	79	77	77	42

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2012 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
									Trend
ALL - Award Cycle Time (Months)	6.5	6.8	7.9	8.3	7.6	7.0	7.0	7.0	
All - Time to Initial Disbursement (# Months)	N/A	N/A	N/A	N/A	B	4.5	4.5	4.5	N/A
ALL - Number of Affordable Housing Units Developed or Produced	27,433	26,391	32,621	27,004	35,251	29,000	27,433	28,000	

Key: B - Baseline

2A - Administration

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

This budget activity encompasses the CDFI Fund’s operational support and management activities for each of its ongoing award programs. This 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 two administrative measures are organization-wide efficiency measures based on how quickly awards are made and funds are disbursed.

- The *All-application-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). In FY 2016, the cycle time was 7.6 months, missing the target of 7 months as a result of higher-than-expected application volume and the combining of the 2015 and 2016 allocation rounds of the New Markets Tax Credit Program. In FY 2018, as a result of implementation of the CDFI Fund’s Award Management Information System, it is expected that processing of applications for ongoing programs (i.e., NMTC, CMF, and BG Programs) will take 7 months from intake to award announcement.



- The *Time to Initial Disbursement* is a new measure that indicates in months how quickly the CDFI Fund completes award agreements and makes the first disbursement of funds or issues tax credits. In FY 2016, the CDFI Fund developed new baseline data and targets for FY 2017 and FY 2018, consistent with the award disbursement processes required by the Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Requirements or UAR).

The All-Affordable Housing measure captures the number of affordable housing units developed or produced as a result of CDFI Fund awards, as reported by CDFI, NMTC and CMF program awardees and allocatees.

2.1.2 – Community Development Financial Institutions Program Resources and Measures

Dollars in Thousands

CDFI Program Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$146,035	\$138,397	\$146,364	\$152,400	\$153,423	\$153,131	\$0
Budget Activity Total	\$146,035	\$138,397	\$146,364	\$152,400	\$153,423	\$153,131	\$0

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2012 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
	Trend								
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	84.9	77.1	70.8	80.1	80.9	60.0	60.0	N/A	
CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Number of Loans	84.9	79.6	60.7	80.5	81.5	60.0	60.0	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 (housing development and homeownership); and
- Financial services (provision of basic banking services and financial literacy training to underserved people and communities).

Description of Performance:

The CDFI Program has two measures: (1) 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 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 service distressed communities and underserved populations with their safety and soundness considerations.

In FY 2016 the CDFI Program surpassed the 60 percent threshold for the percentage of both the dollar amount (80.9 percent) and the number (81.5 percent) of CDFI loans made to eligible distressed communities and underserved populations.

For FY 2018 no target will be set for the program, although outcomes may still be reported for prior year awardees.


2.1.3 – New Markets Tax Credit Program Resources and Measures

Dollars in Thousands

New Market Tax Credit Program Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Activity Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2011 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
									Trend

NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities

70.4	78.5	73.8	75.2	74.5	72.0	74.0	N/A	
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Key: DISC - Discontinued, B - Baseline

2C – New Markets Tax Credit Program

(\$0 from direct program 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 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 18, 2015, Congress extended the authorization of the NMTC Program for \$3.5 billion per year through 2019.

Description of Performance:

The CY 2015 and CY 2016 NMTC investment authority was allocated in November 2016 as a combined round, in which the NMTC Program awarded \$7 billion in NMTC investment authority to 120 CDEs, out of a pool of 238 applicants requesting \$17.6 billion.

In FY 2016, 74.5 percent of NMTC investments were made in severely distressed communities exceeding the target by more than two percentage points. This performance indicates that CDEs continue to meet their commitments in severely distressed communities.

2.1.4 – Bank Enterprise Award Program Performance and Measures

Dollars in Thousands

Bank Enterprise Award Program Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$18,000	\$17,058	\$18,000	\$18,000	\$19,000	\$18,964	\$0
Budget Activity Total	\$18,000	\$17,058	\$18,000	\$18,000	\$19,000	\$18,964	\$0

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2012 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
									Trend
BEA - Increase in Community Development Activities Over Prior Year For All BEA Program Applicants (\$ million)	432	493	571	460	460	450	450	N/A	

2D – Bank Enterprise Award Program

(\$0 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:

The BEA Program measures applicants' increase in qualified community development activities over the prior year. The CDFI Fund expects to award up to \$19 million in appropriated BEA Program funds in the award round for FY 2016, which was deferred to FY 2017. The award round for FY 2017 is currently scheduled to open in late September 2017 with award announcements to be made in February 2018.



The performance target for the FY 2016 round is set at \$450 million in increased qualified community development activities.

In FY 2017 the CDFI Fund also expects to publish a third-party evaluation of the BEA Program and its effectiveness in increasing FDIC-insured bank investments in the nation’s most distressed communities.

2.1.5 – Native American CDFI Assistance Program Performance and Measures

Dollars in Thousands

Native American CDFI Assistance Program Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$12,000	\$11,372	\$15,000	\$15,000	\$15,000	\$15,471	\$0
Budget Activity Total	\$12,000	\$11,372	\$15,000	\$15,000	\$15,000	\$15,471	\$0

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2012 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
									Trend
NACA - Percentage of NACA Loans and Investments in Native Areas (\$ Amount of Loans)	N/A	75.5	57.9	65.0	48.4	50.0	50.0	N/A	
NACA - Percentage of NACA Loans and Investments in Native Areas (# of Loans %)	N/A	93.3	87.0	95.9	94.9	50.0	50.0	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 have not, and serve the poorest individuals, families, and businesses in Native communities.

Description of Performance:


The CDFI Fund had created two new measures of performance for the NACA Program: the percentage of the number and 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. As such, the target is a threshold that must be met or exceeded. The level of this threshold is set to allow the awardees to balance their mission of serving native areas and populations with safety and soundness considerations; hence this is not an increasing target.

For FY 2018 no target will be set for the program because no funding is being requested, although outcomes still may be reported for prior year awardees.

2.1.6 - Healthy Food Financing Initiative Performance and Measures

Dollars in Thousands

Healthy Food Financing Initiative Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$22,000	\$20,849	\$35,000	\$22,000	\$22,000	\$21,958	\$0
Budget Activity Total	\$22,000	\$20,849	\$35,000	\$22,000	\$22,000	\$21,958	\$0

Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2012 -
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target	FY 2016
	Trend								
HFFI - Retail Outlets Created/Preserved	0	31	33	35	19	32	20	N/A	

2F – Healthy Food Financing Initiative

(\$0 from direct appropriations):

The Healthy Food Financing Initiative (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. This includes increasing the distribution of agricultural products, developing and equipping grocery stores, and strengthening producer-to-consumer relationships.

Through the HFFI, the CDFI Fund awards CDFI Program funds 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 2016, the number of HFFI Retail outlets created was 19, which fell short of the target of 32 outlets. There is considerable variation in both size and type of HFFI retail outlet investments, making accurate targeting difficult.

For FY 2018 no target will be set for the program because no funding is being requested, although outcomes still may be reported for prior year awardees.

2.1.7 - Capital Magnet Fund Program Resource Detail Table

Dollars in Thousands

Capital Magnet Fund Program Budget Activity							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
GSE Distribution	NA	NA	NA	NA	\$100,292	\$119,413	NA
Budget Activity Total	NA	NA	NA	NA	\$100,292	\$119,413	NA
FTE	0	0	0	0	0	7	6

2G - Capital Magnet Fund Program

(\$0 from direct appropriations):

The CMF program was authorized by the Housing and Economic Recovery Act of 2008 (HERA), which calls for 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 suspend the new allocations into the CMF effective in FY 2018.

2.1.8 - Bond Guarantee Program Resource Detail Table

Dollars in Thousands

Bond Guarantee Program							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Obligations	\$0	\$325,000	\$200,000	\$327,000	\$265,000	\$432,000	\$500,000
Loan Limitation Obligation Authority	\$0	\$0	\$750,000	\$750,000	\$750,000	\$750,000	\$500,000

2.1.9 - Financing Accounts – Non-Budgetary Summary

Dollars in Thousands

Bond Guarantee Program							
Resource Level	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Obligations	\$0	\$325,000	\$200,000	\$327,000	\$265,000	\$432,000	\$500,000
Collections	\$0	\$0	\$356	\$2,966	\$9,377	\$29,813	\$40,247

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 \$121 million and \$160 million, in FY 2017 and FY 2018, respectively.

2H - CDFI Bond Guarantee Program

Through the CDFI Bond Guarantee 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 \$1.1 billion. A total of 17 Eligible CDFIs and three Qualified Issuers participate in the CDFI Bond Guarantee 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 (YTD) and proposed disbursement for the top eight asset classes.

Asset Class	YTD Disbursements (\$ millions)	YTD Disbursements (%)	Proposed Disbursements (\$millions)	Proposed Disbursements (%)
Charter schools	\$150.2	35.8%	\$321.6	28.8%
Rental housing	\$131.3	31.3%	\$270.5	24.2%
Commercial real estate	\$ 86.5	20.6%	\$253.9	22.7%
Not-for-profits	\$ 23.7	5.7%	\$ 92.7	8.3%
Healthcare facilities	\$ 12.6	3.0%	\$ 68.4	6.1%
Small business	\$ 7.7	1.8%	\$ 28.5	2.6%
CDFI to financing entity	\$ 5.1	1.2%	\$ 15.6	1.4%
Daycare centers	\$2.7	0.6%	\$ 28.5	2.6%

C – Changes in Performance Measures

Performance Measure or Indicator	Proposed Changes and Justification
1. All – Disbursement Cycle Time measured in months. (Discontinue)	This measure of the efficiency of the grant disbursement process has been replaced by the Uniform Administrative Requirements (UAR) which limits award disbursements to the amount that can be expended by recipients for allowable uses during the year.
2. Time to Initial Disbursement measured in months. (New measure)	The new measure evaluates the amount of time between award announcements and the initial disbursement of funds, thereby measuring disbursement efficiency as defined by the UAR. Reported in Congressional Justification (CJ) and Quarterly Performance Review (QPR).
3. Bank Enterprise Award (BEA) Program – Increase in community development activities over prior year for all Program Applicants measured in \$ millions. (Change to indicator)	The BEA Program measure is an indicator rather than an output measure. Office of Performance Budgeting will work with the CDFI Fund to develop an output or outcome measure. Continue reporting in CJ and QPR.
4. Native American CDFI Award (NACA) – Amount of loans/investments	The current measure is volatile and does not effectively measure program performance.

originated measured in \$ millions. (Discontinue)	
5. NACA – Number of loans/investments originated measure by number of loans. (Discontinue)	The current measure is volatile and does not effectively measure program performance.
6. Percentage of NACA loans and investments in Native Areas measured by dollar amount of loans. (New Measure)	The new measure will quantify the extent to which eligible areas are being served by NACA awardees in relation to annual total dollar loan/investment amount. Report new measure in CJ and QPR.
7. Percentage of NACA loans and investments in Native Areas measured by number of loans. (New measure)	The new measure will quantify the extent to which eligible areas are being served by NACA awardees in relation to annual total number of loan/investment activity. Report new measure in CJ and QPR.
8. New Market Tax Credit – Community Development Entities’ annual qualified equity investments in low income communities (\$billions). (Change to indicator)	Targets are largely dependent on the annual tax allocation levels authorized by Congress.
9. Healthy Food Financing Initiative – Number of Retail outlets created/preserved. (Change to indicator)	The variation in the size and scope of retail projects is considerable, making it difficult to forecast targets. Continue reporting in CJ and QPR.

Section III – Additional Information

A – Summary of Capital Investments

As part of its FY 2018 capital investment strategy, the CDFI Fund plans to spend approximately \$4 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 2018, the CDFI Fund has identified three non-major IT investments: Awards Management Information System (AMIS); Community Investment Impact System (CIIS); and the CDFI Fund public website. AMIS is an enterprise, commercial, cloud-based solution that supports the CDFI Fund certification, tax credit allocation, bond guarantee, and grant programs. The first AMIS deployment went live in September 2015 with full deployment planned for September 2017. CIIS is a web-based data collection system that provides CDFI Fund program performance and outcome reporting to the Administration, Congress and the public. The CDFI Fund public website, which is another cloud-based solution, provides access to general information about CDFI Fund and is used to ensure the public can obtain answers and guidance regarding CDFI Fund programs. For FY 2018, the CDFI Fund plans to provide Operations and Maintenance (O&M) support for these three IT investments.

IT Infrastructure Investments

The CDFI Fund's IT infrastructure is managed via an Interagency Agreement with the Alcohol and Tobacco Tax and Trade Bureau (TTB). Treasury has seen numerous benefits from the CDFI Fund/TTB arrangement. It increases utilization of Treasury data centers and enables the CDFI Fund to leverage existing Disaster Recovery and Continuity of Operations capabilities. The CDFI Fund avoids software upgrade costs by using TTB's enterprise software licenses. This stops duplicative services (such as Web monitoring and filtering) and eliminates contracts used to maintain the CDFI Fund's IT infrastructure.

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

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

This website also contains a digital copy of this document.