



Trump Administration Budget to Dismantle \$233 Million Community Development Finance /CDFI Program

**Responsible for Jobs and Growth in Washington DC Metropolitan Area's Most
Economically Distressed Communities**

Proposed Elimination of US Treasury Community Development Finance Fund (CDFI Fund) will close off economic opportunity for tens of thousands of DC's hardest hit neighborhoods.

Washington, DC, March 21, 2017 – The proposed 2018 budget outline released by the Trump Administration last week would begin to eliminate **one of the most effective Federal programs to spur private investment, create jobs, and promote small businesses in economically distressed areas of DC.**

The budget would eliminate the U.S. Department of the Treasury's **Community Development Financial Institution's (CDFI) Fund**, one of the Federal government's best market-based strategies for leveraging private dollars to restore economic vitality. The CDFI Fund is currently funded at \$233.5 million under the FY 2017 Continuing Resolution at FY 2016 levels. **The President's proposal would cut the CDFI Fund by \$210 million and eliminate the Community Development Financial Institution (CDFI) Program and the Bank Enterprise Awards Program (BEA).** The proposal would leave only administrative funds to run non-discretionary initiatives. **The industry's request is to preserve funding for the CDFI Fund at \$250 million.**

Since 1994, the CDFI Fund has awarded more than \$2.4 billion to community development banks and other Community Development Financial Institutions (CDFIs) to work in low-income communities. **In the Washington, DC metropolitan area, CDFI banks such as City First and Industrial, along with CDFI nonprofits such as City First Enterprises, Washington Area Community Investment Fund, Enterprise Community Partners, LISC DC and Latino Economic Development Corporation would be affected, causing a ripple effect in vulnerable communities.**

CDFIs enable hard working families to become homeowners. They finance affordable rental housing. CDFIs also enable growing charter schools to build facilities, support expansion of community health centers, and finance other economy boosting projects.

"Loss of funding for these programs would be devastating. With a very modest amount of Federal money, CDFIs are able to leverage significant private investment to create jobs, expand small businesses, build affordable housing, and expand access to education opportunities and healthcare for people in communities who need it most," said **Brian Argrett, Chairman of the Community Development Bankers Association and President & CEO of City First Bank in Washington, DC.** "The CDFI Fund is one of the great success stories."

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A CDFI Fund analysis of Fiscal Year 2015 CDFI Program awardees found that this subset of CDFIs made over 41,000 loans or investments totaling over \$3 billion. The awardees financed over 12,000 small businesses with an average loan size of \$73,000. The CDFIs also financed over 25,000 affordable housing units, 14,000 microloans, 11,807 consumer loans, and 12,500 home improvement loans.

City First has cumulatively deployed **over \$1 billion in capital toward community development** making impact investments in affordable housing, small businesses and community facilities such as arts and health centers. **City First has helped to create or retain almost 15,000 jobs; serve over 590,000 clients in community facilities; added over 13,000 charter school seats; and nearly 7,000 units of affordable housing units, with the majority of impact in the Washington, DC metropolitan area.**

“A key theme of the 2016 Presidential campaign was the need to create jobs and revitalize the economies of disenfranchised rural communities and neglected inner cities. CDFI banks work in the exact communities that were the focus of this conversation,” said **Jeannine Jacokes, CEO of the Community Development Bankers Association**, the national trade association for CDFI banks. “Eliminating or reducing the CDFI Fund would stymie economic growth in the communities that need it most.”

The BEA Program provides incentives for banks to target resources to the most impoverished communities. A CDFI Fund analysis found that 90% of all BEA monies go to the lowest income communities with 30% poverty rates and 1.5 times the national unemployment rates. BEA awards principally go to small community banks; 44% of all award dollars have gone to small banks with total assets of less than \$250 million and 87% of awards went to community banks with less than \$1 billion in total assets over the past five years.

ABOUT CITY FIRST -- City First is an impact-driven commercial community development finance provider principally comprised of a nationally chartered commercial bank (City First Bank which also manages a New Market Tax Credit Program); and several nonprofits (City First Enterprises, City First Homes, City First Foundation) related by common board members and management, operating as a unified organization with a focused vision, strategy, and management systems. City First is headquartered in Washington, DC.

About THE CDFI FUND -- The CDFI Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. A bureau of the US Treasury Department, the CDFI Fund operates programs that use modest amounts of Federal money to leverage a multiple of private sector capital to promote revitalization of low-income communities and bring disenfranchised populations into the economic mainstream.

ABOUT CDBA -- The CDBA is the voice and champion of the community development banking movement. CDBA and its 67 member banks are shaping a movement to change the banking industry to make it a force for good. Collectively, CDBA and its member banks promote financial inclusion and create economic opportunity in the nation's most economically distressed urban and rural communities. CDBA convenes community banking peers, who, through collaboration, partnership and learning, strengthen a different kind of banking—where people and communities come first.

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