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Louisiana Banks Receive Critical Funding to Stimulate Economic Development in Distressed Communities

Washington, DC, September 22, 2017 – This week, three Louisiana community development banks received \$2.4 million in funding from the US Department of Treasury’s Community Development Financial Institutions (CDFI) Fund for investment in local distressed communities to support small business lending and promote affordable housing, neighborhood revitalization, and expansion into new geographic markets. Two of the three recipients – the **Bank of Montgomery** in Natchitoches and **Commercial Capital Bank** in Delhi – are members of the Community Development Bankers Association (CDBA).

Mississippi banks received the largest proportion of the funds, with Arkansas ranking second and Louisiana third. “We are extremely excited about the grants awarded to the banks in Louisiana,” said Ginger Laurent, Chief Operating Officer at the Louisiana Bankers Association. “It allows them to enhance the already great work they do in their communities.”

The awards come at a time when more communities are falling further behind economically. Last week, the US Census Bureau released its annual benchmark data on income, poverty, and health insurance for 2016, which revealed that income inequality continues to rise. Louisiana has the third-highest poverty rate in the nation.

“The CDFI banks recognized today by the Treasury Department are on the front line fighting poverty and creating economic opportunity in the places that have been left behind by growing income inequality,” said Jeannine Jacokes, Chief Executive Officer of the Community Development Bankers Association.

“Louisiana community development banks have been part of the solution to reduce the state’s poverty rate. We need more mission-focused banks like these, and more resources to support the communities.”

The CDFI Program has proven to be an effective tool in stimulating significant private investment in community development with a very small percentage of government funding. Last year, CDFI Program recipients used their awards to:

- Finance over 13,300 businesses
- Provide funding for over 33,500 affordable housing units
- Provide over 427,000 individuals with financial literacy or other training

Despite the enormous success of the program in revitalizing the disenfranchised communities in rural and impoverished urban areas of the country that are often ignored in the federal budget, the current Administration has proposed cuts to the CDFI Fund in FY 2018. The House has voted to retain partial funding for the CDFI Fund. The Senate has not yet marked up its FY 2018 bill.

About the CDFI Fund

The Community Development Financial Institutions (CDFI) Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. As 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. Since the launch of the CDFI Program, eligible organizations have received over \$2 billion in Financial and Technical Assistance, and the number of certified CDFIs has increased tenfold.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 69 member banks work to make the banking industry a force for good by collectively promoting financial inclusion and creating economic opportunity in the nation's most economically distressed rural and urban communities. We convene community banking peers who strengthen a different kind of banking through collaboration, partnership, and learning. Of the 27 CDFI-certified banks receiving awards from the 2017 CDFI Program, 22 are CDBA members. 2 of the 3 Louisiana recipient banks are CDBA members.