

FOR IMMEDIATE RELEASE

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Department of the Treasury Announces \$8.7 Billion in Investments for Community Development Financial Institution (CDFI) and Minority Depository Institution (MDI) Banks and Credit Unions

Today, the U.S. Department of the Treasury announced \$8.7 billion in Emergency Capital Investment Program (ECIP) investments for depository institutions that are certified Community Development Financial Institutions (CDFIs) or Minority Depository Institutions (MDIs). These investments will, among other things, help CDFIs provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities. \$2 billion is set aside for CDFIs and MDIs with less than \$500 million in assets and an additional \$2 billion for CDFIs and MDIs with less than \$2 billion in assets.

Washington, DC, December 14, 2021 – The U.S. Department of the Treasury has announced investments of \$8.7 billion to 186 CDFI and MDI depositories. Among the institutions recommended for an ECIP investment, approximately 54% are CDFI or MDI banks. These historic investments are critical to the ongoing efforts of CDFI banks to respond to the economic impacts of the COVID-19 pandemic on distressed and underserved communities and people. Together, they represent more capital than has been made available as awards over the entire life of the CDFI Fund program.

The Consolidated Appropriations Act (2021) appropriated up to \$9 billion for depository CDFIs and MDIs through ECIP. ECIP was created to encourage low- and moderate-income (LMI) community financial institutions to augment their efforts to support small businesses and consumers in their communities.

Of the awardees, 57 are members of the Community Development Bankers Association (CDBA), the national trade association of community development banks.

- The ECIP investments will range in size from over \$200 million to less than \$100,000, and the average investment size is \$46.77 million.

- Among the institutions recommended for an ECIP investment, approximately 54% are banks.
- The 57 awardees that are CDBA members represent 31% of all awardees and 57% of bank awardees.
- The institutions to which Treasury is offering an ECIP investment are headquartered in 36 states, the District of Columbia, and Guam. CDBA members received investments in 25 of these states.
- [The full list of recipients can be found here](#)

CDFI banks are exceptionally well-positioned to deploy this capital. As certified CDFIs, at least 60% of products and services must be directed to LMI communities – historically, the proportion of products and services directed by CDFI banks to LMI communities has been over 80%. Further, CDFI banks will leverage this capital in a manner that provides community benefits in outsized proportion to the investments – as regulated, depository institutions, the monies can be leveraged up to 12-times (or \$104 billion) and be channeled to local businesses, nonprofits, and others to help vulnerable communities recover from the devastating effects of the recession and begin rebuilding.

“ECIP is a game changer. It provides an unprecedented opportunity for CDFI and MDI banks to expand their services to distressed rural, urban and minority communities. The real winners today are the communities and people that CDFI and MDI banks serve. They will have more access to capital and opportunity,” said Jeannine Jacokes, CEO of the Community Development Bankers Association (CDBA). “We are honored that 54% of ECIP recipients are CDFI and MDI banks. We look forward to working with the US Treasury to make this program a success.”

“CDFI banks are honored to be among the financial institutions entrusted by Congress and the Administration to help low- and moderate-income communities recover, not just from the pandemic, but from centuries of disinvestment and discrimination. Our members stand ready to serve as responsible stewards of this capital and do our part to ensure that economic prosperity extends into every American community,” said Kent Curtis, Chairman of the CDBA Board of Directors and President & CEO of First Southwest Bank.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 87 CDFI-certified and five mission-driven 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.

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