



## **U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS**

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**CONTACT: Treasury Public Affairs  
(202) 622-2960**

### **Treasury Releases Recovery Act Implementation Plan to Benefit Nation's Distressed Communities through its CDFI Fund**

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**Washington, DC** – Today, as the Vice President hosts local officials from across the country at the White House to discuss how funding made available through the American Recovery and Reinvestment Act (Recovery Act) will support new economic growth in America's urban, suburban, and rural communities, the Treasury Department's Community Development Financial Institutions (CDFI) Fund is releasing its implementation plan to award nearly \$100 million in grants and \$3 billion in additional tax credit authority to support community-based financial institutions. These awards, made available through the Recovery Act, will support loan funds, credit unions, banks, venture capital firms and other financing entities in serving our nation's most underserved populations and communities. The CDFI Fund has a vital role in promoting the new economic growth efforts that the Vice President will be discussing.

“I commend Secretary Geithner and the Treasury Department for moving quickly to implement these innovative programs to help underserved communities,” said Vice President Biden. “They are exactly what the President and I had in mind when we put forth the American Recovery and Reinvestment Act.”

In the Treasury Department's ongoing effort to swiftly implement the President's Recovery Act agenda and get money to businesses and communities rapidly in this time of economic crisis, the CDFI Fund plans to award the entirety of Recovery Act funds made available for the CDFI Program in less than 90 days and will begin disbursing

awards within 120 days. The CDFI Fund estimates that the grants made this year under its CDFI Program will create or maintain thousands of jobs, helping to promote economic opportunity and growth in disadvantaged communities.

“The Recovery Act is enabling more funds to flow to these community-based lenders that are responsibly providing financing to help small businesses, creating needed jobs and saving homes in low-income areas across the country that have been hit hard by this economic crisis,” said Treasury Secretary Geithner. “This latest announcement that infuses some of our hardest hit communities with much needed capital further demonstrates Treasury’s commitment to swift, efficient and effective implementation of the various components of the Administration’s comprehensive economic agenda.”

The CDFI Fund’s Recovery Act implementation plan provides details with respect to how it will deploy these critically needed resources. As stated in the plan, the CDFI Fund will be re-opening its 2009 CDFI Program and Native American CDFI Assistance (NACA) Program award rounds to enable additional applicants to apply, and will also be offering current applicants the opportunity to request larger awards. Applicants that did apply under the initial FY 2009 award rounds will have the opportunity to increase the amounts they requested in their applications to as much as \$2 million under the CDFI Program and \$750,000 under the NACA Program. Further, the Recovery Act included a waiver of the program’s matching funds requirement.

The Recovery Act authorizes the CDFI Fund to allocate \$3 billion of tax credit authority to qualified Community Development Entities (CDEs) under the New Markets Tax Credit (NMTC) Program, as follows: \$1.5 billion to CDEs that applied for allocation authority under the 2008 NMTC allocation round; and \$1.5 billion to CDEs that apply for allocation authority under the 2009 NMTC allocation round.

This \$3 billion in allocation authority is in addition to the \$3.5 billion that was already allocated for the NMTC in 2009. The CDFI Fund estimates that the \$6.5 billion in NMTC allocation authority that will be awarded this year will help to develop or rehabilitate over 33 million square feet of real estate in low-income communities, supporting thousands of construction jobs in those communities.

“With the release of today’s implementation plan, the CDFI Fund is poised and ready to expeditiously distribute these resources efficiently, accurately, and with full transparency and accountability,” said CDFI Fund Director Donna Gambrell.

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The full announcement from the CDFI Fund can be found by visiting <http://www.cdfifund.gov/recovery/implementationplan.pdf>