

CDFI Fund Releases Application Demand for Equitable Recovery Program

Wednesday, February 1, 2023

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) released today the application data for the fiscal year (FY) 2022 round of its CDFI Equitable Recovery Program (CDFI ERP).

The CDFI ERP is a new program created through the Consolidated Appropriations Act, 2021 (Pub. L. 116-260) that is intended to respond to the economic effects of the COVID-19 pandemic. Up to \$1.75 billion in awards is available through the FY 2022 round of the CDFI ERP, which is the first and only award round of the program. The CDFI ERP is designed to:

- Provide funding to CDFIs to expand lending, grant making and investment activities in low- to moderate-income communities and to borrowers with significant unmet capital and financial services needs that have experienced disproportionate economic impacts from the COVID-19 pandemic.
- Catalyze growth in the financial and organizational capacity of CDFIs for the purpose of carrying out equitable recovery activities.

"The grants provided by CDFI ERP will provide opportunity to borrowers and communities disproportionately impacted by the pandemic, helping them to regain stability and get back on their feet," said CDFI Fund Director Jodie Harris. "With more than 50% of all Certified CDFIs applying for an ERP award, I know that their collective work to grow economic opportunity will achieve the mission of this program and expand inclusive economic prosperity across the country."

In total, 696 Community Development Financial Institutions (CDFIs) from across the country requested a total of \$7.69 billion in awards, which is nearly 4.4 times the amount of available funding (\$1.75 billion). Nationwide, FY 2022 CDFI ERP applicants are headquartered in 46 states, the District of Columbia, Guam and Puerto Rico. More than half of all Certified CDFIs submitted an application for an ERP award, which included applications submitted by:

- **326 CDFI Loan Funds, which represents 46.8%** of all ERP Applicants and 57% of all Certified CDFI loan funds;
- **222 CDFI Credit Unions, which represents 31.9%** of all ERP Applicants and 47% of all Certified CDFI credit unions;
- **141 CDFI Banks/Bank Holding Companies, which represents 20.3%** of all ERP Applicants and 44% of all Certified CDFI bank/bank holding companies; and
- **7 CDFI Venture Capital Funds, which represents 1%** of all ERP Applicants and 47% of all Certified CDFI venture capital funds.

Per the [Notice of Funds Availability \(NOFA\)](#), eligible applicants may request no more than three times their annual average on-balance sheet Financial Products closed in their five most recent historic fiscal years or \$15 million, whichever is less.

During the application process, CDFI ERP applicants were required to select from one of five policy priorities where they would commit to deploy their CDFI ERP Awards. CDFI ERP Applicants committed to devote their prospective awards in the following areas:

- 37.8% of Applicants committed to serve Low- or Moderate-Income Majority Minority Census Tracts that are also ERP-Eligible Geographies;
- 29.5% of Applicants committed to serve Minority individuals or to Minority-owned or Controlled businesses;
- 20.5% of Applicants committed to serve Persistent Poverty Counties, Native Areas and/or U.S. Territories;
- 7.3% of Applicants committed to serve small businesses and farms; and
- 4.9% of Applicants committed to increase the dollar volume of Financial Products closed and Grants made by their organizations in ERP-Eligible Geographies.

The FY 2022 CDFI ERP application period closed on September 22, 2022, but was extended for organizations impacted by Hurricane Fiona to October 6, 2022. The CDFI Fund currently expects to announce the awards in winter 2023.

For more information about the CDFI ERP, visit the CDFI Fund's website at www.cdfifund.gov/erp.