

Treasury Guarantees \$355 Million in Bond Funding for Projects in Low-Income Communities

Friday, September 30, 2022

Announcement Marks Largest Bond Issuance in Program's History

Washington, DC - U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) announced today that Treasury has agreed to issue three guarantees totaling \$355 million under the Community Development Financial Institution (CDFI) Bond Guarantee Program. The guarantees will be issued on behalf of five Eligible CDFIs under the fiscal year (FY) 2022 round of the program. A total of more than \$2.167 billion has been guaranteed since the inception of the CDFI Bond Guarantee Program, which provides long-term, fixed-rate capital for projects in low-income urban, rural, and Native communities.

"Today's announcement marks a banner year for the CDFI Bond Guarantee Program," said CDFI Fund Director Jodie Harris. "The \$355 million in bonds issuances announced today is the largest in the program's history. Today is also a good point in time to reflect on the significant impact this important long-term capital is making in our nation's low-income communities – of the more than \$2.167 billion approved, more than \$1.4 billion in cumulative investments have already been disbursed through this program since its launch in 2013."

The FY 2022 program participants include:

Community Reinvestment Fund, USA will issue a \$100 million bond on behalf of Low Income Investment Fund (LIIF). LIIF plans to use the bond proceeds to fund charter schools, rental housing, daycare centers, and other eligible uses. This is LIIF's third CDFI Bond Guarantee Program bond issuance, having also been a part of bond guarantees in both 2014 and 2016.

InBank, a new Qualified Issuer, will issue a \$125 million bond on behalf of Capital Plus Financial, to provide single-family mortgage financing and property rehabilitation to low-income Hispanic communities in the state of Texas via the CDFI to Financing Entity asset class.

Opportunity Finance Network will issue \$130 million in bonds on behalf of the following three Eligible CDFIs:

- Community Ventures (CVEN) will receive a \$10 million bond loan to fund small businesses and single-family mortgages, the latter via the CDFI to Financing Entity asset class. CVEN was a prior recipient of a bond guarantee in 2015.
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- Greater Minnesota Housing Fund (GMHF) also will receive a \$50 million bond loan to fund rental housing in the state of Minnesota. GMHF has received two prior bond guarantees in 2017 and 2019.

Established by the Small Business Jobs Act of 2010, the CDFI Bond Guarantee Program responds to a critical market need—low-cost capital to spur economic growth and jump start community revitalization. Under the program, Qualified Issuers (CDFIs or their designees) apply to the CDFI Fund for authorization to issue guaranteed bonds worth a minimum of \$100 million in total. The bonds provide CDFIs with access to substantial long-term, fixed-rate capital to reignite the economies of distressed communities.

The program enables CDFIs to execute large-scale projects, including the development of commercial real estate, housing units, charter schools, daycare or healthcare centers, and rural infrastructure projects, among other asset classes. As of August 31, 2022, more than \$1.4 billion in bond proceeds has been disbursed in 32 states and the District of Columbia.