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COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY



CDFI Bond Guarantee Program Update

October 11, 2011

Washington, DC - The CDFI Fund is making considerable progress with its new CDFI Bond Guarantee Program (BGP), created by Congress in the Small Business Jobs Act of 2010. BGP milestones to date include the hiring of Lisa M. Jones as Program Manager; facilitating a well attended Listening Session co-hosted by U.S. Senator Robert Menendez (D-NJ) and CDFI Fund Director Donna J. Gambrell; and executing a contract with a consulting firm to develop the financial model for subsidy rate calculations needed for bond issuance under the program.

A reasonable, methodical implementation plan is critical to ensuring that the BGP is able to authorize its first series of bond guarantees in a timely, effective, and responsible manner. To this end, the CDFI Fund is committed to allocating its available resources to focusing on the research, development, and creation of the BGP's regulations. This process includes incorporating comments received from the CDFI Fund's Request for Public Comment published on July 1, 2011 in the *Federal Register*. Comments were due by August 15, 2011.

To date, BGP staff have successfully reviewed and analyzed more than 60 comment letters received in response to the Request for Public Comment. All comment letters submitted may be viewed on the CDFI Fund's [web site](#). In addition, the BGP team is incorporating "lessons learned" from other federal guarantee programs into the BGP regulations, as well as public and industry comments and suggestions.

As part of the regulatory drafting process, the CDFI Fund must complete a Regulatory Impact Analysis (RIA). The RIA is a requirement mandated by the Office of Management and Budget and it must be completed before the CDFI Fund can release the BGP regulations. Once the RIA is approved, the CDFI Fund will move forward with publishing the BGP regulations, which will include the CDFI Fund's response to public comments and the RIA.

As the BGP moves forward in its development and implementation phases, the CDFI Fund is committed to structuring the program efficiently and responsibly. BGP staff have taken into consideration the CDFI industry's sense of urgency, as well as its concern of a possible delayed implementation, and balanced this with the need to develop an effective program that captures the needs of the industry while safeguarding federal investment.

The CDFI Fund is committed to publishing the BGP Rule and implementing the BGP in a timely manner. This is the CDFI Fund's top priority, knowing that a thorough but expedient due diligence process is paramount. The CDFI Fund plans to publish the BGP Rule within the next 60 to 90 days and the CDFI Fund anticipates releasing the BGP applications in early 2012.

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