

Treasury's Community Development Financial Institutions Fund Opens Funding Round for CDFI Rapid Response Program Financial Institutions Fund Opens Funding Round for CDFI Rapid Response Program

February 25, 2021

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) opened the fiscal year (FY) 2021 funding round for the CDFI Rapid Response Program (CDFI RRP) today. The program will provide \$1.25 billion to Community Development Financial Institutions (CDFIs) to help their communities respond to the economic hardships created by the COVID-19 pandemic – offering a historic investment in institutions that reach communities that have traditionally been underserved by the financial sector. The CDFI RRP provides an opportunity to further the Administration's Build Back Better agenda by promoting economic recovery from the impacts of the coronavirus pandemic and advancing racial justice.

“Community Development Financial Institutions are critical for ensuring the flow of capital to households and neighborhoods that have historically been underserved in our nation's financial services marketplace and that have been hard hit during the COVID pandemic,” said Treasury Secretary Janet L. Yellen. “The program we are launching today will allow CDFIs across the country to significantly scale up their work and play their important role in ensuring an equitable economic recovery.”

OVERVIEW

- Quickly and broadly deploying capital to communities that need it: The CDFI RRP is designed to quickly and broadly deploy capital to certified CDFIs, a designation for specialized organizations that provide financial services to low-income communities and those that lack access to financing, through a streamlined application and review process.^[1] Resources awarded to CDFIs will be used to help distressed communities and people respond to the economic impacts of the COVID-19 pandemic across the country. Importantly, with millions of Main Street small

businesses – especially Black- and Brown-owned small businesses – struggling, supporting CDFIs is imperative. CDFI RRP grant funds may be expended for eligible activities such as financial products, financial services, loan loss reserves, development services, capital reserves, and certain operational activities.

- A historic investment in CDFIs: This \$1.25 billion of support is the first tranche of \$3 billion in total CDFI grant funding that was enacted into law in December, and marks the first of a series of historic investments the Treasury Department will be making in CDFIs. Later this year, the CDFI Fund will make available up to \$1.75 billion for grants to minority lending institutions and investment in low- and moderate-income minority communities. In addition, the Treasury Department is finalizing the structure for the Emergency Capital Investment Program, a direct capital investment program for up to \$9 billion of investments in to depository CDFIs and Minority Depository Institutions.
- Building Back Better from the crisis: The CDFI RRP is another tool that the Treasury Department is using to promote an equitable and sustainable economic recovery. In conjunction with recent efforts to expand access to the Small Business Administration’s Paycheck Protection Program and increased flexibility for rental assistance deployment, the Treasury Department is steadfast in acting aggressively to provide relief to Americans during this crisis. However, the magnitude of need for relief is still outsized – including for small businesses and households in the communities hardest hit by the pandemic. The President’s American Rescue Plan includes measures focused on getting relief to these communities, including new emergency grants to help struggling small businesses, investments in state programs that support small business credit, and additional rental assistance to support families trying to stay in their homes.

APPLICATION PROCESS

The CDFI Fund is committed to awarding these funds as soon as possible. As a result, the application round for this program will only be open for one month.

All applications must be submitted to the CDFI Fund by March 25, 2021. Review the Notice of Funds Availability (NOFA) publication for more details.

Please note that the NOFA refers to the CDFI RRP. The FY 2021 funding rounds for the [Community Development Financial Institutions Program](#) (CDFI Program) and [Native American CDFI Assistance Program](#) (NACA Program) are also currently open and accepting applications. More information about how to apply to those programs is available on the [CDFI Fund's website](#).

Please see below for additional details on how to apply to the CDFI RRP.

ELIGIBILITY

Only certified CDFIs that have received certification from the CDFI Fund as of February 26, 2021, the day the NOFA is expected to be published in the Federal Register, are eligible to apply for CDFI RRP funds. All awards provided through the CDFI RRP are subject to funding availability, as defined by the NOFA.

Please note that uncertified organizations may still be eligible to apply for a FY 2021 CDFI Program or NACA Program Technical Assistance award instead; please review the requirements for those program applications to learn more.

APPLICATION MATERIALS

Reference copies of the CDFI RRP NOFA and all application materials can be found on the [CDFI Rapid Response Program](#) page on the CDFI Fund's website.

Applicants are strongly encouraged to read and view all application materials, including the NOFA, application guidance, webinars, and presentations.

Please see the NOFA for more information on submitting the CDFI Rapid Response Program application.

LEARN ABOUT APPLYING TO THE CDFI RAPID RESPONSE PROGRAM

The CDFI Fund is conducting two live webinars to inform applicants about the FY 2021 CDFI RRP application. Please view the [CDFI Program Rapid Response Program webpage](#) for the dates, times, and access information for each webinar. Advance registration is not required to participate in the webinars.

The CDFI Fund also held a pre-application webinar about the CDFI Rapid Response Program on February 18, 2021. The recording and presentation from that webinar are also available on the CDFI Fund's website.

ABOUT THE CDFI FUND

Since its creation in 1994, the CDFI Fund has awarded more than \$3.9 billion to CDFIs, community development organizations, and financial institutions through the Bank Enterprise Award Program, the Capital Magnet Fund, the Community Development Financial Institutions Program, the Financial Education and Counseling Pilot Program, and the Native American CDFI Assistance Program. In addition, the CDFI Fund has allocated \$61 billion in tax credit allocation authority to Community Development Entities through the New Markets Tax Credit Program, and closed guaranteed bonds for over \$1.7 billion through the CDFI Bond Guarantee Program

To learn more about the CDFI Fund and its programs, visit www.cdfifund.gov.

[1] A certified CDFI must demonstrate that it (1) is a legal entity at the time of certification application; (2) has a primary mission of promoting community development; (3) is a financing entity; (4) primarily serves one or more target markets; (5) provides development services in conjunction with its financing activities; (6) maintains accountability to its defined target market; and (7) is a non-government entity and not under the control of any government entity (Tribal governments excluded).