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Department of Treasury Announces \$25.2 Million in Awards for Community Development Banks

The CDFI Fund announced \$25.2 million in 2020 Bank Enterprise Award grants to mission-focused banks for their service in high poverty communities.

Washington, DC, September 15, 2020 – The U.S. Department of the Treasury’s Community Development Financial Institutions (CDFI) Fund has awarded \$25.2 million to 138 community banks and thrifts serving America’s most economically distressed communities.

With this announcement, the total amount of BEA Awards granted since the program’s inception 25 years ago now exceeds \$545 million. Eighty-eight percent of awards in this 2020 round of funding were awarded to 121 mission-focused banks that are certified as Community Development Financial Institutions (CDFIs). Of the awardees, 68 are members of the Community Development Bankers Association (CDBA), who received a total of over \$13.5 million in awards (nearly 54 percent of the total award dollars). Over 97 percent of CDBA members awarded this year received the maximum grant amount of \$202,898.

The BEA Program is a performance-based incentive that banks compete to receive based on documented increases in lending and services in economically distressed communities. In fact, 86 of the 138 depository institutions awarded this year have committed to deploying nearly \$2.86 million in Persistent Poverty Counties. Awards are used to support new activity in these areas and directly contribute to growth of business, creation of jobs, development of affordable housing, and availability of financial services. Over a year-long assessment period, recipients of the 2020 BEA Awards reported:

- a \$326.7 million increase in their loans and investments in distressed communities;
- a \$43.3 million increase in their loans and deposits to CDFIs; and
- a \$15.1 million increase in the provision of financial services in distressed communities.

These loans and financial services help encourage entrepreneurial activity, job creation, homeownership, and safe small dollar lending options for low-income communities.

“The impact of the BEA Program awards over the past 25 years is a testament to the incredible importance of the work CDFI banks do in the communities they serve,” said Jeannine Jacokes, CEO of the Community Development Bankers Association, the national trade association of community development banks: “This modest investment of federal dollars consistently leads to significant new investment in the economically distressed areas that need it the most.”

Despite the program’s many successes since 1996, the Trump Administration sought to eliminate funding for the program in the fiscal year (FY) 2020 budget. As budget discussions continue, it is crucial that Congress continues to support this program and the entirety of the CDFI Fund.

About the CDFI Fund

The Community Development Financial Institutions (CDFI) Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. As a bureau of the U.S. Treasury Department, the CDFI Fund operates programs that use modest amounts of Federal money to leverage a multitude of private sector capital to promote revitalization of low-income communities and bring disenfranchised populations into the economic mainstream.

Awarded annually, the Bank Enterprise Award (BEA) Program enables banks to financially support Community Development Financial Institutions (CDFIs) and to increase lending and services in the most economically distressed communities in the nation with 30 percent poverty and 1.5 times the national unemployment rate.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 82 CDFI-certified and mission-driven member banks work to make the banking industry a force for good by collectively promoting financial inclusion and creating economic opportunity in the nation’s most economically distressed rural and urban communities.

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