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Community Development Bankers Association Applauds Increased Funding for CDFI Fund in FY2025 Appropriations Bill

Washington, D.C. – The Community Development Bankers Association (CDBA) applauds the Senate Financial Services and General Government (FSGG) Appropriations Subcommittee for including \$354 million for the Community Development Financial Institutions (CDFI) Fund in the Fiscal Year 2025 FSGG Appropriations Bill. The topline appropriation represents a very necessary increase of \$30 million (9.3%) over the previous fiscal year. This vital increase will continue to generate economic growth and provide access to credit and technical assistance to underserved communities across the nation.

The bill includes \$40 million for the Bank Enterprise Award (BEA), the principal channel for CDFI bank participation in CDFI Fund programs. BEA is highly effective in channeling resources to the most distressed communities. Historically, 90% of all BEA monies go to the lowest income census tracts (30% poverty, 1.5 times the national unemployment rate), and principally supports the work of small CDFI banks, with 94% of 2023 awards to banks with less than \$1.5 billion in total assets.

"We commend the Senate Appropriations Committee for recognizing the critical role that CDFIs play in driving economic opportunity and financial inclusion in communities that need it most," said Jeannine Jacokes, CEO of CDBA.

"We are grateful to Subcommittee Chair Senator Chris Van Hollen, Ranking Member Senator Bill Hagerty, and all other supporters in the Senate for their resolute dedication to fostering economic opportunity through these investments.

"As advocates of the CDFI Fund, we firmly believe it represents one of the Federal government's most effective market-based strategies for leveraging private capital to restore economic vitality. The \$354 million will leverage up to 12-times its initial value in private capital to support underserved small businesses and farms, the preservation and development of affordable housing, as well as nonprofits and community facilities serving persistent poverty areas and low-income individuals and families. This Congressional investment in CDFIs is a direct investment in the future of underserved communities, ensuring they continue to access the financial resources necessary to thrive."

About the CDBA

For over two decades, the Community Development Bankers Association has led the community development banking movement, advocating for economic opportunity and financial inclusion in the nation's most economically distressed areas. The CDBA and its member banks are unwavering in their commitment to making banking a force for good. For more information on the CDBA's mission and initiatives, please visit www.cdbanks.org.

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