

# U.S. DEPARTMENT OF THE TREASURY

## Press Center

### **Treasury Announces Special Financial Stabilization Initiative Investments of \$570 Million in 84 Community Development Financial Institutions in Underserved Areas**

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#### ***Funds Strengthen Main Street Financial Institutions in 26 States, the District of Columbia, and Guam, Help Deliver Credit to Small Businesses and Families***

**WASHINGTON** – Following through on a commitment to provide support to Main Street banks, thrifts, and credit unions that lend to small businesses and families in underserved communities, the U.S. Department of the Treasury today announced the completion of funding under its Community Development Capital Initiative (CDCI). Overall, that program has invested \$570 million in 84 Community Development Financial Institutions (CDFIs) in 26 states, the District of Columbia, and Guam. (A full state-by-state listing of institutions receiving CDCI investments is included below.)

On February 3, 2010, the Obama Administration announced the creation of the CDCI program under the Emergency Economic Stabilization Act's Troubled Asset Relief Program (TARP). The CDCI program, which is closing today ahead of the October 3 expiration of TARP purchasing authority, invests lower-cost capital in Community Development Financial Institutions (CDFIs). CDFIs are institutions that target at least 60 percent of their lending and other economic development activities in areas underserved by traditional financial institutions.

"It's a common misconception that TARP funds only went to large Wall Street firms, but the CDCI program is yet another example of how TARP is providing critical assistance to Main Street financial institutions," said Herbert Allison, Treasury Assistant Secretary for Financial Stability. "In communities across our country, CDCI funding is helping to strengthen local financial institutions and deliver credit to small businesses and families."

"Community development financial institutions have been at the forefront of the efforts to fight the economic recession in our nation's low-income communities," said Donna J. Gambrell, Director of Treasury's Community Development Financial Institutions Fund. "At a time when many financial institutions have pulled back, CDFIs have actually increased their lending and investments in underserved communities. These CDCI investments will enable community banks, thrifts, and credit unions to spur economic development in the communities that have been hit hardest by the economic downturn."

As part of the overall \$570 million in CDCI investments made since the inception of that program, Treasury today completed a final round of CDCI investments, which provided \$312 million in funds to 38 CDFIs.

CDCI investments are made at a dividend rate of 2 percent. To encourage repayment, while recognizing the unique circumstances facing CDFIs, the dividend rate under CDCI will increase to 9 percent after eight years.

A listing of state-by-state CDCI investments is included below:

#### **REPORTS**

- [CDCI Release FINAL FINAL 093010](#)

