

CDFI 101 TOOLKIT

February 2023



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Introduction

Over the last few years, the CDFI industry has experienced tremendous growth. CDFIs have earned increasing public recognition for their role as trusted, mission-focused lenders and ability to generate positive impact in under-resourced communities across the country, particularly during disruptive times that have included a global pandemic and rising inflation. As the spotlight on CDFIs has grown, so has the demand for the services and capital the CDFI industry provides.

As CDFIs have adapted to this increased scale, they have also invested in their own operations and human capital, hiring a number of new employees, many of whom are new to CDFIs. At the 2022 OFN Conference, for example, 42% of attendees — almost one in every two — were first-time conference attendees, reflecting the number of new faces and voices entering the industry.

THE CDFI 101 TOOLKIT WAS CREATED TO HELP CDFIS:



Onboard their staff, investment committees, and board members.



Educate their stakeholders around what CDFIs are, how they do what they do, why they exist, and what the industry's impact has been to date.

As a result, OFN developed the CDFI 101 Toolkit to help CDFIs:

1. Onboard their staff, investment committees, and board members.
2. Educate their stakeholders around what CDFIs are, how they do what they do, why they exist, and what the industry's impact has been to date.

We hope this toolkit will help practitioners — new and current — feel better connected to the CDFI industry and the common goals we all share; understand what it means to be a part of the movement built over the past 50 years; and be inspired by the industry's roots.

To that end, the toolkit includes this CDFI 101 Guide, an infographic on CDFI impact, a history of the CDFI industry, a reading list as well as a YouTube playlist, a glossary of CDFI intermediary and advocacy organizations, and a sample onboarding guide for new CDFI staff.

Lastly, OFN intends for our best practices resources and toolkits to be living documents; we recognize that best practices may need to be revised over time, as changes in standards, industry requirements, and advancements in technology may require different practices. As a result, we plan to update all toolkits periodically to be responsive to evolving conditions.

What are CDFIs?

Community Development Financial Institutions, or CDFIs, are lenders that provide fair, responsible financing and services to rural, urban, Native, and other communities that mainstream finance does not traditionally reach.

As the CDFI Fund notes, “for a community to thrive economically it requires access to basic financial services, affordable credit, and investment capital. Yet, historically, for low-income communities and individuals, that access has often been limited.”¹

CDFIs fill this market gap: they finance small businesses, quality affordable housing, essential community services, consumer loans, energy efficient community development, and more to spark economic opportunity across the nation. In recent years, CDFIs have been recognized for the critical role they play in the market by serving as “financial first responders”: the industry has a track record of stepping up to provide capital in communities that need it most in times of economic crisis and recession, as evidenced during the 2008 financial crisis, in the wake of natural disasters throughout the 2000s, and during the COVID-19 pandemic.

CDFIs can be banks, credit unions, loan funds, or venture capital providers; they can also be nonprofit or for-profit. However, no matter what form they take, they share these qualities:

- Mission-driven
- Expand and promote economic opportunity in low-income communities
- Provide financing, whether it is debt, equity, guarantees, or other forms of credit
- Offer services alongside their financial products, such as financial education and business coaching
- Primarily serve disinvested populations, including those that do not meet traditional collateral or underwriting requirements
- Meet communities where they are at: CDFIs respond to the unique needs of the communities and demographics they serve

In addition, the term “CDFI” implies that an entity is certified by the CDFI Fund at the U.S. Department of the Treasury. There are currently over 1,300 CDFIs across the nation with total assets collectively estimated at more than \$151.8 billion.³



Let us acknowledge also that while they play an important role in the growth of our economy, traditional banks have not always seen the vision of small-business owners of color...owners who are women...owners who live in rural areas, [or]...who serve low-income communities.

Community lenders, on the other hand, were created to see that vision and to support it. These lenders predominantly serve overlooked and underserved communities. The people who run these institutions often live and work in those communities. They know the people to whom they are lending. They understand the community, their needs, their challenges, and their strengths. When they make a loan, they often personally feel its impact because, of course, they are there, linked with the community. And so, community lenders often see the potential that others might overlook.

VICE PRESIDENT KAMALA HARRIS²

FIND A CDFI NEAR YOU!

Check out the [CDFI Fund's searchable database](#) or download a list [here](#).

Types of CDFIs

There are four types of organizations certified as CDFIs, which are described below and summarized in Figure 1. It should be noted that regardless of type, all CDFIs are required to direct at least 60% of their financing activity to their target markets, a term that is further defined in Figure 8.

Community Development Bank (CD Bank): A depository institution with a mission to primarily benefit the underserved communities in which it is chartered to conduct business. CD Banks pursue this mission by providing a wide range of financial services to low- and moderate-income (LMI) individuals. CD Banks are FDIC-insured, federally regulated, and must meet the same safety and soundness, statutory, regulatory, business planning, and procedural requirements as all other national banks.⁴

Community Development Credit Union (CDCU): A nonprofit financial cooperative with a mission of serving LMI people and communities by providing access to savings accounts, affordable loans, and other financial services.

As credit unions, CDCUs are member-owned; governed by the one-person, one-vote principle; and are regulated, fully-insured depository financial institutions.⁵

Community Development Loan Fund (CDFI Loan Fund): Typically a nonprofit entity that aggregates capital from individual and social investors, usually at below-market rates. CDFI Loan Funds then pair this capital with capacity-building services to provide financial services to LMI communities, often to housing developers, businesses, microenterprises, community facilities, nonprofit organizations, and individuals. CDFI Loan Funds can also be for-profit organizations.

Community Development Venture Capital Funds (CDVC): Typically a for-profit entity that provides equity and equity-like capital to small and mid-sized businesses in LMI communities with a focus on creating good jobs, wealth, and entrepreneurial capacity to meet mission objectives. CDVCs can also be nonprofit organizations.⁶

FIGURE 1
The Four Types of CDFIs

Community Development Institution	Community Development Banks	Community Development Credit Unions	Community Development Loan Funds	Community Development Venture Capital Funds
Structure	Primarily for-profit; Some mutually-owned	Nonprofit, Cooperative	Primarily nonprofit; Some for-profit	Typically for-profit
Regulation	FDIC, Federal Reserve, OCC, and state banking agencies	National Credit Union Administration (NCUA); state banking agencies; COSSEC ⁷	Unregulated	Unregulated
Capitalization Structure	Insured deposits, subordinated debt, and equity	Insured deposits, subordinated debt, and equity	Unsecured and secured debt, EQ2, and equity (grants)	Equity (and potentially debt)
Financial Services Offered	Loans and depository services for housing, business, commercial real estate, and consumer	Promote asset building and savings; affordable credit and retail financial services for individuals and small businesses	Loans for housing, microenterprise, small business, consumer, community facilities, and commercial real estate	Equity and debt with equity features to mid-sized businesses with high growth potential and social impact

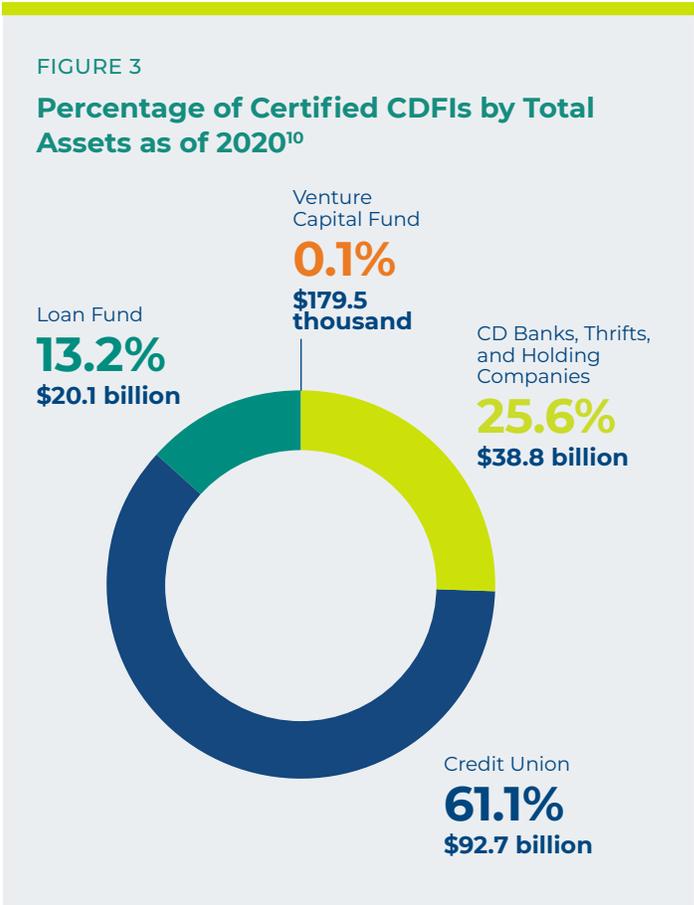
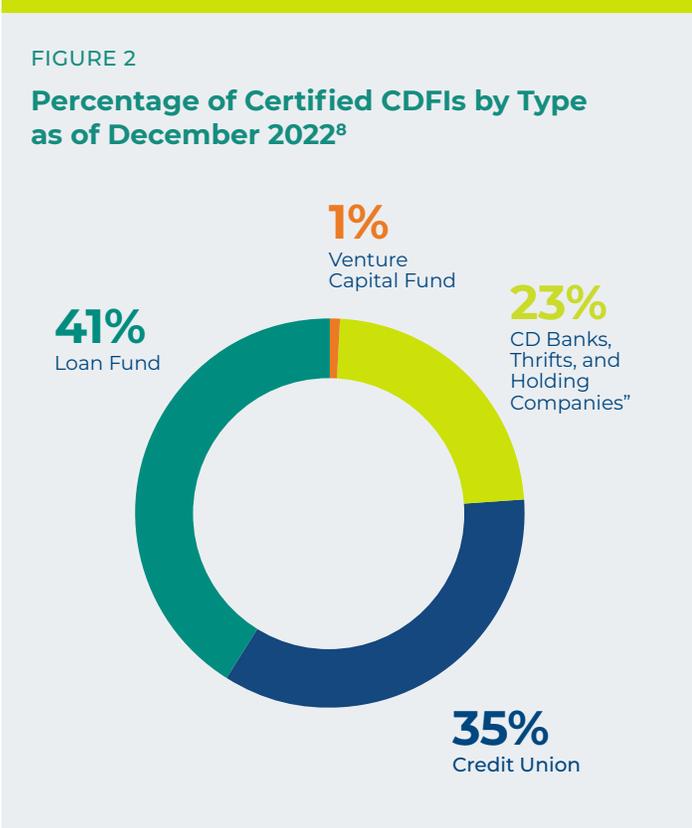
CDFI Industry Composition

As noted in Figure 2, based on CDFI Fund data as of December 2022, CDFI Loan Funds are the predominant type of CDFI, representing 570, or 41%, of the 1,384 total certified CDFIs. There are 450 CDCUs comprising 34% of all CDFIs, followed by 320 CD Banks, Thrifts, and Holding Companies, comprising 23% of all CDFIs. Finally, 15 CDVCs comprise 1% of all CDFIs. The share of CDCUs and CD Banks have increased since 2010 as a result of (1) provisions in the Dodd-Frank Act that provided exemptions for community-focused lenders, and (2) increased coordination amongst the Consumer Federal Protection Bureau (CFPB), regulators for CDCUs, and the CDFI Fund.

CDFIs are market movers in our nation's financial ecosystem.

JODIE HARRIS, DIRECTOR, U.S. DEPARTMENT OF THE TREASURY'S CDFI FUND⁹

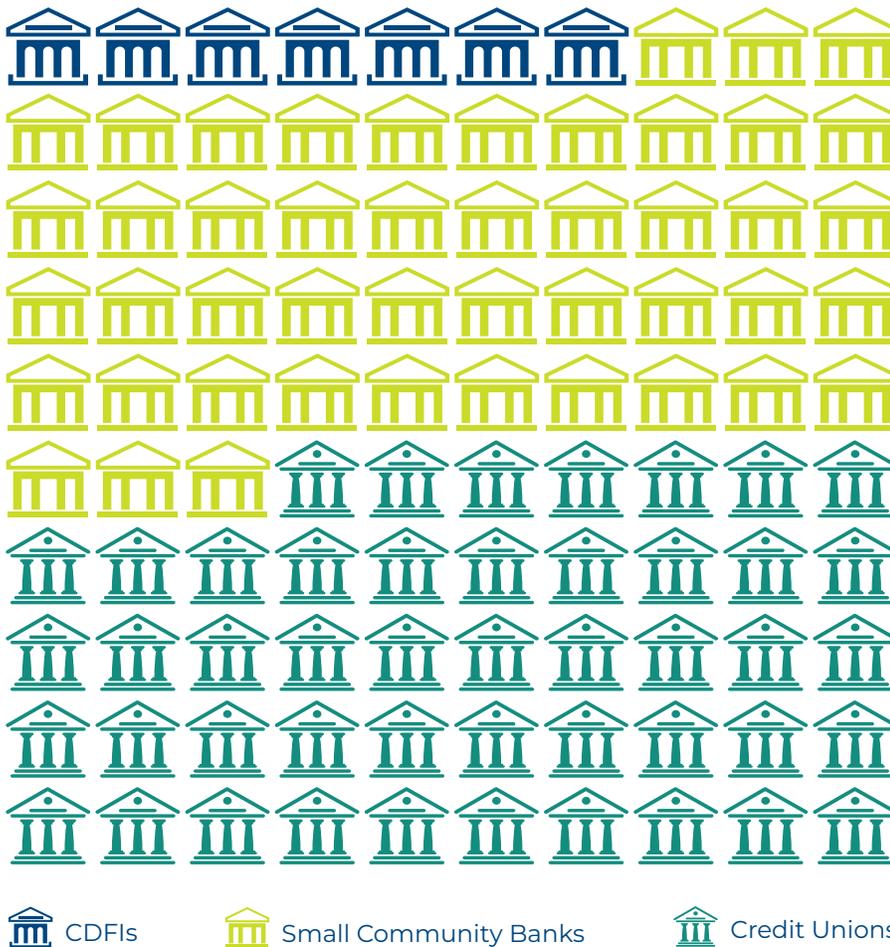
While CDFI Loan Funds are the most prevalent type of CDFI, CDCUs hold the largest percentage of the CDFI industry's assets (61%) as of FY20, as demonstrated in Figure 3 below. CD Banks, Thrifts, and Holding Companies comprise 26% of the industry's total assets, while CDFI Loan Funds hold 13%; CDVCs hold the smallest share of the industry's assets (0.1%).



Putting the CDFI Industry in Context

In 2020, there were 5,099 federally insured credit unions that collectively held \$1.16 trillion in assets. There were also 4,074 small community banks, defined as banks with less than \$1 billion in total assets; collectively these small banks held \$1.16 trillion in assets. And per the CDFI Fund, there were 1,271 certified CDFIs that collectively held \$151.8 billion in assets. Based on this data, the CDFI industry is approximately 13% of the credit union industry's size, 13% of small community banks' size, and 6.5% of both groups combined.¹¹

FIGURE 4
Comparison of CDFI Industry, Credit Union Industry, and Small Community Bank Assets as of 2020¹²



We – as a country – are missing out on so many avenues for growth because our capital is bottlenecked by race and region...This is why, even if you never apply for a loan from a Community Development Financial Institution, you should care about them. Because in serving places that the financial sector historically hasn't served well, they lift our whole economy up. By one measure, every dollar injected into a CDFI catalyzes eight more dollars in private-sector investment.

JANET YELLEN, U.S. SECRETARY OF THE TREASURY¹³

CDFIs represent a relatively small percentage – 1% – of the overall U.S. financial system.¹⁴ However, as indicated by Secretary of the Treasury Janet Yellen, CDFIs punch above their weight, achieving outsized impact and leverage. Looking forward, the CDFI industry is expected to experience substantial growth as a result of the CDFI Fund's special recovery programs (described in more detail on p. 14), which in total will allocate \$12 billion to CDFIs and Minority Depository Institutions (MDIs).¹⁵

CDFI Business Model Overview

As noted earlier, a key component of the CDFI business model that distinguishes it from other types of lenders is the commitment to providing tailored services that meet the unique needs of the people and places each CDFI serves. These services, ranging from credit counseling to first-time homebuyer classes to marketing support for a small business, help CDFI clients achieve success.

By pairing capital with services, CDFIs build close relationships that help their clients successfully repay their loans – which allows the CDFI to recycle capital back into the community through new borrowers, thus generating greater impact.

This model helps CDFIs achieve their impact goals: CDFIs measure their success not only financially, but also in terms of the impact they have on the communities they serve. They prioritize community needs and generating impact over maximizing profits, which is why many CDFIs are nonprofit organizations.

CDFI Loan Funds differ from other types of CDFIs on one important aspect; while they are lenders, they are not depository institutions, and, for the most part, are nonprofit entities. Since CDFI Loan Funds are not depository institutions, they raise capital and grants from a variety of public and private sources, including banks, corporations, foundations, religious institutions, individuals, and federal and state governments. They then generate earned income by utilizing this capital to provide financial products and services to the individuals and organizations in their communities, whether it is by supporting a local entrepreneur with a small business loan, financing a nonprofit developer to provide affordable housing, or providing a consumer or credit-builder loan.



Want to learn more about the CDFI Loan Fund business model? Read OFN's [Four Pillars Framework: CDFI Loan Fund Business Model](#), a handbook that covers the core elements of every CDFI Loan Fund's business model to provide CDFI managers and staff with a comprehensive approach to thinking about the development of CDFIs at any stage of growth.



In addition, learn more about other types of CDFI business models, such as CDCUs [here](#), and CD Banks [here](#), and CDVCs [here](#).

FIGURE 5
CDFI Loan Fund Business Model



Primary CDFI Financing Sectors

CDFIs serve the unique needs of communities across the country and can be broadly categorized into the seven CDFI financing sectors outlined in Figure 6. These sectors are most relevant for CDFI Loan Funds, Venture Funds, and Credit Unions. Beyond the industry’s core financing sectors, there are additional niche sectors, such as energy efficiency/climate finance, agricultural lending, etc. While there are similarities across CDFI business models, each financing sector has key differences in risk profiles, financing efficiencies, and portfolio performance.



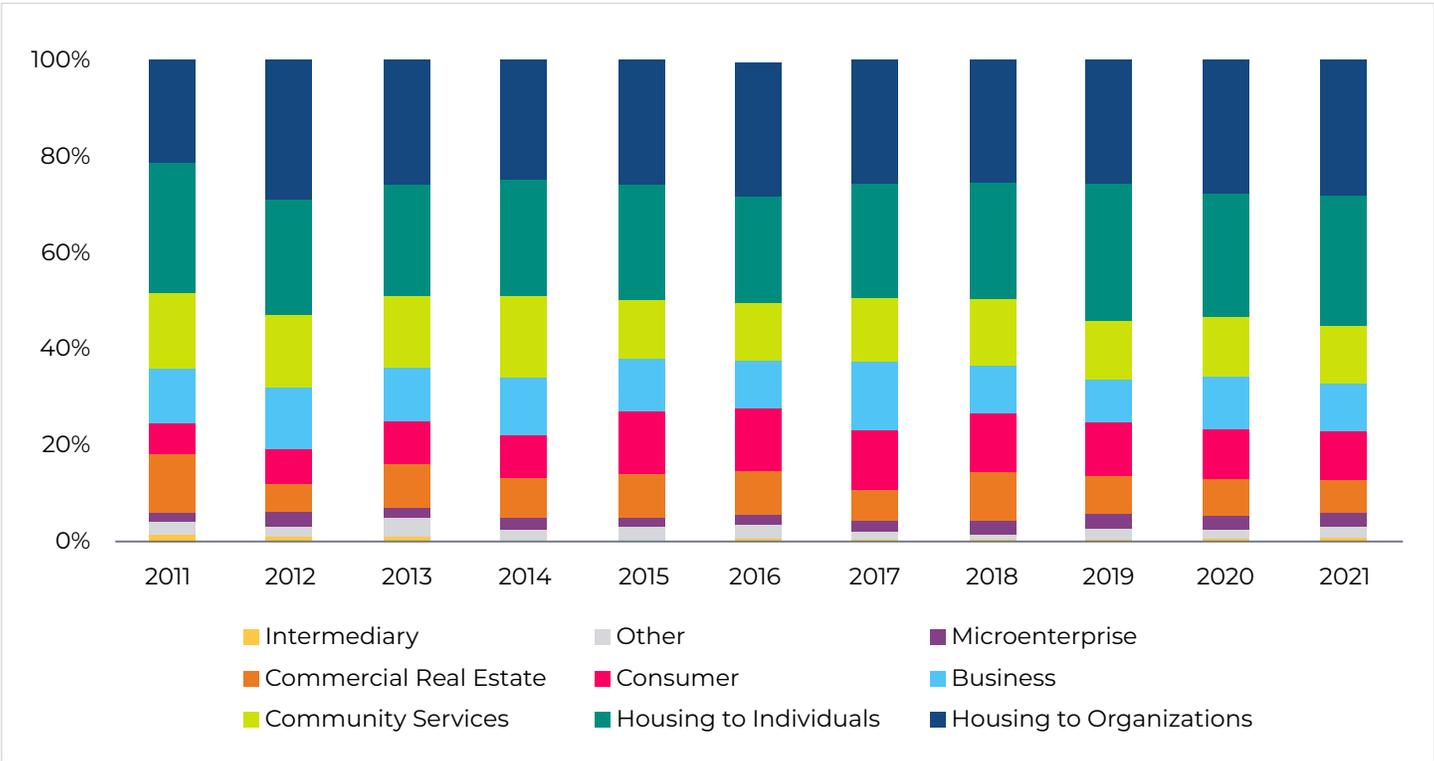
FIGURE 6

CDFI Financing Sectors¹⁶

Financing Sector	Description
Affordable Housing	Financing to both: (1) Housing organizations for purposes such as predevelopment, acquisition, construction, renovation, lines of credit, working capital, and mortgage loans to support the development of rental or for-sale housing, service enriched housing, transitional housing, and/or residential housing. (2) Individuals to support homeownership and home improvement.
Commercial Real Estate	Financing for construction, rehabilitation, acquisition or expansion of nonresidential property used for office, retail, or industrial purposes.
Community Facilities	Financing to community service organizations such as human and social service agencies, advocacy organizations, cultural/religious organizations, healthcare providers, childcare providers, and education providers, regardless of tax status. Uses include acquisition, construction, renovation, leasehold improvement, and expansion loans as well as working capital loans and lines of credit.
Consumer	Credit extended for personal (secured and unsecured) loans to individuals for health, education, emergency, debt consolidation, transportation, and other consumer purposes.
Intermediary	Financing provided to other CDFIs.
Small Business	Financing typically in an amount greater than \$50,000 to for-profit and nonprofit businesses that typically have more than five employees and for the purpose of expansion, working capital, or equipment purchase/rental, etc.
Microenterprise	Financing to for-profit and nonprofit businesses that typically have five or fewer employees (including the proprietor) and with a maximum loan/investment amount of \$50,000. This financing may be for the purpose of start-up, expansion, working capital, or equipment purchase/rental, etc.

As noted in Figure 7, based on OFN member data, the percentage of loans and investments outstanding by sector has been relatively consistent over time, with the largest share of loans outstanding in affordable housing, whether to organizations or individuals. It should be noted, however, that the larger dollar volume of loans in the affordable housing sector compared to other sectors is largely driven by deal size: affordable housing loans tend to be much larger than small business and consumer loans.

FIGURE 7
OFN Member Data: Percentage of Loans and Investments Outstanding by Sector Based on Dollar Volume FY 2011-2021¹⁷



CDFI Fund and CDFI Certification

The CDFI Fund operates within the U.S. Department of the Treasury and was created for the purpose of promoting economic revitalization and community development through investment in and assistance to CDFIs. The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994, a bipartisan initiative.¹⁸

A key function of the CDFI Fund is to provide accountability for the CDFI industry through a certification process and reporting requirements.

Per the CDFI Fund, CDFI Certification is a designation given by the CDFI Fund to specialized organizations that provide financial services in low-income communities and to people who lack access to financing.¹⁹ One of the benefits of certification is that it allows an organization to apply for competitive monetary awards and capital from the CDFI Fund’s programs, detailed in Figure 9. It also serves as a qualifier to access other federal government programs and enables CRA-related funding from banks.

To be eligible for CDFI certification, an organization must meet the criteria summarized in Figure 8 on the next page.

FIGURE 8

CDFI Certification Criteria²⁰

Certification Criteria	Description
Have a primary mission of promoting community development	<p>To determine whether an entity has a primary mission of promoting community development, the CDFI Fund considers whether the activities of an entity are purposefully directed toward improving the social and/or economic conditions of underserved people. The CDFI Fund notes that such a primary mission may be evident if an entity’s incorporating documents or board-approved narrative statement, such as a mission statement or resolution, clearly indicates that the entity has a mission of purposefully improving the social and/or economic needs of:</p> <ul style="list-style-type: none"> • Low-income individuals • Individuals who lack adequate access to capital and/or financial services • Distressed communities • Other underserved markets <p>When applying for certification, the entity must discuss how its activities, including its financial products and services, support its primary mission and include a brief profile of its customers/clients.</p>
Must be a financing entity	<p>To be a CDFI, a financing entity must demonstrate that its predominant business activity is the provision, in arms-length transactions, of financial products and financial services, development services, and/or other similar financing.</p> <p>As part of the certification process, applicants are required to submit their financial statements and are encouraged to explain how their financial products are reflected in their financial statements.</p>
Provide Development Services	<p>An organization must provide at least one Development Services (educational) activity in conjunction with the financing it provides. An organization’s Development Services must be clearly linked to financing offered by the organization, e.g., offering first-time home buyer counseling to applicants for down-payment assistance loans.</p> <p>An organization must exercise significant control in directing the provision of its Development Services through its own staff, an Affiliate (defined in the CDFI Program regulations at 12 C.F.R. 1805.201), or a contract with another provider.</p> <p>The CDFI Fund does not consider it acceptable for an organization to simply refer its customers or potential customers to a nonaffiliated provider.</p>
Be a legal, non-governmental entity at the time of application (with the exception of tribal governmental entities)	<p>To be a CDFI, an entity must be a legal entity as of the date its Certification Application is submitted, with articles of incorporation (or other applicable organizing documents) filed with the state or other appropriate body in which it was incorporated and/or legally established.</p> <p>A CDFI that is operated or controlled by a tribal government is eligible to apply for certification. Indian tribes are considered “domestic dependent nations” rather than agencies or instrumentalities of the U.S. or any state.</p>

FIGURE 8

CDFI Certification Criteria¹⁸ (continued)

Certification Criteria	Description
<p>Serve one or more defined Target Markets</p>	<p>To be a certified CDFI, an organization must serve at least one eligible “Target Market” as defined by the CDFI Fund – either an Investment Area or Targeted Populations.</p> <p>Investment Areas must meet at least one of the following economic distress criteria:</p> <ol style="list-style-type: none"> 1. Poverty Rate greater than 20% 2. Median Family Income (MFI) at 80% or below specific MFI benchmarks 3. Unemployment Rate 1.5 times the national average <p>To meet the Investment Area criteria, an organization must demonstrate that there are significant unmet capital or financial service needs within each Investment Area it proposes to serve. Examples may include, but are not limited to, the lack of financial institution branches or high loan denial rates in an Investment Area.</p> <p>Targeted Populations</p> <p>The CDFI Fund has two distinct Targeted Populations:</p> <ol style="list-style-type: none"> 1. <i>Low-income Targeted Populations.</i> For a specific geographic area and individuals whose family income are: <ol style="list-style-type: none"> a. For Metropolitan Areas, 80% or below the area median family income b. For non-Metropolitan Areas, the greater of: <ol style="list-style-type: none"> i. 80% of the area median family income; or ii. 80% of the statewide non-Metropolitan Area median family income 2. <i>Other Targeted Populations.</i> For a specific geographic area, African American; Hispanic; Native American; Native Alaskan; Native Hawaiian; Other Pacific Islander; Other. <p>In order to designate a particular Target Market, an organization must already be serving that Target Market as the certification application requires an analysis of an applicant’s financing activities in the year of application as well as the most recently completed fiscal year. Applicants must create and submit Target Market Maps for each of their individual Target Markets and Investment Areas.</p> <p>In addition, an organization must direct at least 60% of all of its financing activities to one or more of its eligible Target Markets. In general, both the number and dollar amount of eligible financing activities must be at least 60% of total financing activities.</p>
<p>Maintain accountability to one or more defined Target Markets</p>	<p>An organization must maintain accountability to its Target Market(s) – the residents of an Investment Area(s) and/or a Targeted Population(s) – through representation on its governing board and/or advisory board(s).</p>

Read the [CDFI's Certification Application: Supplemental Guidance and Tips](#) manual for additional information on CDFI certification. It should also be noted that as of October 2022, the CDFI Fund has paused acceptance of new CDFI applications as it revises its certification process and reporting requirements. The revised CDFI certification criteria is expected to be available in 2023.²¹

FIGURE 9
CDFI Fund Programs²²

Program Name	Description
Bank Enterprise Award (BEA) Program	Provides monetary awards to Federal Deposit Insurance Corporation (FDIC) insured banks for increasing their investments in low-income communities and/or in CDFIs.
Capital Magnet Fund (CMF)	Offers competitively awarded grants to finance affordable housing solutions for low-income people and low-income communities nationwide.
CDFI Bond Guarantee Program (BGP)	Guarantees the full amount of notes or bonds issues to support CDFIs that make investments for eligible community or economic development purposes. These bonds or notes support CDFI lending and investment by providing a source of long-term, patient capital.
CDFI Program	Provides Financial Assistance (FA) and Technical Assistance (TA) awards to certified and emerging CDFIs to sustain and expand their services and to build their technical capacity.
Economic Mobility Corps (EMC)	A joint initiative of the CDFI Fund and AmeriCorps that places full-time national service members in certified CDFIs to enhance their capacity to provide financial literacy, financial planning, budgeting, saving, and other financial counseling services.
Native Initiatives	Includes the Native American CDFI Assistance (NACA) Program, which provides Financial Assistance (FA) and Technical Assistance (TA) awards to CDFIs serving Native communities to sustain and expand their services and to build their technical capacity. Also includes training opportunities for Native CDFIs, available as part of the CDFI Fund's Capacity Building Initiative.
New Markets Tax Credit (NMTC) Program	Provides tax allocation authority to certified Community Development Entities (CDEs), enabling investors to claim tax credits against their federal income taxes. The CDEs, in turn, use the capital raised to make investments in low-income communities.
Small Dollar Loan Program (SDLP)	Helps certified CDFIs address the issue of expanding consumer access to mainstream financial institutions and provide alternatives to high-cost small dollar loans.

In addition to these core programs, the CDFI Fund initiated three special recovery programs in recent years:

- [Rapid Response Program \(RRP\)](#), designed to quickly deploy COVID-19 relief capital to certified CDFIs.
- [Emergency Capital Investment Program \(ECIP\)](#), created to encourage depository institutions that are certified CDFIs or minority depository institutions (MDIs) to, among other activities, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic.
- [Equitable Recovery Program \(ERP\)](#), which will provide grants to CDFIs to respond to disproportionate economic impacts of the COVID-19 pandemic in low- or moderate-income communities and to borrowers with unmet capital and financial services needs.

For more information on the CDFI Fund, CDFI Certification, and CDFI Fund Programs, visit [the CDFI Fund website](#).

CDFI Performance and Impact

CDFIs have a proven track record of lending prudently while delivering measurable positive impact in markets often overlooked by conventional financial institutions.

OFN MEMBERS HAVE EXPERIENCED CUMULATIVE NET CHARGE-OFF RATES OF

<0.7%

in the last five years.²³

CDFIs LEVERAGE

\$1 = \$8

in public funding²⁴

in private investment

CDFIs LEND WHERE IT COUNTS²⁵

83%

of OFN members' clients identify as **low-income**

61%

identify as **persons of color**

47%

identify as **women**

The sector has expanded from fewer than **200 certified CDFIs** with less than **\$5 billion in total assets** in the mid-1990s to

>1,300

certified CDFIs with more than

\$152 billion

in total assets²⁶ as of 2022.

FROM 1999-2021

OFN members have cumulatively originated over

\$100 billion

in rural, urban, and Native communities.²⁷

OVER THE LAST 22 YEARS, OFN MEMBERS HAVE:³⁰



Helped create or maintain more than **2.6 million jobs**



Start or expand more than **696,000 businesses and microenterprises**



Support the development or rehabilitation of more than **2.3 million housing units**



Support the development or rehabilitation of more than **13,600 community facility projects**

In **FY21**, the CDFI Fund's NTMC program allocation recipients reported making more than **\$3.3 billion** in loans and investments into low-income communities, resulting in more than

13,866,000

square-foot of **commercial real estate**

among other outcomes.²⁹

CDFIs serve all 50 states, Washington, D.C., Puerto Rico, and Guam.²⁸



CDFI Impact Stories

Learn about the impactful work CDFIs do to serve remarkable people in diverse communities across the country.

Find these stories and more on [OFN's website](#).



Citi Foundation



This resource was developed with support from the Citi Foundation.

WE BELIEVE IN OPPORTUNITY. FOR ALL.

OFN.ORG



West Virginia Family Opens Doors to Worker-Owned Restaurant with Help of CDFI

CLIENT: Cameron and Octavia Cordon, owners of Phat Daddy's on Da Tracks

CLIENT LOCATION: Charleston, WV

CDFI: Seed Commons

CDFI SERVICE AREA: National

When Cameron Cordon, a chef of more than 20 years, was laid off due to COVID-19's impact on indoor dining, he and his wife Octavia and daughter Azelah decided it was time to start a restaurant of their own. They tried three times for a business grant through the city of Charleston, WV — but to no avail. When the Cordons connected with New Economy Works (NEW) West Virginia, a peer member of [Seed Commons](#), they found support with developing a sustainable business plan, a set of five-year projections, a marketing and operational plan, and a break-even model to guide the business forward.

After many months of hard work, the Cordon's [Phat Daddy's on Da Tracks](#) restaurant was approved for an investment from Seed Commons and they hosted their grand opening just a few months later. The family-led, worker-owned restaurant now employs five people and is the first worker-owned cooperative in Charleston.

"Without our Seed Commons network, it's hard to say whether or not meaningful access to business capital and technical assistance would be available to people like Cameron, Octavia, and Azelah," says Mavery Davis, director of lending, New Economy Works West Virginia. "We are part of a dedicated business development network that is keenly invested in the individual growth of worker-owners as well as the businesses they pursue."



Florida Attorney Grows Immigration Law Center with Help of CDFI Financing and Business Coaching

CLIENT: Bridgette Bennett, owner of Bennett Law Center

CLIENT LOCATION: Groveland, FL

CDFI: Black Business Investment Fund (BBIF)

CDFI SERVICE AREA: Florida

Founded and operated out of purpose by attorney Bridgette Bennett, [Bennett Law Center](#) focuses on immigration law and estate planning with a mission to help families and businesses achieve the American Dream. After enduring her husband's lengthy immigration process for ten years and paying more than \$30,000 in legal fees, Bridgette wanted to help prevent other families from experiencing the same turmoil. She immediately quit her job in corporate America to begin pursuing her new purpose, opening her law practice in early November 2011.

In the early stages of opening, Bridgette needed assistance expanding her business and tried applying for a commercial mortgage loan at a traditional bank. However, her broker recommended she try a nontraditional financial institution like [BBIF](#) instead. After connecting with a BBIF team member, Bennett Law Center began accessing the CDFI's capital and business coaching services. Transforming the business over the last decade with BBIF's support, Bennett Law Center processed its PPP loan through BBIF, which helped Bridgette keep her team of 12 employees on the payroll.

"BBIF is my life support. I went there for a loan, but what I received through consulting was more valuable than money alone could ever be," Bridgette shared.



Bois Forte Band Restores 28,000 Acres of Tribal Land with Help from CDFI

CLIENT: Bois Forte Band of Chippewa

CLIENT LOCATION: Nett Lake, MN

CDFI: Indian Land Capital Company

CDFI SERVICE AREA: National

The Bois Forte Band of the Minnesota Chippewa restored more than 28,000 acres of land within its reservation boundaries back to tribal ownership with the financing help of the Indian Land Capital Company (ILCC). This is the largest land-back agreement in Minnesota and one of the largest-ever in Indian Country to date.

This purchase from [The Conservation Fund](#) will restore lands that were sold in an attempt to break up tribal reservations. The Bois Forte Band plans to manage the restored lands under a forest management plan that emphasizes conservation and environmental protection, balanced with economic and cultural benefits to the Band and its members.

The purchase was financed by ILCC, a certified Native CDFI that is owned by the [Indian Land Tenure Foundation](#), a national, community-based organization serving tribal nations and people in the recovery and control of their homelands.

“ILCC is proud to provide the financing to make this transaction possible,” ILCC CEO Rjay Brunkow told Native News Online. “It represents one of the larger transactions in company history and we are proud and honored to provide the financing to make this historic land acquisition happen. We are especially happy to partner with the Bois Forte Tribe in this massive expansion of the tribe’s land base.”

For the full story, please see [Native News Online](#).



Youth Center in Northern California Uses CDFI Financing to Build Expanded Campus

CLIENT: RYSE Commons

CLIENT LOCATION: Richmond, CA

CDFI: Community Vision

CDFI SERVICE AREA: California

Since opening in 2008, [RYSE](#) Youth Center in Richmond, CA, has served nearly 10,000 young people, primarily youth of color. It has grown into a local anchor institution, offering a place rooted in social justice, where youth learn, grow, and respond to community needs. Recently the organization opened RYSE Commons, a modern 45,000-square-foot campus featuring a remodeling of the organization’s current building and the development of an adjacent facility located on a formerly empty lot. [Community Vision](#) provided a \$2.7 million loan to bridge RYSE’s capital campaign, allowing the project to begin before the nonprofit received all donations.

Each young person involved with RYSE is considered a “member” of the nonprofit, which cultivates a sense of belonging and ownership. All programs and services offered arise from the needs, desires, and ideas of youth members and span the areas of health and wellness, education, restorative justice, media arts and technology, youth organizing and civic engagement, and more. The new RYSE Commons campus will increase youth programming and partnerships by 30 percent and serve as a dynamic place for personal development, play, expression, incubating ideas, performance, art, launching businesses, exploring tech, and more.

“Working with Community Vision felt like a true partnership. They were not just offering financing; they provided support and guidance throughout the process,” says Dan Reilly, director of innovation for the RYSE Youth Center.



South Carolina Family Purchases First Home with Help from CDFI

CLIENT: Ezequiel Perez Sanchez & Dayana Elizabeth Bodden Rodriguez

CLIENT LOCATION: York, SC

CDFI: Latino Community Credit Union

CDFI SERVICE AREA: South Carolina

Like many [Latino Community Credit Union](#) (LCCU) families, the Rodriguez-Sanchez family has lived in the U.S. for many years. However, before joining LCCU in 2021, they remained unbanked. As monolingual Spanish speakers with no experience with mainstream finance in the U.S., they felt intimidated opening an account at a traditional bank in South Carolina. When they decided it was time to buy a home, their friends on the North Carolina side of the border referred them to LCCU.

At LCCU, they found personalized attention that most Spanish-speaking immigrants new to the financial mainstream cannot find at other institutions. After becoming LCCU members, the family established and began to build credit with a secured credit card. Nine months later, the Rodriguez-Sanchez family was ready to buy their first home. LCCU financial services were their ticket out of the cash economy and into the financial mainstream.

Today, the Rodriguez-Sanchez family not only has a mortgage through which they can build wealth for their three children, they have also become full users of the credit union. This was also LCCU's first mortgage outside of North Carolina, a big milestone for the credit union as it began the process of expanding its footprint of opportunity across neighboring states.

"Buying our home has made it feel like we have reached our personal and financial goals, contributing to a better quality of life. Having our own home gives us sense of security and protection for our family," said the Rodriguez-Sanchez family.



Sustainable Power Developer Uses CDFI Loan to Install Fuel Cell for Connecticut Charter School & Building Complex

CLIENT: NuPower Cherry Street Fuel Cell, LLC

CLIENT LOCATION: Bridgeport, CT

CDFI: Capital for Change

CDFI SERVICE AREA: Connecticut

[NuPower Cherry Street Fuel Cell, LLC](#) wanted to install a fuel cell to provide reliable electrical power for a recently constructed charter school and affordable housing building complex in Bridgeport, CT. However, they had trouble securing necessary financing from mainstream financial institutions. Banks lacked institutional knowledge about fuel cell technology and considered the requested loan size smaller than their desire to underwrite.

Having assisted NuPower during earlier negotiations, [Capital for Change](#) (C4C) stepped in to successfully finance the fuel cell and later provide a line of credit loan. During its first nine months of production, the fuel cell saved the equivalent of 209,000 gallons of gasoline — the equivalent of taking 404 passenger vehicles off the road for an entire year. In addition, the electricity generated by the fuel cell is priced lower than the prevailing utility company rate, benefiting the low-income residents of the LIHTC apartments in the complex. Also, the nonprofit charter school is able to save on heating costs by utilizing surplus heat from the fuel cell.

"C4C truly shared our vision of the possible: providing clean affordable energy to our economically challenged tenants. Simply put, C4C helped make our project the success it is today," said NuPower LLC's Daniel Donovan.

Appendix A: CDFI Advocacy Organizations, Intermediaries & Regulators

Organization	Description
<u>Aeris</u>	Aeris supports the financial and impact performance of CDFIs and other private impact loan funds. Aeris guides capital to good use by providing tools and solutions to more than 200 corporate, government, and philanthropic CDFI investors and other stakeholders. Since 2004, Aeris® Ratings, analyses, and data have grown to cover more than 150 CDFIs managing more than \$19 billion in loan capital.
<u>African American Alliance of CDFI CEOs (The Alliance)</u>	The Alliance empowers Black-led CDFIs across the nation to lead and grow their institutional operations, teams, and social impact by building capacity, bridges, and power. The Alliance expands the financial capacity of its members through collective and cooperative strategies so that Black-led CDFIs are resourced with the financial capital, human capital, and technical capacity to be catalysts for economic mobility, prosperity, and wealth-building for Black communities.
<u>Association for Enterprise Opportunity (AEO)</u>	AEO supports entrepreneur's ability to contribute toward economic growth while supporting themselves, their families, and their communities. AEO's more than 1,700 members and partners include a broad range of organizations that provide capital and services to assist underserved entrepreneurs in starting, stabilizing, and expanding their businesses.
<u>Calvert Impact Capital</u>	Calvert Impact is a global nonprofit investment firm that helps all types of investors and financial professionals invest in sustainable solutions.
<u>CDFI Coalition</u>	The CDFI Coalition is a national network of member CDFIs and includes community development loan funds, CD banks, CD credit unions, microenterprise lenders, community development corporations, and community development venture capital funds. The Coalition actively advocates on policy matters, legislative issues, and regulatory rules relevant to community development finance. The Coalition is also the primary advocate for the CDFI Fund, the single largest provider of available funds for CDFIs.
<u>CDFI Fund</u>	The CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to CDFIs to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders and financial service providers.
<u>Community Development Bankers Association (CDBA)</u>	CDBA is the national trade association of the Community Development Bank sector, serving as the voice and champion of banks and thrifts with a mission of serving low- and moderate-income communities. CDBA promotes the sector by educating policymakers, regulators, legislators, and the general public on the importance of Community Development Banks.
<u>Community Development Venture Capital Alliance (CDVCA)</u>	The Community Development Venture Capital Alliance (CDVCA) is the network for community development venture capital (CDVC) investing. CDVC provides equity capital to businesses in underinvested markets, seeking market-rate financial returns, as well as the creation of good jobs, wealth, and entrepreneurial capacity. CDVCA promotes the field by combining advocacy, education, communications, and best-practice dissemination through conferences and workshops.

Appendix A: CDFI Advocacy Organizations, Intermediaries & Regulators *(continued)*

Organization	Description
<u>FDIC Minority Depository Institutions (MDI) Program</u>	The Federal Deposit Insurance Corporation (FDIC) aims to maintain stability and public confidence in the nation's financial system. The FDIC directly insures deposits, examines and supervises financial institutions for safety, soundness and consumer protection, works to make large and complex financial institutions resolvable and manage receiverships. Its MDI Program offers resources on minority depository and other mission-driven institutions. Resources include lists of minority-owned depository institutions, research, and collaboration guides.
<u>Inclusiv</u>	Inclusiv helps low- and moderate-income people and communities achieve financial independence through credit unions. Inclusiv is a certified CDFI intermediary that provides capital, makes connections, builds capacity, develops innovative products and services, and advocates for its member Community Development Credit Unions (CDCUs). Inclusiv provides extensive support to its members interested in CDFI certification by helping member credit unions determine CDFI eligibility and secure CDFI certification if eligible, offering valuable CDFI grant guidance, conducting data analysis for annual CDFI reporting, hosting a CDFI Learning Center, managing a CDFI credit union-specific peer network, and more.
<u>National Association for Latino Community Asset Builders (NALCAB)</u>	NALCAB is the hub of a national network of 200+ nonprofit organizations that serve diverse Latino communities in 45 states, Washington D.C., and Puerto Rico. NALCAB supports member organizations to better serve their communities through training, public policy work, peer-to-peer collaboration, and access to funding, nonprofit resources, and professional development.
<u>National Credit Union Administration (NCUA)</u>	NCUA is an independent federal agency that supervises and insures over 6,500 federal credit unions and insures more than 4,000 state-chartered credit unions. NCUA manages a revolving loan fund and provides technical assistance grants to low-income-designated credit unions. The NCUA protects the safety and soundness of the credit union system by identifying, monitoring, and reducing risks to the National Credit Union Share Insurance Fund.
<u>Native CDFI Network (NCN)</u>	The Native CDFI Network was formed in 2009 to unify Native CDFIs serving Native trust land communities, American Indians, Alaska Natives, and Native Hawaiians. The Native CDFI Network's mission is to be a national voice and advocate that strengthens and promotes Native community development financial institutions (CDFIs), creating access to capital and resources for Native peoples. Native CDFI Network empowers members to engage best ideas, connect to one another, and collectively advance policy priorities that foster systemic and sustainable Native community and economic development.
<u>Opportunity Finance Network (OFN)</u>	Based in Washington, D.C., Opportunity Finance Network (OFN) is a leading national network of more than 390 community development financial institutions (CDFIs) nationwide. Its network of community development loan funds, banks, venture capital funds, and credit unions works to ensure communities underserved by mainstream finance have access to affordable, responsible financial products and services. OFN is a trusted intermediary between CDFIs and public and private sector partners — foundations, corporations, banks, government agencies, and others. For more than 35 years, OFN's team has helped OFN partners invest in CDFIs to catalyze change and create economic opportunities for people and places traditional finance doesn't reach.
<u>Oweesta</u>	Oweesta is the longest standing Native CDFI intermediary offering financial products and development services — such as training, technical assistance, investments, research, and policy advocacy — exclusively to Native CDFIs and Native communities. The CDFI's mission is to provide opportunities for Native people to develop financial assets and create wealth by assisting in the establishment of strong, permanent institutions and programs contributing to economic independence and strengthening sovereignty for all Native communities.

Appendix B: List of Annual In-Person CDFI Industry Events & Forums

Event/Forum	Website
AEO Conference	https://aeoworks.org/events/
CDFI Coalition Institute	https://cdfi.org/2022-cdfi-institute/
CDBA Peer Forum	https://www.cdbanks.org/events
CDVCA Annual Conference	https://cdvca.org/programs/events/annualconference/
Inclusiv Conference	https://inclusiv.org/2023-inclusiv-annual-conference-home/
NALCAB Conference	https://nalcab.org/nalcab-calendar/
NCIF Annual Conference	https://ncif.org/connect/conferences
NCN Summit	https://nativecdfi.net/ncn-events/
NCRC Conference	https://ncrc.org/conference/
OFN Conference	https://www.ofn.org/ofn-conference/
OFN Small Business Finance Forum	https://www.ofn.org/events/small-business-finance-forum/
Oweesta Capital Access Convening	https://www.oweesta.org/capital-access-convening/

Endnotes

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Endnotes *(continued)*

- ²⁴ Remarks by Secretary of the Treasury Janet L. Yellen on \$1.25 Billion Award to CDFIs to Support Economic Relief in Underserved Communities Affected by COVID-19, June 15, 2021. <https://home.treasury.gov/news/press-releases/jy0229>
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Photo Details

Cover: Andy Hong, owner of Optima Beauty Supply in Jackson Heights, Queens, NYC, and client of OFN member Accompany Capital. [Read more.](#)

Cover: Cameron and Octavia Cordon, owners of Phat Daddy's on Da Tracks in Charlteton, WV, and a peer member of OFN member Seed Commons. See page 17 for full story.

Cover: Bridgette Bennett, owner of Bennett Law Center in Groveland, FL and a client of OFN member Black Business Investment Fund (BBIF). See page 17 for full story.

Page 3: The Psalmonds Family in Deatsville, AL. Client of OFN member HOPE.

Page 4: 2022 OFN Conference: Invest in Change.

Page 8: Clara Hoyos, owner of Clara's Alterations in Greer, SC, and her sister Cesarfina Cardona, owner of Lyman Alterations — both clients of OFN member CommunityWorks. [Read more.](#)

Page 10: Charter school in Bridgeport, CT, supported by fuel cell installed by NuPower Cherry Street Fuel Cell, LLC with financing from OFN member Capital for Change.



Have questions, suggestions for improvement, or other feedback you'd like to share related to this toolkit?

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