

LEGISLATIVE ALERT:

Emergency Support for Community Development Financial Institutions and Minority Depository Institutions

The latest COVID-19 emergency relief package totaling \$900 billion contains \$12 billion in additional funding/grants for CDFIs and MDIs.

The \$12 billion package directed to CDFIs and MDIs consists of a \$9 billion Emergency Capital Investment Program to be administered by the Department of the Treasury, which would provide low-cost, long-term capital investments to MDIs and CDFIs that are depository institutions, and includes a small lender set-aside (\$4 billion carve-out for institutions with under \$2 billion in assets, of which \$2 billion will be set aside for institutions with under \$500 million in total assets).

The bill also provides \$3 billion to the CDFI Fund to provide grants and other financial and technical assistance to CDFIs, including CDFI loan funds, as they serve consumers, small businesses and nonprofits in their communities responding to the coronavirus pandemic.

Few details regarding the distribution and application process are yet available. We will keep you apprised of further program details as they become available.

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