

2025 Federal Reserve CDFI Survey Key Findings Brief

The Federal Reserve CDFI Survey captures information on community development financial institutions (CDFIs). CDFIs are mission-driven banks, credit unions, loan funds, and venture capital funds that expand financial access to historically underserved individuals, small businesses and communities. The CDFI Survey is conducted every two years and provides insight into how these institutions are faring and evolving.



The 2025 survey was conducted from April 10 through June 13 and gathered information from 448 respondents – representing nearly a third of the industry. Almost all respondents were loan funds, credit unions, or banks and thrifts. Consumer lenders represented almost 40 percent of respondents, while nearly one-third were primarily small business lenders. Key findings from the 2025 survey include:

Strong Demand for CDFI Products Persists – Federal Funds Enable CDFIs to Reach More Borrowers

Most CDFIs saw rising demand for their products across all business lines in 2024. Increased demand was largely driven by new customers seeking consumer, small business, and residential real estate development loans through CDFIs.

CDFIs identified the ability to reach otherwise financially underserved borrowers with flexible underwriting and loan terms as their unique value add. CDFIs also said that federal funding streams were critical to providing the underwriting and loan terms needed to reach underserved borrowers.

Staffing, Technology, and Capital are Top Challenges for CDFIs

Most respondents reported inadequate staffing and technology challenges, including a lack of qualified candidates to fill open positions, limited ability to bridge skills gaps through training, and the high costs associated with procuring and integrating new technology.

Lending and operational capital remain acute challenges for loan funds. They reported challenges with lending capital and operational funding as severely limiting — specifically the cost of capital. The most cited borrower qualification challenge of 2024 was an inability to afford loan terms.

Respondents Split on Economic Outlook – Ability to Meet Growing Demand Hinges on Sustaining Funding Levels

CDFIs have been critical lenders in weaker economic environments. Therefore, while more than half of respondents were pessimistic about the overall economy, many expected demand for their products and services to grow through 2025. Almost all hope their customer base will grow through 2030.

To meet rising demand, CDFIs say they will need to hire qualified applicants — or find more resources to train existing staff — and incorporate new technology. However, demand growth could outpace funding if capital sources dry up, especially for loan funds.

Learn more about the Federal Reserve CDFI Survey at www.richmondfed.org/cdfis.

Stay connected with the Richmond Fed for more insights from the 2025 CDFI Survey. Forthcoming publications will dive deeper into data trends over time, findings on rural-serving CDFIs and more.

