

5th District Footprint



CDFI Financing Activity in the Fifth District

Community development financial institutions, or CDFIs, are specialized financial institutions that operate in communities that historically have been underserved by traditional financial institutions.¹ CDFIs finance economic development, affordable housing and banking services for low-income individuals and communities. This issue of *5th District Footprint* examines the financing activities of CDFIs across the Fifth District.²

A major funding source for CDFI financing activity is the CDFI Fund, which was established by Congress under the U.S. Treasury Department in 1994.³ In 2010, 173 CDFIs reported more than \$5 billion in financing nationwide.

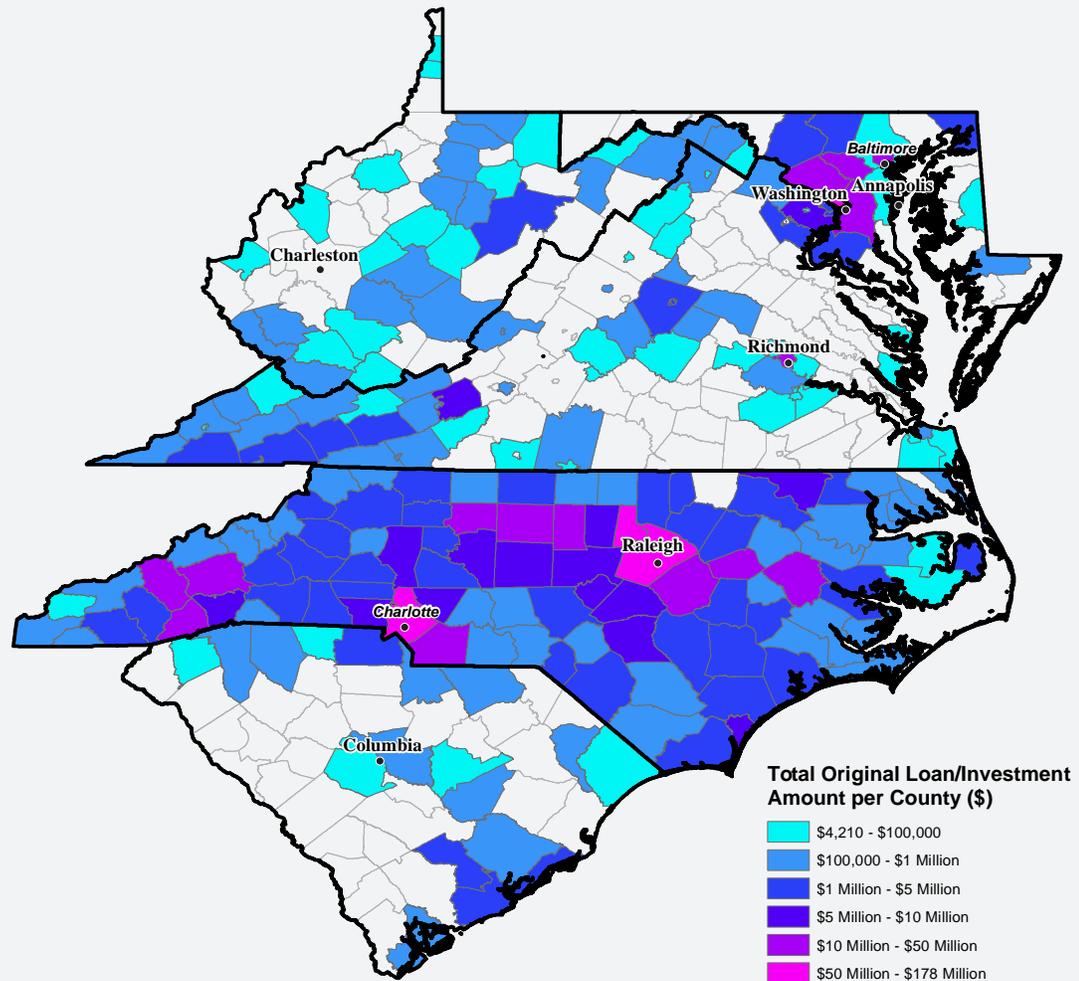
In 2010, 38 CDFIs reported nearly \$1 billion in financing within the Fifth District. This investment activity took place in 62 percent of the Fifth District's counties. On average, each county received \$4 million in CDFI financing. CDFIs reported the greatest amount of financing (\$0.2 billion) in Washington, D.C., and the least (\$4,210) in Lancaster County, Va.

Across states, North Carolina seems to have the greatest dispersion of CDFI investment in the Fifth District. All but two counties in North Carolina (Warren and Camden) received CDFI funding. In contrast, less than 1 percent of total CDFI funding in the Fifth District was in West Virginia.

There were distinct differences in the type of activities financed

by CDFIs across the Fifth District. Eighty percent of North Carolina's funds went to home purchases compared to less than 50 percent within the other states. Funds were targeted towards housing rehabilitation in Washington, D.C., (multi-family) and South Carolina (single-family). Forty percent of funds in Maryland were used by businesses for fixed or working capital.

The metro areas around major cities such as Baltimore, Md., Richmond, Va., Charlotte, N.C., Raleigh, N.C., and Columbia, S.C., had a higher dollar concentration of financing activity compared to nonmetro areas. The rural counties of southwest Virginia and eastern West Virginia form a contiguous band of places where CDFIs invested, but in smaller dollar amounts (\$5 million or less).



Source: CDFI Fund

[richmondfed.org/publications/
community_development](http://richmondfed.org/publications/community_development)

¹ For more information on CDFIs, see *FRB Richmond, Community Development Financial Institutions: A Unique Partnership for Banks, 2011*.

² This issue's analysis is based on the 2010 Transaction Level Report and Transaction Level Report Address Files from the CDFI Fund's Community Investment Impact System, or CIIS. The data covers CDFI Program awardees required to report to CIIS. According to the CDFI Fund, CIIS only reflects 15–20 percent of all certified CDFIs. For more information on the data used in this analysis, visit [the CIIS data release section](#) of the CDFI Fund website.

³ Only certified CDFIs are eligible for an award from the CDFI Fund. For more details on the certification process, visit [the CDFI Fund website](#).