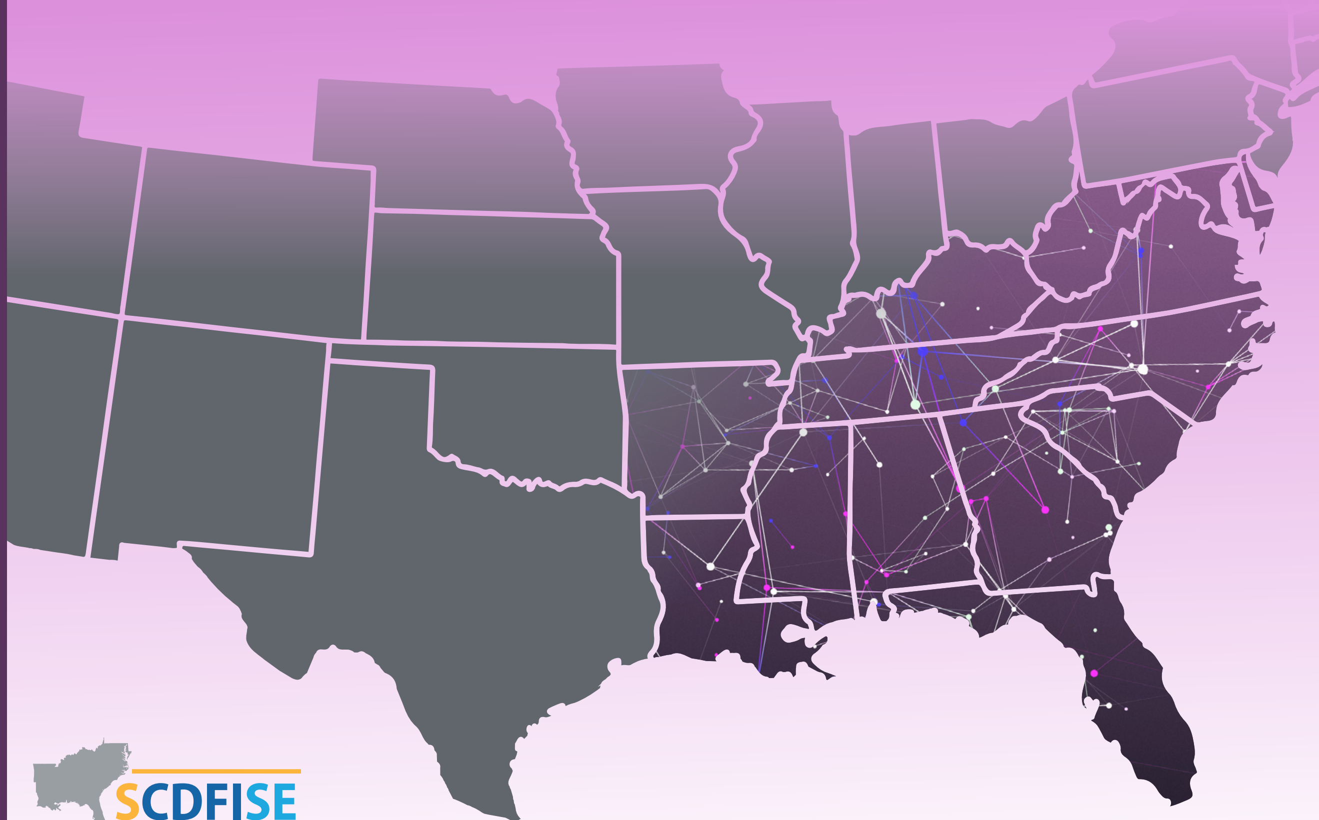
2017

Community Scope

Vol. 5 Issue 2

Resilient Legacy, Connected Future: CDFIs in the Southeast



SCDFISE

Community Development Department

Federal Reserve Bank of Richmond

Community *Scope*

The mission of *Community Scope* is to provide information and analysis on current and emerging issues in community development. The content of *Community Scope* is collected and developed by the Community Development department of the Federal Reserve Bank of Richmond.

A special thanks to Doug Sampson for editing assistance.

Community Scope is published by the Federal Reserve Bank of Richmond. Free subscriptions and additional copies are available upon request.

To inquire about our publications, contact:
The Federal Reserve Bank of Richmond
Community Development Department
P.O. Box 27622, Richmond, Va. 23261-7622
email: caorichmondfed@rich.frb.org
www.richmondfed.org/community_development/

Resilient Legacy, Connected Future: CDFIs in the Southeast

AUTHOR
Emily Wavering Corcoran

The Federal Reserve Bank of Richmond Community Development department has biennially surveyed community development financial institutions (CDFIs) in the Southeast United States since 2009. Through the Richmond Fed's Survey of CDFIs in the Southeast (SCDFISE), CDFIs provide timely information on their capitalization, demand and capacity, and development programs and services. This issue of *Community Scope* presents key findings from the 2017 SCDFISE, including:

- The number of CDFIs that comprise the CDFI industry in the Southeast United States is growing. In particular, this growth is being driven by the CDFI certification of existing financial institutions.
- CDFI asset size is bifurcated by institution type and asset size, with a high percentage of community development loan funds holding less than $25 million in total assets and a high percentage of community development banks and credit unions holding more than $50 million in total assets.
- Demand continues to be strong for the products and services provided by CDFIs, but CDFIs face perennial challenges in meeting this demand, including limited access to affordable long-term capital.

Fifty Years of Community Development Finance

The CDFI industry as it exists today began in the late 1960s as the extension of a long history of community self-help financing

Background

activity.[1] The CDFI industry has grown over the last 50 years to include over 1,130 financial institutions managing more than $108 billion in total assets.[2] Although diverse in size and structure, the financial institutions in the CDFI industry share a common commitment to serve markets that lack access to robust traditional financing. As such, CDFIs serve and support a variety of individuals, businesses and community development endeavors, including first time homeowners, small businesses and low- and moderate-income (LMI) communities.[3]

Banks, credit unions, loan funds, venture capital funds and community development corporations (CDCs) may all act as CDFIs and are all eligible to be certified as CDFIs by the U.S. Department of the Treasury's CDFI Fund.[4] The CDFI Fund, which has supported the industry since its establishment in 1994, certifies financial institutions as CDFIs using the following seven criteria:

The applicant financial institution must:

1. "Be a legal entity at the time of certification application;
2. Have a primary mission of promoting community development;
3. Be a financing entity;
4. Primarily serve one or more target markets;
5. Provide development services in conjunction with its financing activities;
6. Maintain accountability to its defined target market; and
7. Be a non-government entity and not under the control of any government entity (Native American tribal governments excluded)[.]"[5]

Although CDFI certification is not mandatory for a financial institution to operate as a CDFI, certification allows CDFIs to receive financial and technical support from the CDFI Fund. This support is distributed through seven CDFI Fund programs, the foremost of which is the CDFI Program.[6] Through the programs administered by the CDFI Fund, 2,006 CDFIs have received $53.8 billion in awards over the time period for which data are available (1996 to 2016).[7]

Of the 1,134 certified CDFIs in United States, 33.9 percent (384 CDFIs) are located in the Southeast states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia, and the District of Columbia.[8] These institutions are of interest to the Community Development department at the Richmond Fed because they increase access to credit in underserved markets and help foster economic stability within Richmond Fed's Fifth District, which is comprised of: Maryland, North Carolina, South Carolina, Virginia, most of West Virginia and the District of Columbia. In 2009, the Richmond Fed launched its inaugural Survey of CDFIs in the Southeast to help CDFIs, community development practitioners and researchers better understand the collective capacity and common challenges of CDFIs in and around the Fifth District.

Survey Background and Methodology

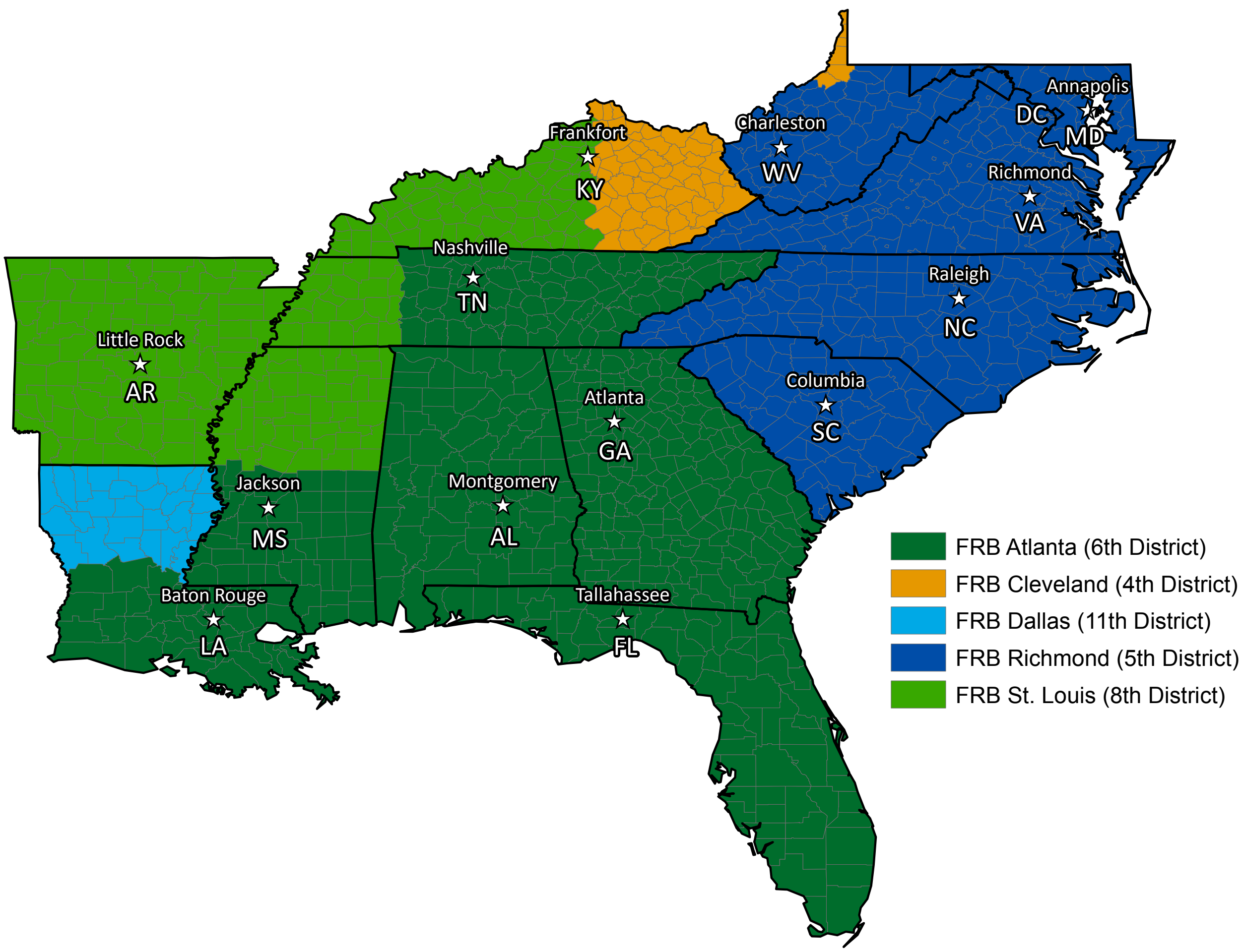
The original SCDFISE informed the creation of a CDFI directory, as well as research on CDFI capitalization and service provision.[9] Survey deployment continued biennially and in 2015 the scope of the survey instrument was expanded to gather additional information on geographic service area, demand, capacity and development programs. The 2017 survey maintained this expanded scope, and a sample of 81 CDFIs responded to both the 2015 survey and the 2017 survey. Where possible in this report, the 2015 responses from this core sample of respondents are compared to their 2017 responses to provide insight into developments over time.

The five iterations of the SCDFISE (2009, 2011, 2013, 2015 and 2017) have been deployed with assistance from: the Opportunity Finance Network in 2009; CommunityWorks Carolina (formerly the Greenville Housing Fund), the National Federation of Community Development Credit Unions, Mountain BizWorks and the South Carolina

Community Loan Fund in 2011; the Federal Reserve Bank of Atlanta in 2011, 2013, 2015 and 2017; and the Carolina Small Business Development Fund (formerly The Support Center) in 2013, 2015 and 2017. The Federal Reserve Banks of Cleveland, Dallas and St. Louis joined the 2017 survey effort to assist with outreach in their respective districts. Map 1 delineates the portions of the survey area that fall within the Federal Reserve District boundaries of the partner Reserve Banks.

The distribution list for the 2017 SCDFISE included 377 CDFIs and was compiled based on the Richmond Fed's 2015 CDFI directory, as well as contact information from the CDFI Fund and the Opportunity Finance Network.[10] Multiple sources were used to compile the distribution list in an effort to address information limitations, including out-of-date contact information and multiple listings for CDFIs that have merged.

Map 1: SCDFISE Survey Area and Federal Reserve Bank (FRB) Districts



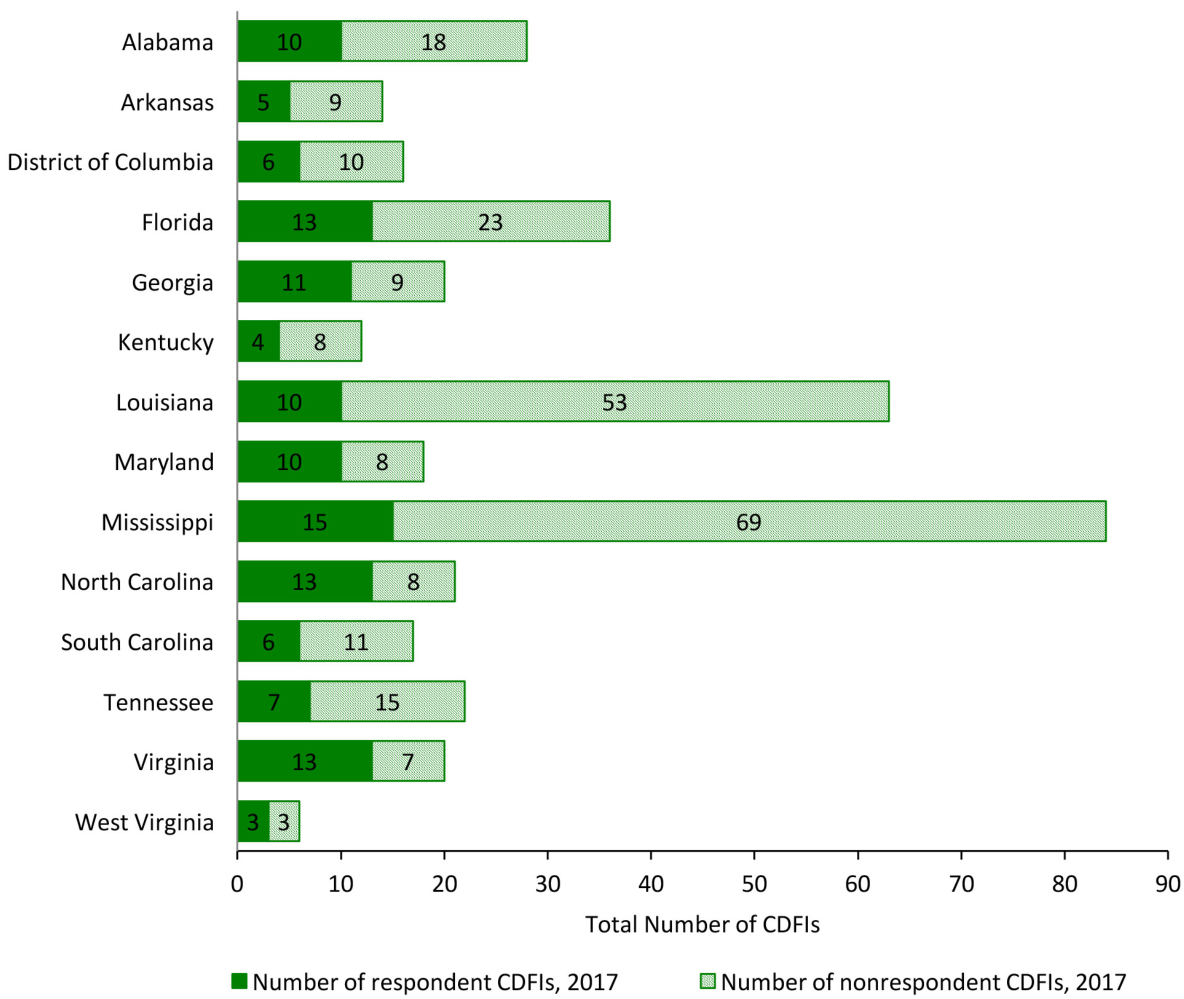
Note: The Federal Reserve Banks of Cleveland, Dallas and St. Louis cover geographic areas that are not included in this map. To view a national map of the Federal Reserve Districts, visit federalreserveeducation.org.

Background

The 2017 survey was deployed via email in May 2017, and staff members conducted a maximum of four follow-up phone calls with each CDFI to encourage participation. The survey closed in July 2017 after two and a half months of response collection. In total there were 126 survey responses.[11]

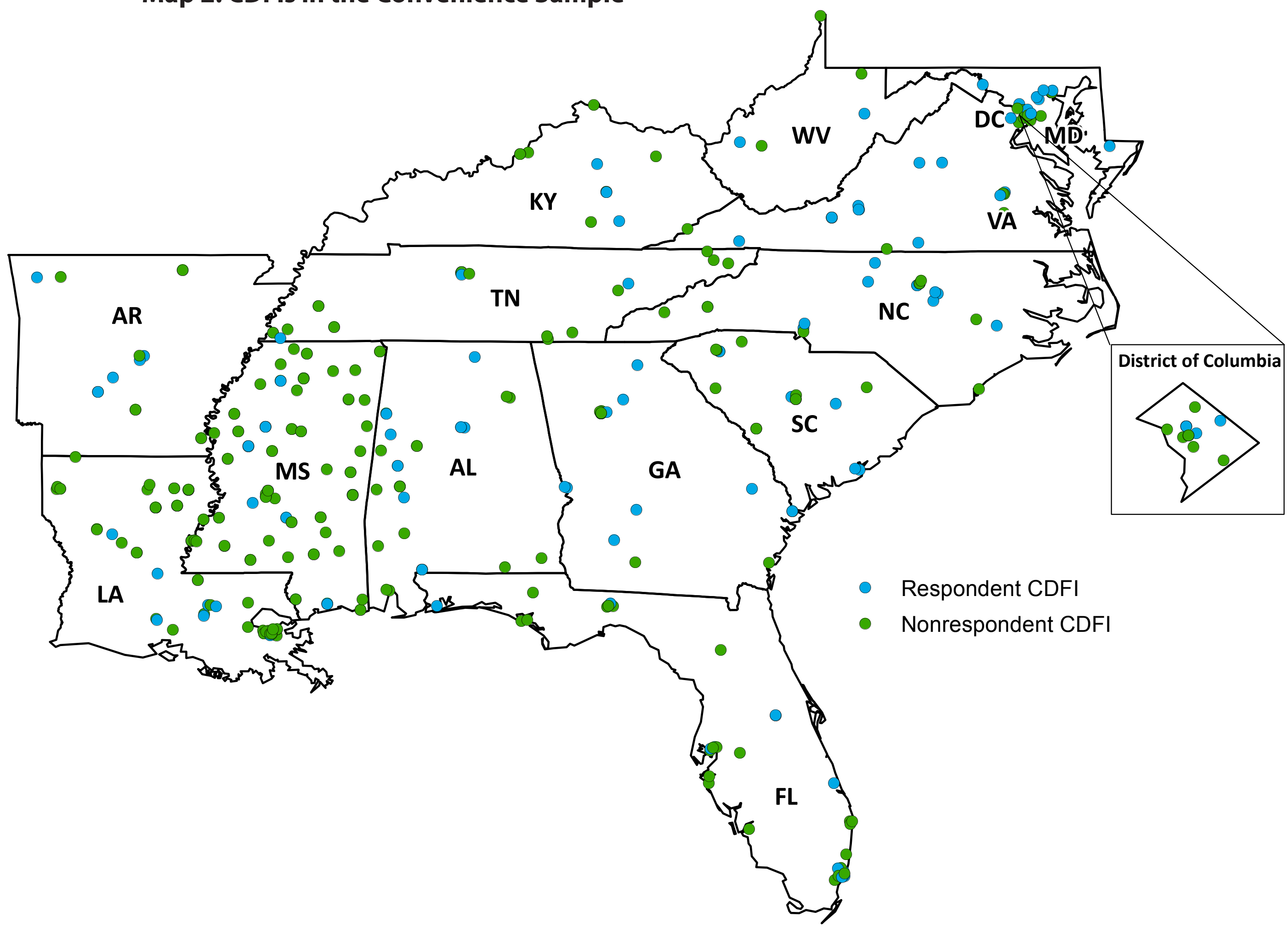
The response rate for the survey was 33.4 percent; state response rates ranged from 15.9 percent (Louisiana) to 65.0 percent (Virginia). As the survey responses represent a convenience sample of CDFIs in the Southeast, the responses are not representative of all Southeast CDFIs. Figure 1 shows how the geographic distribution of respondent CDFIs differs from the population of CDFIs on the SCDFISE contact list and Map 2 shows the physical location of each respondent CDFI.

Figure 1: Respondent and Nonrespondent CDFIs by State, May 2017



N=377
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Surveys of CDFIs in the Southeast.

Map 2: CDFIs in the Convenience Sample

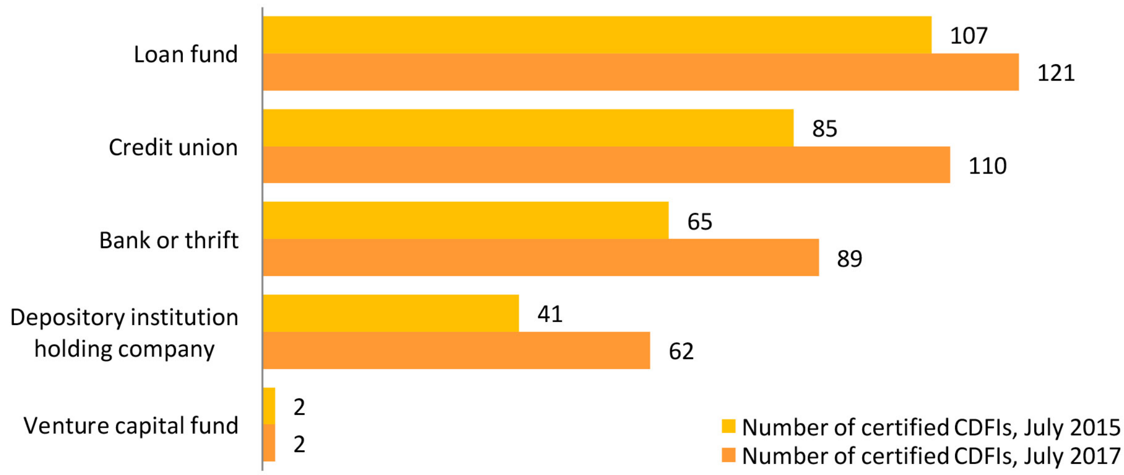


Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

From July 2015 to July 2017, the number of certified CDFIs in the Southeast grew from 300 to 384; in May 2017, when the 2017 SCDFISE was fielded, the number of certified CDFIs was 374. This increase is primarily attributable to the certification of existing financial institutions, particularly credit unions, banks and holding companies. The CDFI Fund has recently worked with financial institution trade organizations, such as the National Credit Union Association (NCUA), to streamline the CDFI certification process for member institutions, which may contribute to this increase.[12] Figure 2 provides a breakdown of certified CDFIs in 2015 and 2017 by institution type. Twenty-five credit unions gained certification from 2015 to 2017, as well as 24 banks and 21 depository institution holding companies. However, the depository institution holding companies that are certified as CDFIs typically also have subsidiary financial institutions that are certified CDFIs. This results in some institutional duplicity and is important for understanding the number of institutions actively working as CDFIs.[13]

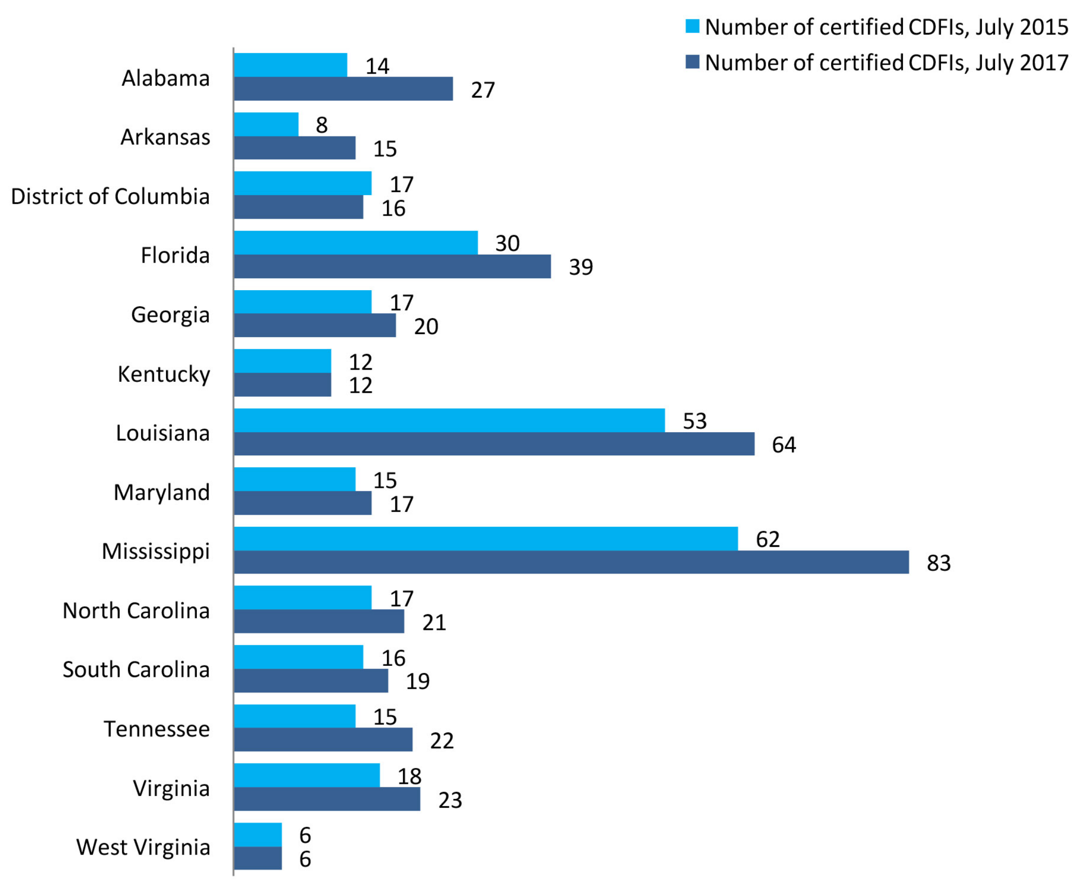
All of the states in the survey area experienced an increase in the number of certified CDFIs headquartered in the state, with the exception of Kentucky, West Virginia and the District of Columbia (see Figure 3). Of the states in the survey area, Mississippi experienced the largest increase in the number of certified CDFIs from 2015 to 2017 at 21 CDFIs (62 to 83 CDFIs). Similarly, the population of CDFIs in Alabama and Louisiana grew by 13 and 11 certified CDFIs, respectively, over the time period of interest.

Figure 2: Certified CDFIs by Institution Type, July 2015 to July 2017



Source: List of Certified CDFIs, CDFI Fund, July 2015 and July 2017.

Figure 3: Certified CDFIs by State, July 2015 to July 2017



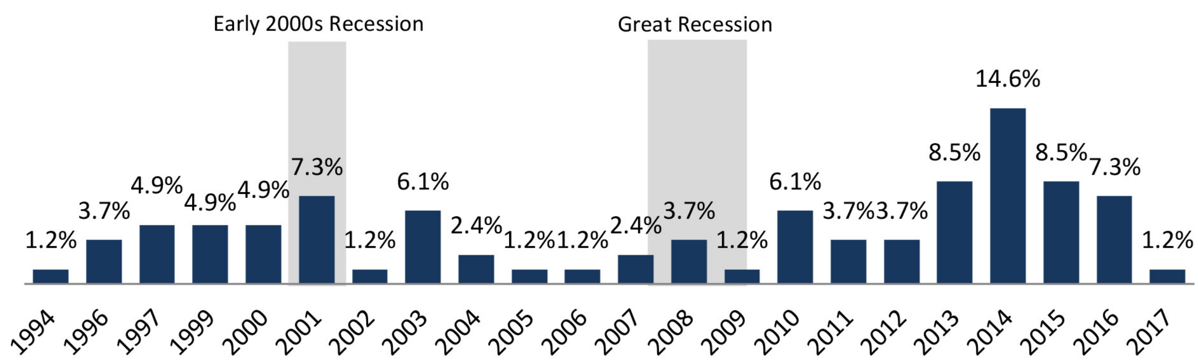
Source: List of Certified CDFIs, CDFI Fund, July 2015 and July 2017.

Overview of Respondent CDFIs

All of the 126 CDFIs represented in the survey sample are certified by the CDFI Fund, and Figure 4 illustrates the percentage of respondent CDFIs that first received CDFI certification each year from 1994 to 2017. Over half of the 82 respondent CDFIs (53.7 percent or 44 CDFIs) that answered the question became certified following the Great Recession.[14] This post-Great Recession increase in CDFI certification may have been driven by the creation of capital access programs for certified CDFIs. After the Great Recession, programs like the federal government's Community Development Capital Initiative provided new sources of capital to financial institutions that were CDFI certified. Consequently, an increased number of financial institutions sought — and received — certification.[15]

As is the case for the population of CDFIs in the Southeast, loan funds are the most prevalent type of CDFI in the respondent sample (see Figure 5). Of the 124 CDFIs that provided information on their institution type, 52 are loan funds. The three most common types of CDFIs — loan funds, credit unions and banks — all have unique structures, incentives and regulatory requirements. These three types of institutions will be broken out separately for additional analysis on capitalization.

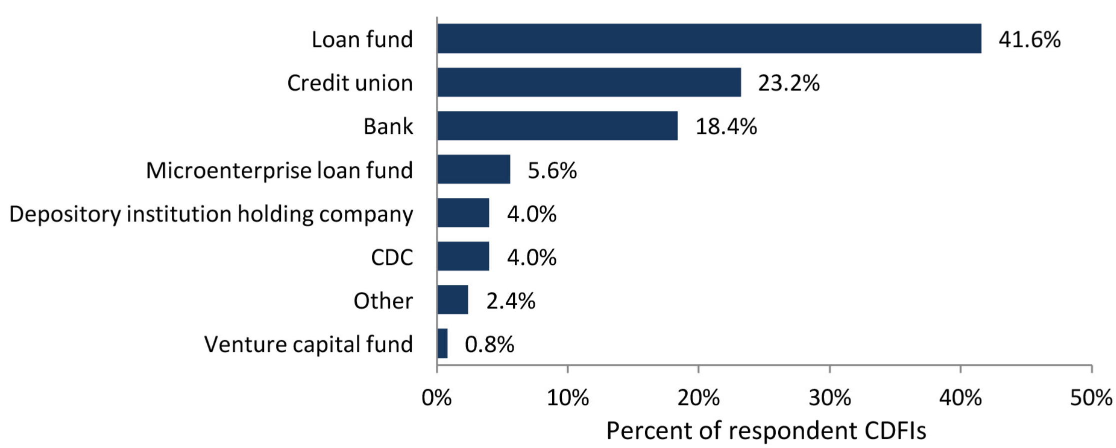
Figure 4: When did respondent CDFIs first receive CDFI certification?



N=82

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 5: What types of CDFIs are represented in the survey responses?



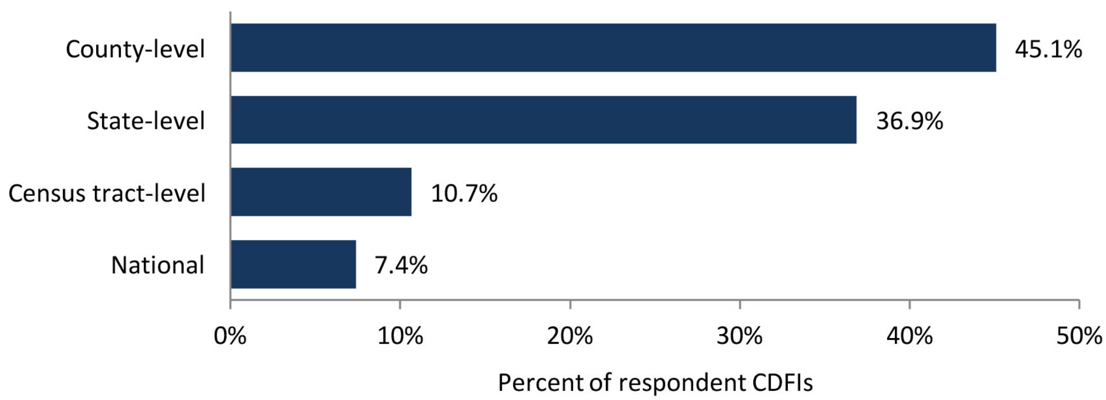
N=124

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast

In terms of geographic reach, the majority of respondent CDFIs operate at the county- or state-level, as seen in Figure 6. The average respondent CDFI serves their geographic area using 17 full-time staff members and one part-time staff member, although five respondent CDFIs operate with just one full-time employee. At the high end of the operating scale, the largest employer CDFI in the respondent sample employs 1,300 individuals full-time and 200 individuals part-time.

Business finance is the most common market serviced by CDFIs in the survey sample, followed by residential real estate finance and consumer finance (see Figure 7). Additional target markets captured by the "other" category in Figure 7 include clean energy finance, community facilities and nonprofit enterprise loans. As illustrated in Figures 8 and 9, loans are the most common product provided by respondent CDFIs, particularly business loans.

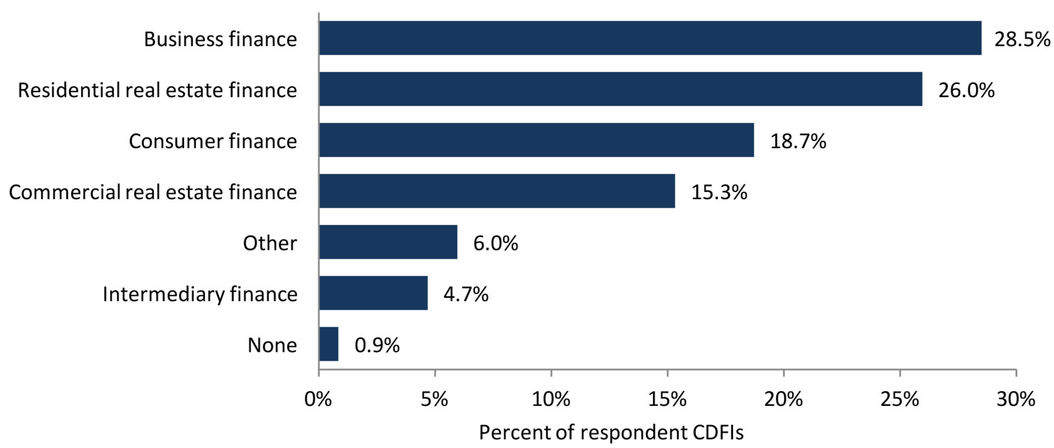
Figure 6: What geographic areas do respondent CDFIs serve?



N=122

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast

Figure 7: What target markets do the respondent CDFIs serve?



N=117

Note: Percentages do not sum to 100 because respondents were able to select more than one target market. One hundred and seventeen respondents submitted 235 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 8: What products and services do the respondent CDFIs offer?

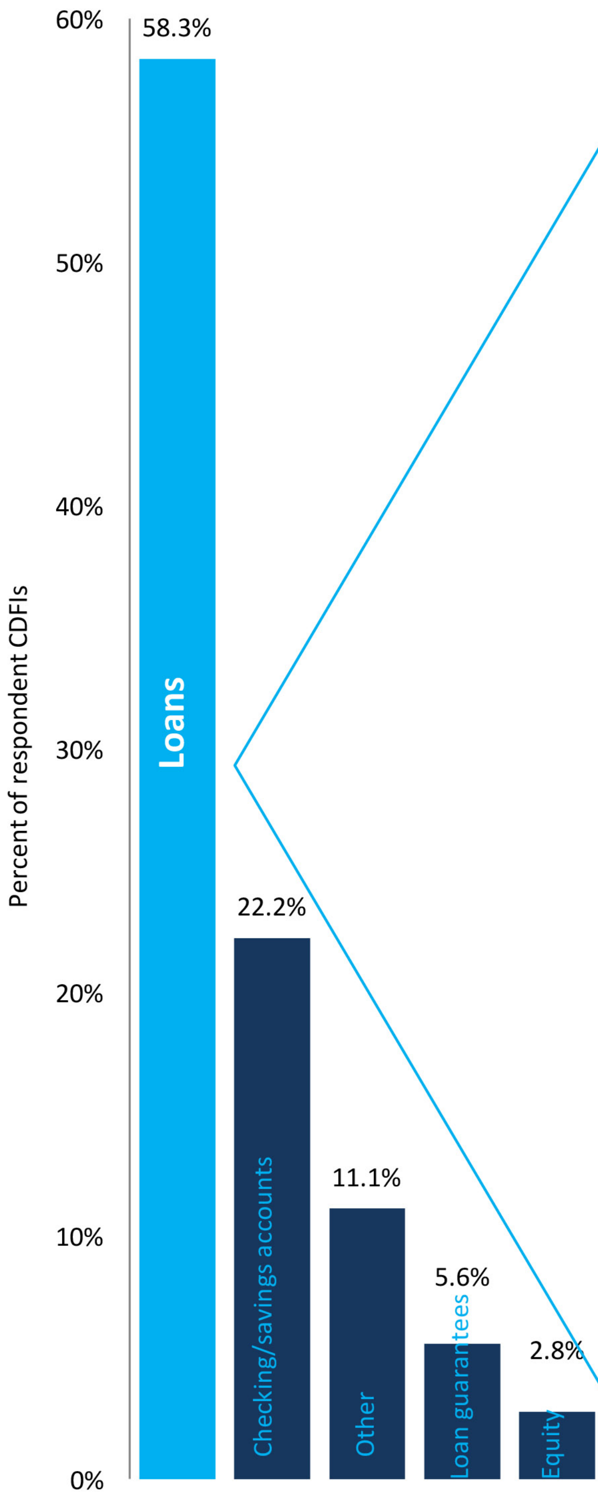


Figure 9: What types of loans do the respondent CDFIs offer?

19.2% of loan-making respondent CDFIs provide **BUSINESS LOANS**. The median size of these loans is **$50K–$100K** and the median interest rate is **6.01%–7.0%**.

14.1% of loan-making respondent CDFIs provide **RESIDENTIAL REAL ESTATE LOANS**. The median size of these loans is **more than $100K** and the median interest rate is **4.01%–5.0%**.

13.8% of loan-making respondent CDFIs provide **COMMERCIAL REAL ESTATE LOANS**. The median size of these loans is **more than $100K** and the median interest rate is **5.01%–6.0%**.

12.8% of loan-making respondent CDFIs provide **CONSUMER LOANS**. The median size of these loans is **$10K or less** and the median interest rate is **6.01%–7.0%**.

12.5% of loan-making respondent CDFIs provide **COMMUNITY FACILITY LOANS**. The median size of these loans is **more than $100K** and the median interest rate is **5.01%–6.0%**.

N=85 for Figures 8 and 9

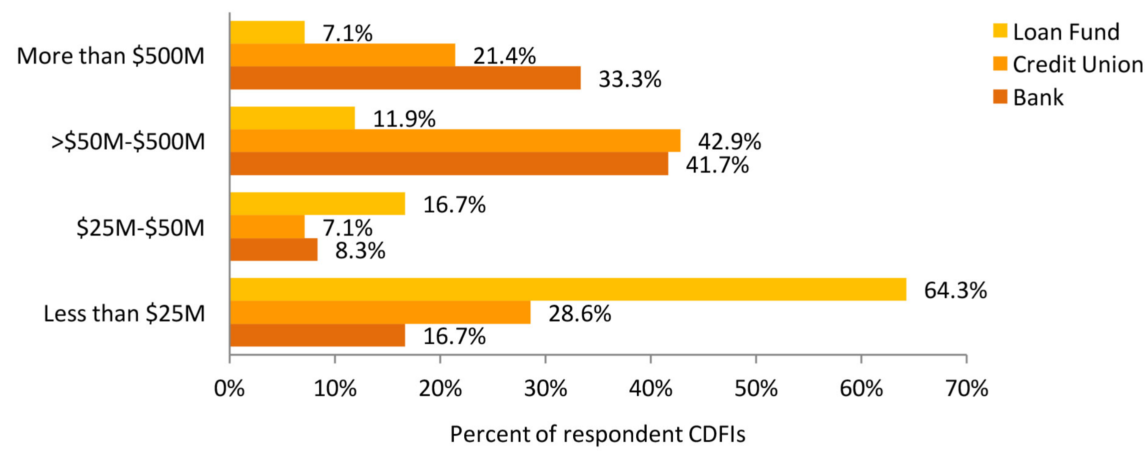
Note: Percentages do not sum to 100 because respondents were able to select more than one product/service. For Figure 8, 85 respondents submitted 144 observations. "Other" category includes New Markets Tax Credit (NMTC) allocation, down payment assistance and certificates of deposit. For Figure 9, 85 respondents submitted 297 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Capitalization

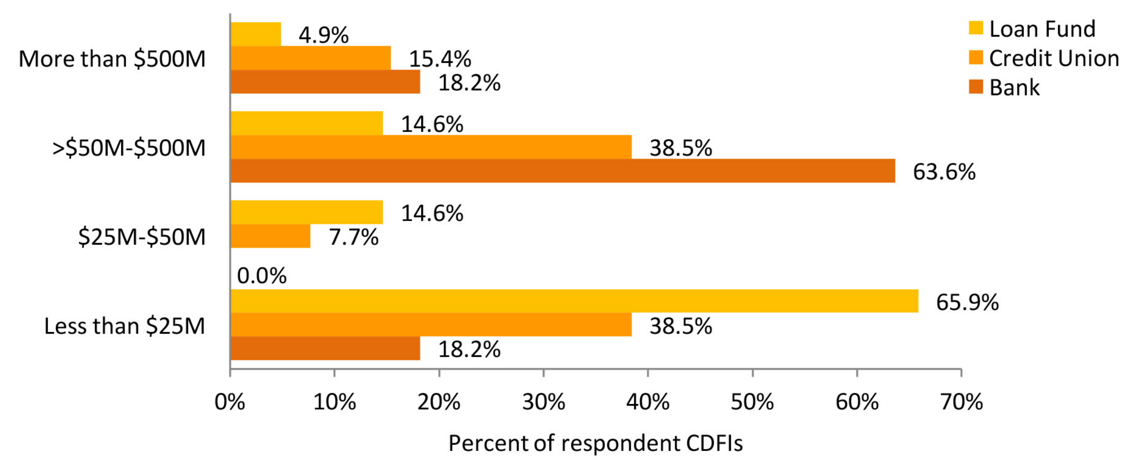
CDFIs, on average, are smaller asset size institutions than their traditional financial institution counterparts and so face challenges of scale.[16] While larger CDFI loan funds, banks and credit unions have been shown to have stronger net income performance, the CDFI business model makes it inherently challenging to grow total assets and loan funds to a level where CDFIs can capitalize on scale effects.[17] As shown in Figures 10 and 11, CDFI loan funds face particular challenges of scale. Unlike banks and credit unions, loan funds are nondepository financial institutions, and so cannot rely upon deposits to grow their assets. Scalability is important for CDFI sustainability, as CDFIs must reach a sustainable level of asset scale to meet demand in their target market. As noted in previous research, grants and subsidies play an important role in helping CDFIs grow to scale.[18]

Figure 10: What were the dollar ranges of total assets of CDFIs in the survey sample as of December 31, 2016?



N=75
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 11: What were the dollar ranges of total loan funds of CDFIs in the survey sample as of December 31, 2016?



N=72
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

In addition to internally generated earned income, CDFIs commonly rely on external sources to increase their access to credit, including Community Reinvestment Act (CRA) investments from regulated financial institutions, as well as government programs and foundation investments.[19] Figures 12.1 and 12.2 provide detailed information on the top sources of operational and lending funds for respondent CDFIs.

What are the top sources of operational funds and lending funds for CDFIs in the survey sample?

Figure 12.1: Top sources of operational funds:

1. Regulated financial institutions	**41.8%**
2. Federal government programs outside of the CDFI Fund	**34.3%**
3. Income and earned interest	**31.3%**
4. Local government agency/department	28.4%
5. CDFI Fund	23.9%
6. National foundation(s)	19.4%
7. Regional foundation(s)	14.9%
8. State government agency/department	13.4%
9. Local foundation(s)	11.9%
10. Other	11.9%
11. Social impact investor(s)	9.0%
12. State foundation(s)	6.0%
13. Private investor(s) and/or angel investor(s)	4.5%
14. Deposits	3.0%
15. Nonregulated financial institutions	1.5%

N=67
Note: Percentages do not sum to 100 because respondents could select up to three sources. Sixty-seven respondents submitted 171 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 12.2: Top sources of lending funds:

1. Regulated financial institutions	**54.4%**
2. CDFI Fund	**44.1%**
3. Federal government programs outside of the CDFI Fund	**35.3%**
4. Deposits	32.4%
5. State government agency/department	16.2%
6. National foundation(s)	16.2%
7. Local government agency/department	11.8%
8. Private investor(s) and/or angel investor(s)	10.3%
9. Social impact investor(s)	8.8%
10. Local foundation(s)	5.9%
11. Regional foundation(s)	5.9%
12. State foundation(s)	4.4%
13. Other	4.4%
14. Income and earned interest	1.5%
15. Nonregulated financial institution(s)	1.5%

N=68
Note: Percentages do not sum to 100 because respondents could select up to three sources. Sixty-eight respondents submitted 172 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Capitalization

Respondents had the opportunity to share the greatest challenges facing their CDFIs with regard to capitalization. These quotes are direct excerpts from their responses:

"We have very little access to CRA-driven conventional lenders, and very few foundations operating in our region. We are therefore dependent on federal funding and, increasingly, prime-rate loans from community banks."

- Community Development Corporation in West Virginia

"Loan funds in Appalachia have historically obtained the majority of their capital from state and federal governments. As the loan funds have grown, these funding sources have not kept pace with demand, and new sources of financing from regional and national banks, foundations and corporations are needed.

As a group, the Appalachian loan funds have had mixed results attracting substantial capital from these new sources. Partly this stems from the general lack of awareness from potential funders about their work, a lack of sufficient marketing resources, the rural nature of their operations, and the need to offer below market returns to investors in order to meet their mission of providing financing to underserved populations and maintaining a healthy balance sheet. The limited number of banks headquartered in the Region, resulting in diminished opportunities for bank investors to meet CRA requirements, is another factor that has constrained access to these new sources of capital."

- Community Development Intermediary in Virginia

"As a small CDFI, we face challenges accessing lending funds, as well as challenges diversifying our lending funds to make sure we stay in compliance with our covenants. This means that we not only need debt capital, but equity/grants to balance and stay relevant in this industry. Another challenge is making enough earned income to cover operating expenses, in order to achieve greater sustainability."

- Community Development Loan Fund in North Carolina

"In the past two years, [we have] faced a deficit in lending capital at a time when demand for micro loans has increased. Inability to get federal funding through [the U.S. Department of Agriculture (USDA)] or the CDFI Fund has been challenging for the organization. [We have] operated as a [Small Business Administration (SBA)] Micro Lender in the past[,] which was a welcomed source of loan funds, but in 2008, the organization found itself struggling to repay the SBA loan. The target market saw two large industries close taking with them over 1,600 jobs. Many of the organization's clients were employees of those companies operating a small business on the side. When our small businesses were not able to pay, [we were] not able to pay and had to make a hard decision on how to move forward with the SBA program."

- Microenterprise Loan Fund in Georgia

"We have a good capital base from our own retained earnings. But competing for new capital versus loan funds who don't provide the amount of lending a bank does is tough. We see a very limited amount going to banks in the [financial assistance] program. [The New Markets Tax Credit (NMTC) Program] is also an area that small banks don't seem to compete very well. Seems like the loan funds can tell a better story, but we are the ones doing the significant work within the confines of our regulatory system. The [Consumer Financial Protection Bureau (CFPB)] continues to hamper lending in rural areas and regulation in general has made lending tough, and makes it difficult to make a good return doing it — which is what we need to expand lending."

- Community Development Bank in Alabama

Demand and Capacity

Responses to the 2017 SCDFISE mirror findings from the 2015 SCDFISE that support the existence of strong demand for the products and services provided by the CDFI industry.[20] The 2017 SCDFISE included two questions about demand, which were designed to help gauge both current and future demand for CDFI products and services. Of the 104 respondent CDFIs that provided information on the demand they experienced in 2016, 80.8 percent experienced increased demand and 19.2 percent experienced stable demand. No respondent CDFIs indicated declining demand. Similarly, 90.3 percent of the 72 CDFIs that provided information on future demand anticipate an increase in demand in 2018, 9.2 percent anticipate stable demand and no respondent CDFIs anticipate declining demand.

Given the challenges that CDFIs face in growing to scale and the strong demand for CDFI lending products and development services, it is unsurprising that 67.3 percent of 101 respondent CDFIs aspire to perform additional functions beyond their current capacity. The limitations that keep these aspirations from coming to fruition — as well as the nature of these aspirations — are detailed in Figures 13 and 14.

The relatively widespread staffing constraints reflected in Figure 13 were also evident in an analysis of employment by CDFIs that responded to both the 2015 SCDFISE and the 2017 SCDFISE. From 2015 to 2017, the 44 respondent CDFIs decreased their overall full-time employment by 45 individuals (4,864 individuals to 4,819 individuals), with CDFI-level employment changes ranging from a decrease of 89 employees to an increase of 100 employees. Twenty-five respondent CDFIs (56.8 percent) either decreased or maintained the size of their workforce from 2015 to 2017, with decreases ranging from 1 to 89 employees. Nineteen respondent CDFIs in this sub-group (43.2 percent) increased their employment, with increases ranging from 1 to 100.

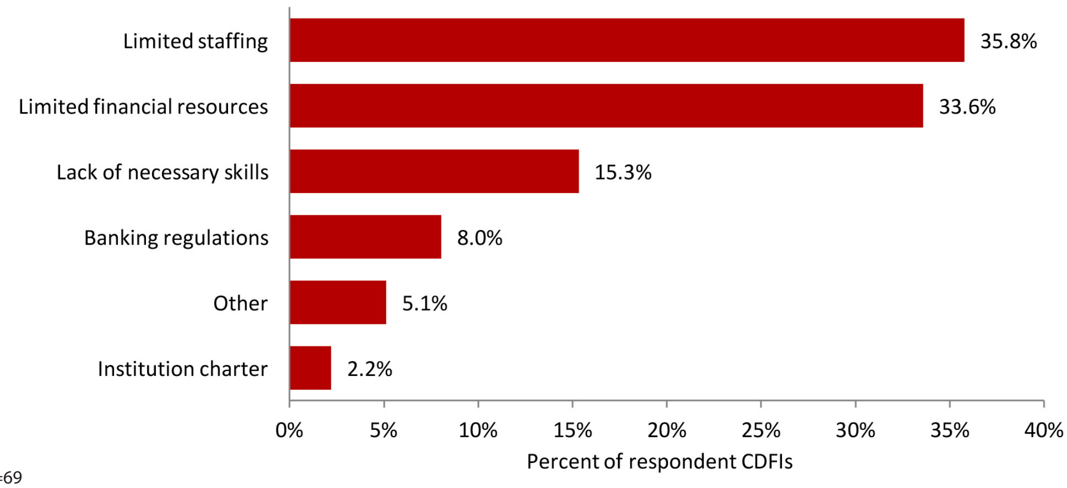
Widespread capacity constraints in the CDFI industry have led researchers and practitioners to develop a number of strategies designed to help CDFIs reach an optimal scale.[21] In essence, these strategies fall into two non-mutually exclusive categories: CDFIs can either scale their operation by growing independently, or by partnering with peer institutions. Organizational expansion is a strategic risk that may be beyond the institutional capacity of many CDFIs. When expansion is an unrealistic option for a CDFI, partnering with peer institutions may provide a mutually beneficial arrangement that allows the partner organizations to share operational costs, jointly invest in technology and participate in peer-to-peer learning.

Appalachian Community Capital (ACC) is a regional CDFI intermediary that may provide a model for CDFI partnership. Created in 2013, ACC was designed to help its member CDFIs access capital that may be challenging to access individually, such as the funding from the CDFI Fund's Bond Guarantee Program. The 13 ACC member CDFIs as of September 2017 are:

- Access to Capital for Entrepreneurs
- Alternatives Federal Credit Union
- Appalachian Development Corporation
- Carolina Small Business Development Fund
- Kentucky Highlands
- LiftFund
- Mountain Association for Community Economic Development
- Mountain BizWorks
- Natural Capital Investment Fund
- Pathway Lending
- Southeast Kentucky Community Development
- Three Rivers Planning and Development District and
- Virginia Community Capital.[22]

Demand and Capacity

Figure 13: What prevents respondent CDFIs from performing functions that they aspire to do?



N=69

Note: Percentages do not sum to 100 because respondents could select more than one limitation. Sixty-nine respondents submitted 137 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 14: What are the words most frequently used by respondent CDFIs to describe functions that they aspire to perform?

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Respondents had the opportunity to share the greatest challenges facing their CDFIs with regard to demand and capacity. These quotes are direct excerpts from their responses:

"Some of our prospective borrowers also need technical assistance, which we currently don't have the capacity to provide."

- Loan Fund in Georgia

"Limited grant funding, low interest[,] long term unsecured financing, and funding fluctuations are limiting factors in getting projects completed."

- Venture Capital Fund in Kentucky

"We would like to expand our services to participate in, or lead, larger commercial and residential real estate projects. Funding is the primary barrier to these expansion efforts."

- Loan Fund in Tennessee

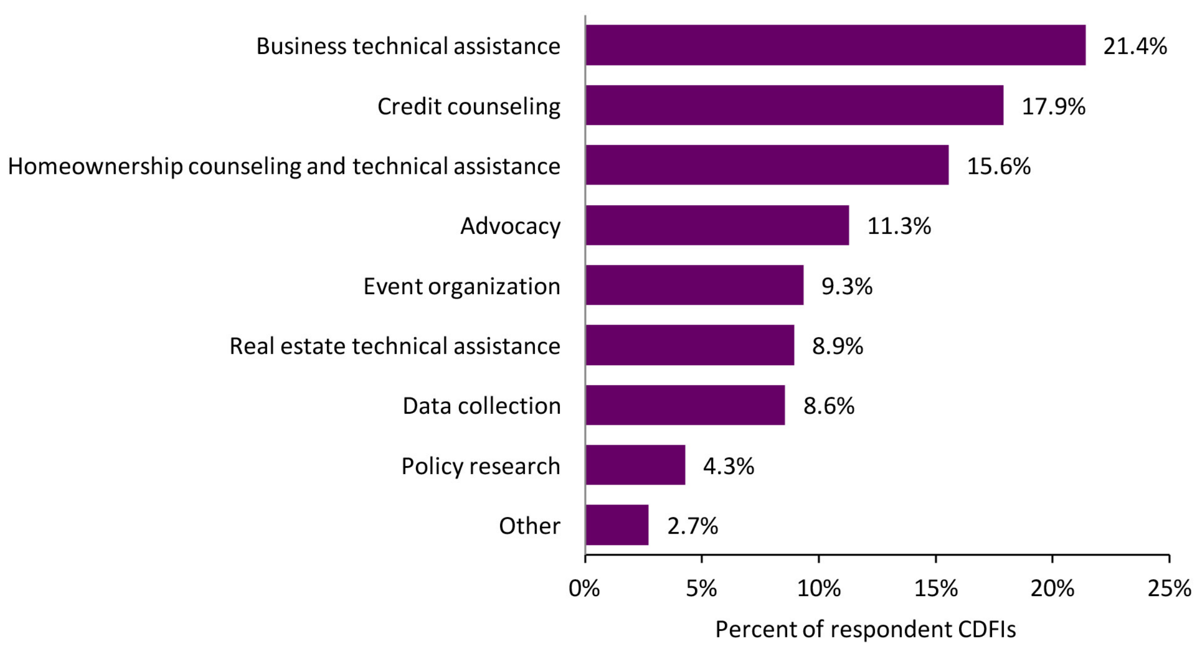
Development Programs

In order to receive CDFI certification, the CDFI Fund stipulates that CDFIs must provide development services, such as technical assistance to small businesses, credit counseling, homeownership counseling and real estate technical assistance. Beyond these capacity-building development services, it is also relatively common for CDFIs to conduct policy research, collect data and/or act as policy advocates for the target market(s) they serve.

The development programs offered by CDFIs serve to build financial literacy and business capacity in their local communities. Furthermore, development programs are often a central component of the CDFI business model, as technical assistance and financial education may allow CDFIs to improve loan repayment in target markets that are considered high-risk by traditional financial institutions. By helping their customers better understand their credit conditions, personal and business finances, and repayment options, CDFIs are able to dually increase community financial capacity and the likelihood of full loan repayment, thus fostering both local economic stability and institutional stability.

The 2017 SCDFISE captured information about CDFI development services by asking respondents to specify the development programs that they offer and by requesting detailed information on the approximate number of clients served by each of the respondent CDFIs' development programs. In total, 81 respondent CDFIs reported serving over 300,000 customers through a variety of development programs, which are detailed in Figures 15 and 16.

Figure 15: In addition to lending, what development programs do CDFIs in the survey sample provide?

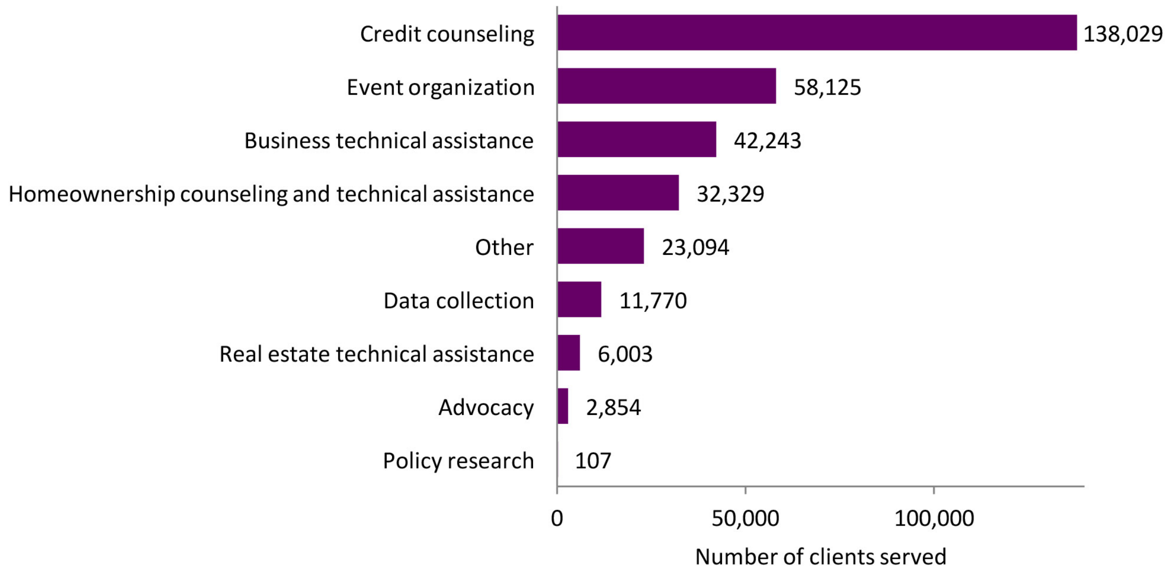


N=81

Note: Percentages do not sum to 100 because respondents could select more than one non-lending function. Eighty-one respondents submitted 257 observations.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Figure 16: How many clients do respondent CDFIs serve through their development programs?



N=81

Note: Number of clients served reflects the sum of clients served by development programs provided by all respondent CDFIs. "Other" category includes development training for small businesses and financial education classes.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Respondents had the opportunity to share the greatest challenges facing their CDFIs with regard to development programs. These quotes are direct excerpts from their responses:

"Time is always the biggest issue. We have a limited amount of staff and money to appropriate to these things. Many times our employees are attending events or seeing customers on their own time since they are involved in similar community events. Tracking these things is also very difficult. We are required to collect data on customers for our normal business, so it would add a lot of time to collect more, and then you have to store it in a manner that can be useful later."

- Community Development Bank in Alabama

"Finding lending capital and the immense competition in trying to get grants to keep the operation running. Recently it is becoming apparent that loan capital from governmental sources (both federal and state) is starting to become harder to obtain. We are working on some collaboration efforts in order to maximize/obtain future funding. The biggest challenge is raising the capital to keep the operations continuing. We are a small asset portfolio and rely on grant/foundation funding in order to "keep the doors" open and provide the additional technical services programs that are fundamental to our mission."

- Microenterprise Development Loan Fund in Maryland

"Funding to provide the necessary services to meet growing demand. We have an in-house credit counseling department, a classroom for teaching homeownership and personal finance classes, and a resource center for business clients to use computers and the internet… There are very few funding opportunities for all of the [technical assistance (TA)] provided to clients prior to making a loan — this is true of all services we provide: homeownership, credit counseling and business."

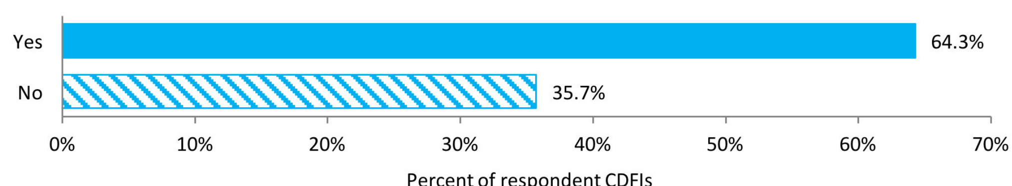
- Community Development Loan Fund in Mississippi

CDFIs and Online Lending

As previously noted in this report, small business lending is a target market for nearly 30 percent of respondent CDFIs. But CDFIs increasingly face competition in the small business lending space from nonbank online lenders. A 2016 study by Jack Northrup, Eric Hangen and Michael Swack entitled "CDFIs and Online Business Lending: A Review of Recent Progress, Challenges, and Opportunities" examines this dynamic and notes that "small business lenders are greatly outpacing the CDFI industry in terms of the number and volume of loans they are producing. … Some of the competitive advantages that online lenders employ to achieve this higher level of production include technology that enables much faster customer response times, greater investment in marketing and customer acquisition, and scaled relationships with the capital markets (which are in turn enabled by the design of loan products with market returns)."[23]

But CDFIs have their own competitive advantages, particularly in their ability to provide technical assistance and financial education. The rise of financial technology may be an opportunity for CDFIs to more effectively reach target markets, access capital and streamline operations. As shown in Figure 17, 64.3 percent of respondent CDFIs are already leveraging online tools, primarily for marketing and mobile banking. The respondent CDFIs without online tools frequently cite development costs as a prohibiting factor (see Figure 18). Recognizing this challenge, experts recommend that CDFIs partner with an online lender and/or peer CDFIs to establish a cost-sharing network that supports platform development.[24] At least one respondent CDFI is participating in such a network, as the organization is one of three Washington, D.C., CDFIs that have partnered to develop an online platform for small business lending.

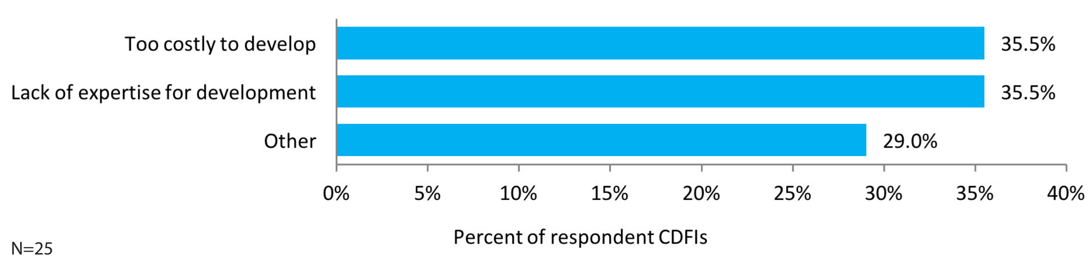
Figure 17: Do respondent CDFIs use online tools?



N=70

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast

Figure 18: What prevents respondent CDFIs from using online tools?



N=25

Note: "Other" category includes lack of awareness about online tools and the sentiment that target market would not be receptive to online tools.

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast

Conclusion

Fifty years into the life of the modern CDFI industry, CDFIs continue to be important providers of small business capital, consumer loans, financial education and technical assistance in LMI communities. The number of certified CDFIs in the Southeast United States has increased since the Great Recession, primarily driven by increased certification of existing credit unions, banks and depository institution holding companies in Mississippi, Alabama and Louisiana.

Still, the industry continues to be largely comprised of small-asset size loan funds that operate in the counties surrounding their headquarters. These loan funds often face different challenges than the larger asset size loan funds, credit unions and banks operating in the industry, particularly with regard to capitalization. Access to capital continues to be a significant challenge, and federal government subsidy — including grants and loans from the CDFI Fund, the Small Business Administration and U.S. Department of Agriculture — remains critical for CDFI capital growth. The perennial challenge of accessing affordable, long-term capital has led to innovations in the field, including the 2008 authorization for CDFIs to obtain Federal Home Loan Bank membership, but responses to the 2017 SCDFISE suggest that further innovations remain necessary to make affordable, long-term capital a reality for the CDFI industry more broadly.[25]

Increased networking and partnerships among CDFIs — particularly those working in overlapping geographic areas — may help provide the scale necessary for CDFIs to operate more efficiently, pursue new technological developments, reach new markets and maximize their impact. Responses to the 2017 SCDFISE reinforce the need for CDFI networks to provide peer-to-peer training on topics that may be outside the lending expertise of CDFI staff. Such topics may include funding opportunities, marketing, federal and state advocacy for community finance and operational best practices. A few responses to the 2017 SCDFISE indicate that such networks are developing in the Southeast, and these early implementers may help lead the evolution of an increasingly networked CDFI industry in the Southeast.

Acknowledgements

Thank you to Sadaf Knight and Akem Durand of the Carolina Small Business Development Center for their helpful comments on the content of the 2017 Survey of CDFIs in the Southeast and for assistance with outreach in North Carolina; to Will Lambe, Chris Thayer, Mike Eggleston, Julie Gunter, Mary Helen Petrus, Bonnie Blankenship, Lisa Nelson and Hal Martin of the Federal Reserve Banks of Atlanta, Cleveland, Dallas and St. Louis for their valuable comments on the content of the survey and assistance with outreach efforts; to Jeanne Bonds, Peter Dolkart, Jen Giovannitti, Lisa Hearl, Emma Sissman and Surekha Carpenter for assistance with outreach efforts; and to Jack Cooper, Aaron Steelman, Shannon McKay and Sandy Tormoen for their careful review and insightful comments.

References

"20 Years of Opportunity Finance: An Analysis of Trends and Growth." Opportunity Finance Network. (2015).

"Community Development Financial Institutions in North Carolina: Creating Jobs and Community Economic Development." The Support Center (2012).

Fairchild, Gregory B. and Ruo Jia. "Risk and Efficiency among CDFIs: A Statistical Evaluation using Multiple Methods." CDFI Fund. (August 2014).

Gambrell, Donna. "CDFIs Seek Federal Home Loan Bank Membership." Partners Update, Federal Reserve Bank of Atlanta. (January/February 2016).

Neelakantan, Urvi, Lisa Hearl and Kimberly Zeuli. "CDFIs in the Southeast." Federal Reserve Bank of Richmond Community Scope 1 (1) (2010).

Northrup, Jack, Eric Hangen and Michael Swack. "CDFIs and Online Business Lending: A Review of Recent Progress, Challenges, and Opportunities." University of New Hampshire Carsey School of Public Policy. (November 2016).

"Our Program Areas." CDFI Fund.

"Sectors of the CDFI Industry." Opportunity Finance Network.

Swack, Michael, Eric Hangen and Jack Northrup. "CDFIs Stepping into the Breach: An Impact Evaluation Summary Report." CDFI Fund. (February 2015).

Swack, Michael, Jack Northrup and Eric Hangen. "CDFI Industry Analysis: Summary Report," Federal Reserve Bank of San Francisco Community Investments 24(2) (2012).

"The CDFI Fund: Empowering Underserved Communities." CDFI Fund.

"What are CDFIs?" CDFI Fund.

ENDNOTES

[1] "About CDFIs," CDFI Coalition.

[2] "Snap Stat: Sizing Up Certified CDFIs," CDFI Fund, 2016; "List of Certified Community Development Financial Institutions (CDFIs)," CDFI Fund, July 2017.

[3] Low-income census tracts have a Median Family Income (MFI) that is less than 50 percent of the area MFI. Moderate-income census tracts have an MFI that is 50 percent to 79.9 percent of the area MFI.

[4] For more information on the types of financial institutions in the CDFI industry, please see: "Community Development Financial Institutions in the Southeast: Surveying the Social Investment Landscape," Federal Reserve Bank of Richmond *Community Scope* 4(1), 2016.

[5] "CDFI Certification," CDFI Fund, U.S. Department of the Treasury.

[6] For more information about the program administered by the CDFI Fund, please see: "Programs," CDFI Fund.

[7] "Searchable Awards Database," CDFI Fund.

[8] CDFI certification numbers are current as of July 2017. "List of Certified CDFIs," CDFI Fund, U.S. Department of the Treasury.

[9] Urvi Neelakantan, Lisa Hearl and Kimberly Zeuli, "CDFIs in the Southeast," Federal Reserve Bank of Richmond *Community Scope* 1 (1), 2010.

[10] The CDFI Fund contact list used to create the survey contact list was current as of May 2017. The most recent list of certified CDFIs can be found at: https://www.cdfifund.gov/programs-training/certification/cdfi/Pages/default.aspx.

[11] In an effort to increase the survey response rate, a short version of the survey was developed and deployed in June 2017. This abbreviated survey gathered limited information on geographic service area, demand and service aspirations. Of the 126 survey reponses, 93 were responses to the long survey (73.8 percent) and 33 were responses to the short survey (26.2 percent).

[12] See, e.g., "CDFI Certification Becoming Easier," National Credit Union Administration, 2016.

[13] The 384 institutions certified as CDFIs as of July 2017 includes duplicative financial institutions and financial institution holding companies, and so may overestimate the number of active CDFIs in the Southeast.

[14] The National Bureau of Economic Research defines the Early 2000s Recession as the time period from March 2001 to December 2001 and the Great Recession as the time period from December 2007 through June 2009. "U.S. Business Cycle Expansions and Contractions," National Bureau of Economic Research.

[15] "Community Development Capital Initiative," U.S. Department of the Treasury, 2016. "Mission, Money & Markets: Community Development Finance in America – A Glass Half Full," The Kresge Foundation, 2017.

[16] Michael Swack, Jack Northrup and Eric Hangen, "CDFI Industry Analysis Summary Report," University of New Hampshire Carsey School of Public Policy, 2012.

[17] Swack et al., "CDFI Industry Analysis Summary Report," University of New Hampshire Carsey School, 2012, pg. 7–8.

[18] Gregory B. Fairchild and Ruo Jia, "Risk and Efficiency among CDFIs: A Statistical Evaluation using Multiple Methods," CDFI Fund, August 2014.

[19] The Community Reinvestment Act (CRA) encourages regulated financial institutions to help meet the credit needs of their community, including low- and moderate-income (LMI) families and individuals. Regulated financial institutions can earn CRA credit by investing in and/or partnering with CDFIs to serve LMI communities. For more information about the CRA, see: "Background & Purpose," Federal Financial Institutions Examination Council; "Interagency Questions & Answers," Federal Financial Institutions Examination Council; "What is the Community Reinvestment Act?" The Federal Reserve System, 2015.

[20] Emily Wavering "Community Development Financial Institutions in the Southeast: Surveying the Social Investment Landscape," Federal Reserve Bank of Richmond *Community Scope* 4(1), 2016.

[21] See e.g., Brett Theodos, Sameera Fazili and Ellen Seidman, "Scaling Impact for Community Development Financial Institutions," The Urban Institute, 2016; Jack Northrup, Eric Hangen and Michael Swack," CDFIs and Online Business Lending: A Review of Recent Progress, Challenges and Opportunities," University of New Hampshire Carsey School of Public Policy, 2016.

[22] "About Appalachian Community Capital," Appalachian Community Capital, 2017.

[23] Northrup, Jack, Eric Hangen and Michael Swack. "CDFIs and Online Business Lending: A Review of Recent Progress, Challenges, and Opportunities." University of New Hampshire Carsey School of Public Policy. (November 2016).

[24] Ibid.

[25] Donna Gambrell, "CDFIs Seek Federal Home Loan Bank Membership," Federal Reserve Bank of Atlanta *Partners Update*, 2016.

Appendix: CDFI Response Profiles by Geography

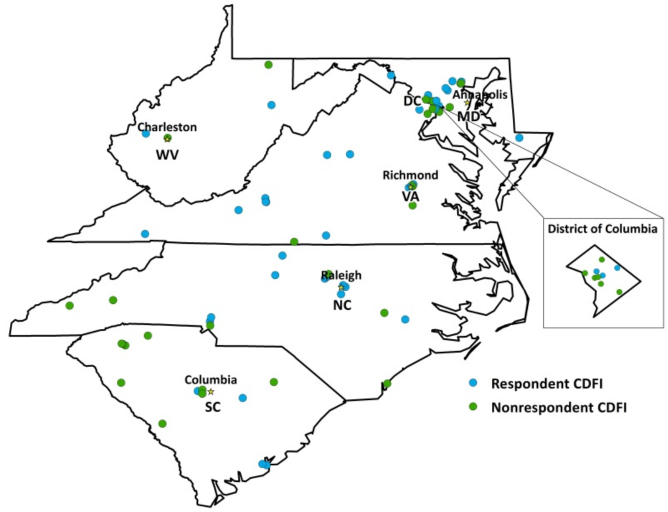
These profiles provide an overview of CDFI responses in the Fifth District and in each of the Southeastern states included in the survey. Results reported vary based on the sample size of the respective state. If the number of observations is less than 10 for the respective state and topic, results are reported in a generalized manner. Due to data limitations, not all CDFI headquarters are represented on state-level maps. All data in this appendix come from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

FIFTH DISTRICT

The Fifth Federal Reserve District comprises the District of Columbia, Maryland, North Carolina, South Carolina, Virginia and most of West Virginia, and is served by the Federal Reserve Bank of Richmond.

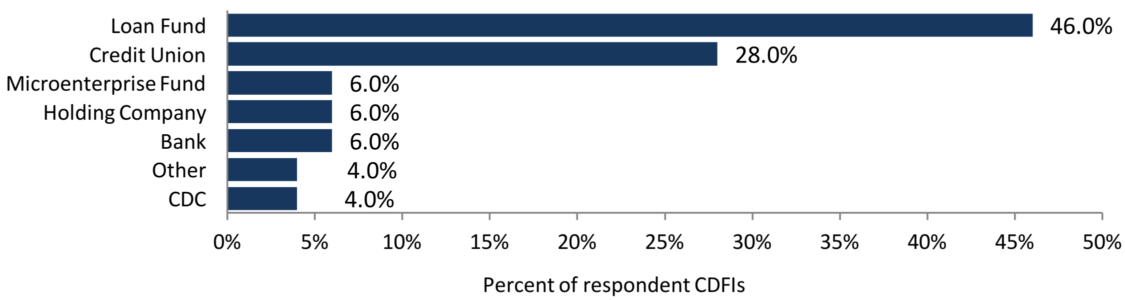
Number of respondent CDFIs: 51
Total number of surveyed CDFIs: 103
Response rate: 49.5%

CDFI Geographic Service Provision in the Fifth District	Number of Respondent CDFIs
National	6
State-level	21
County-level	18
Census tract-level	3

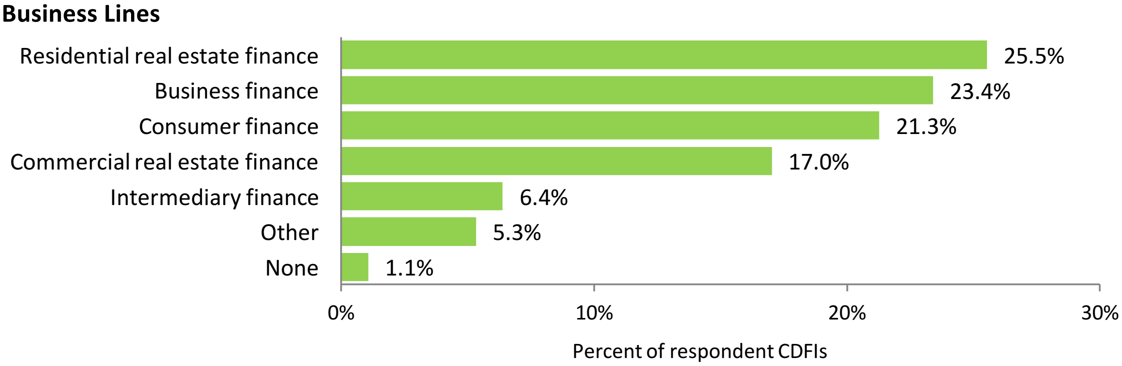


Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



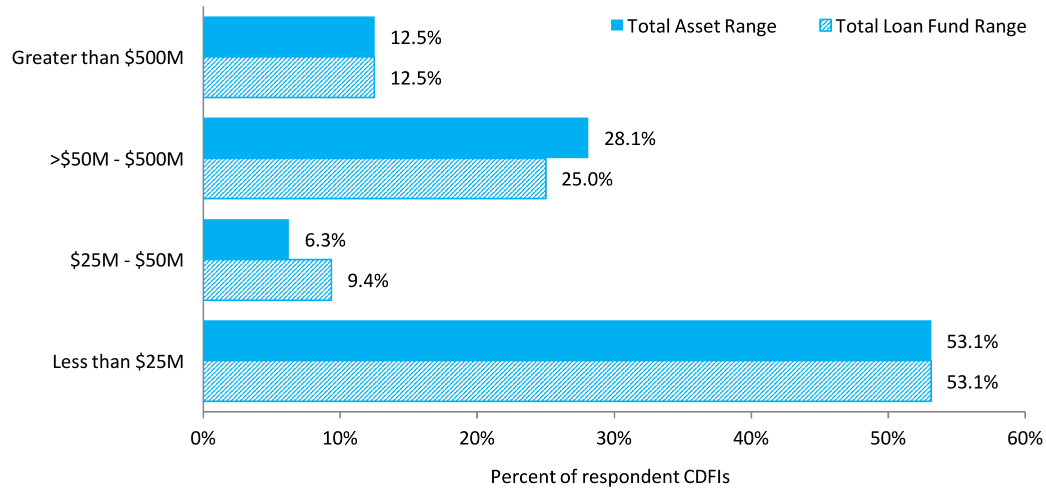
Business Lines



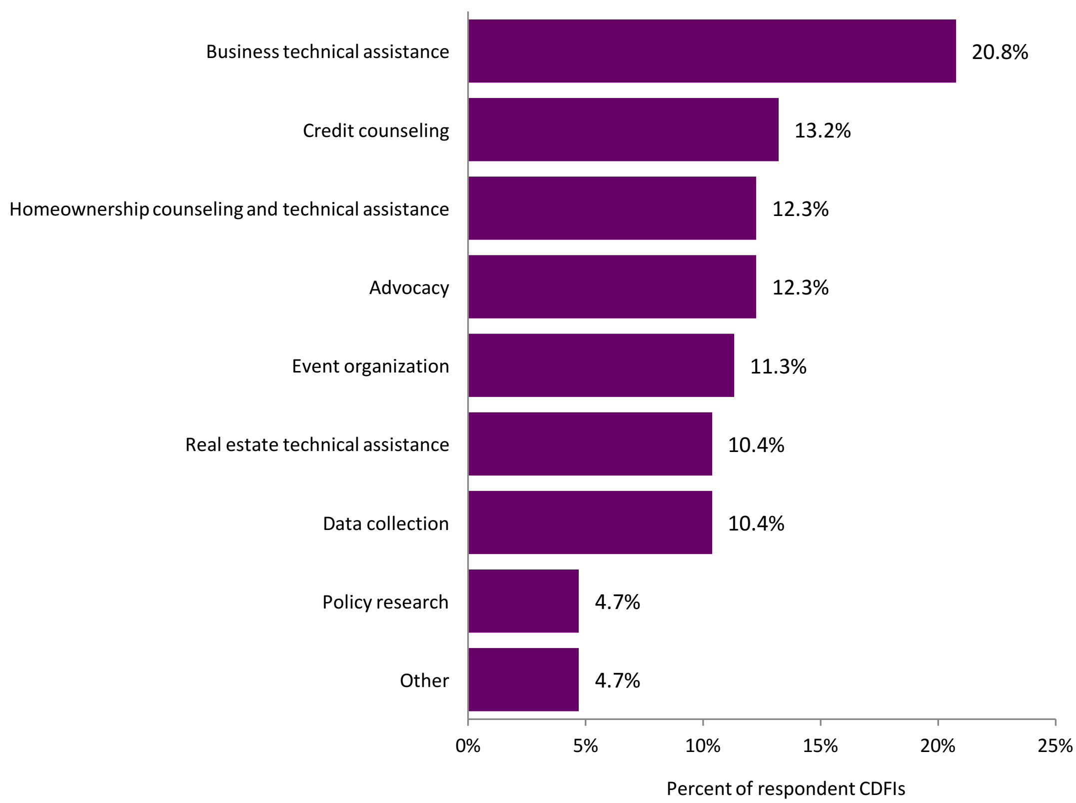
FIFTH DISTRICT

The Fifth Federal Reserve District comprises the District of Columbia, Maryland, North Carolina, South Carolina, Virginia and most of West Virginia, and is served by the Federal Reserve Bank of Richmond.

Dollar Ranges of Total Assets and Loan Funds

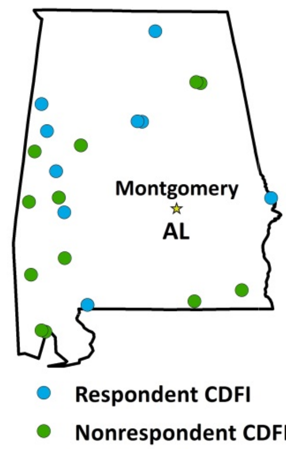


Development Services Provided



ALABAMA

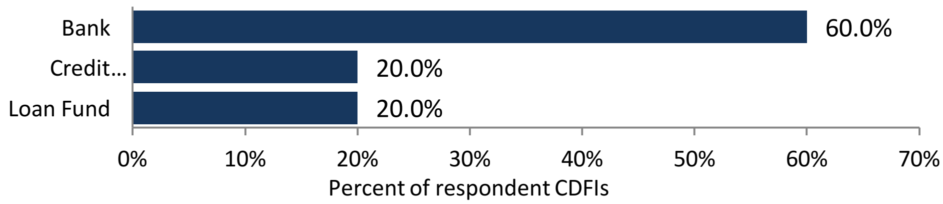
Number of respondent CDFIs: 10
Total number of surveyed CDFIs: 28
Response rate: 35.7%



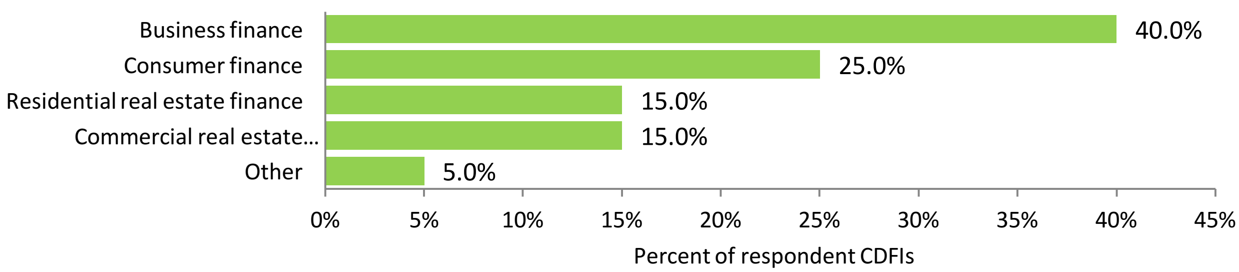
CDFI Geographic Service Provision in Alabama	Number of Respondent CDFIs
State-level	1
County-level	8
Census tract-level	1

Note: No national CDFIs headquartered in Alabama are represented in the survey sample.
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



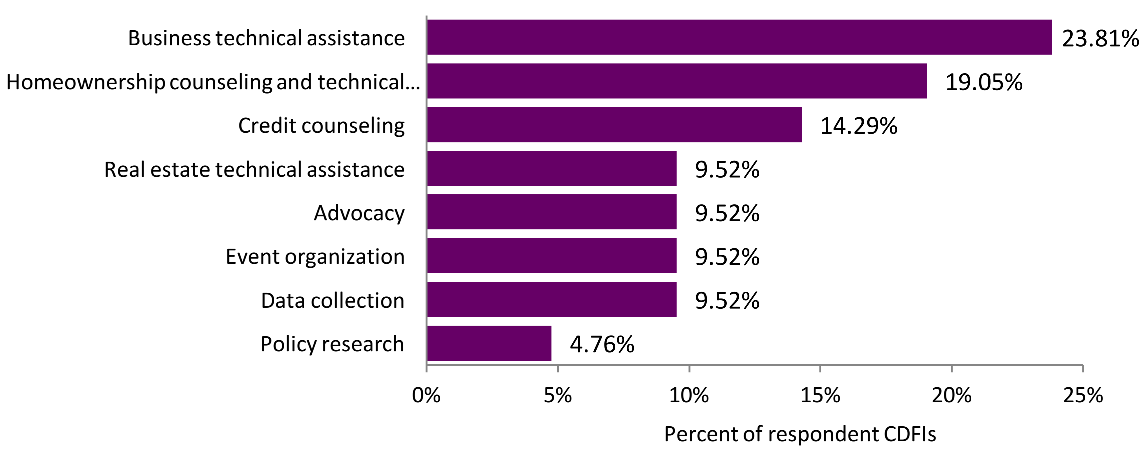
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=5)

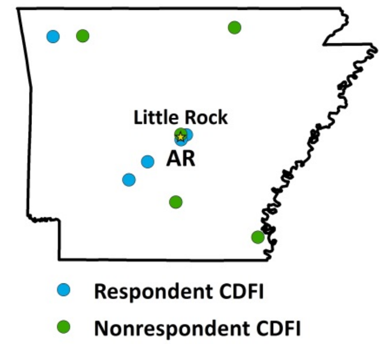
- 80 percent of respondent CDFIs had total assets greater than $50 million.
- All respondent CDFIs had total loan funds less than $500 million.

Development Services Provided



ARKANSAS

Number of respondent CDFIs: 5
Total number of surveyed CDFIs: 14
Response rate: 35.7%



CDFI Geographic Service Provision in Arkansas	Number of Respondent CDFIs
State-level	3
County-level	1
Census tract-level	1

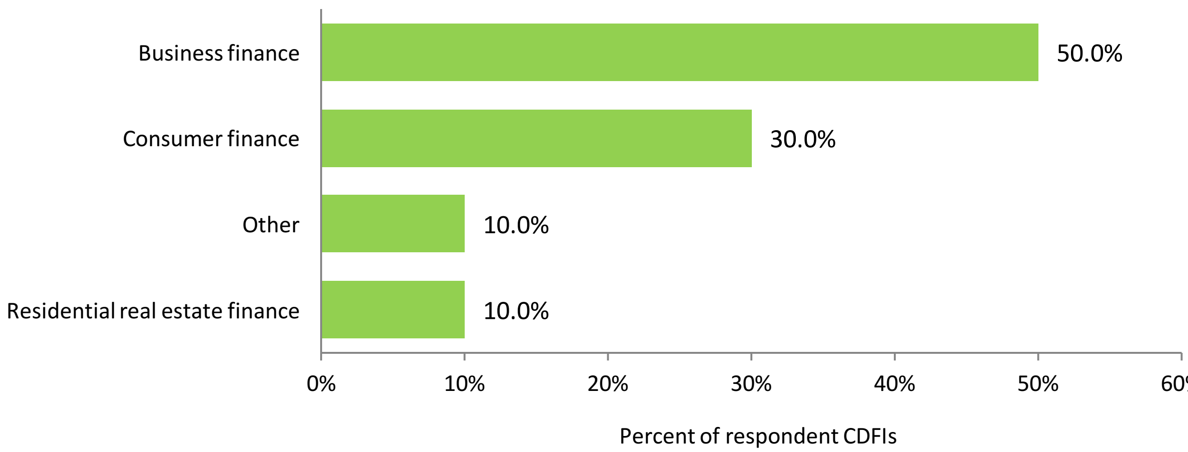
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Bank
- Credit Union

Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=5)

- 80 percent of respondent CDFIs had total assets less than $500 million.
- 80 percent of respondent CDFIs had total loan funds less than $50 million.

Development Services Provided

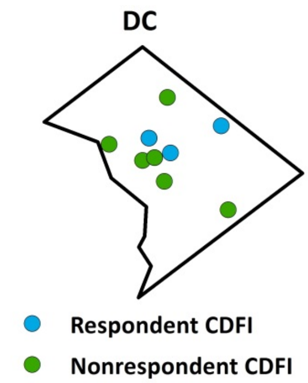
Each of the following functions had at least one response:

- Business technical assistance
- Credit counseling
- Homeownership counseling and technical assistance
- Real estate technical assistance
- Advocacy
- Data collection

DISTRICT OF COLUMBIA

Number of respondent CDFIs: 6
Total number of surveyed CDFIs: 16
Response rate: 37.5%

CDFI Geographic Service Provision in D.C.	Number of Respondent CDFIs
National	1
State-level	3
County-level	1
Census tract-level	1



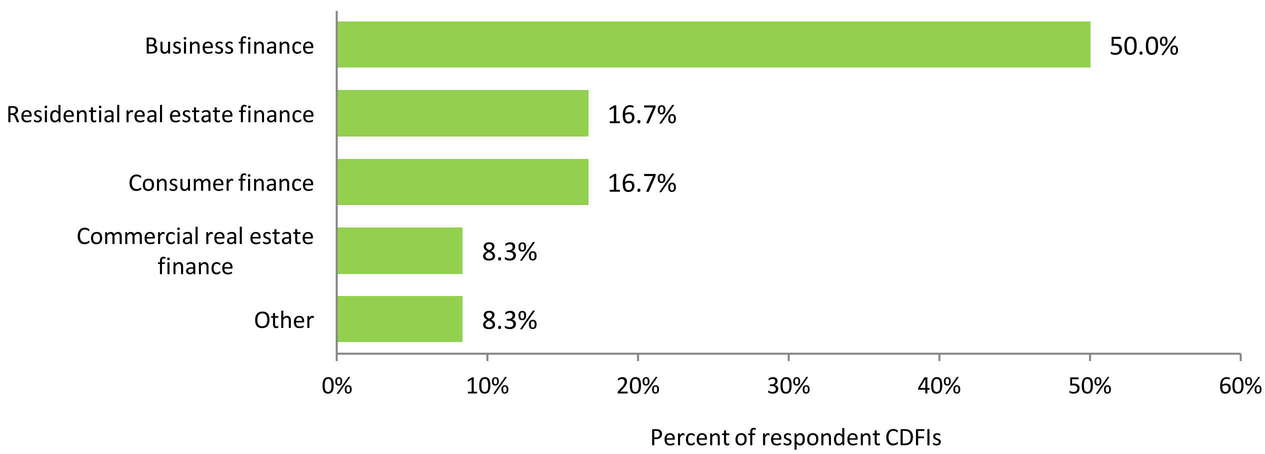
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Bank
- Credit Union
- Depository Institution Holding Company

Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=5)

- All respondent CDFIs had total assets less than $500 million.
- All respondent CDFIs had total loan funds less than $500 million.

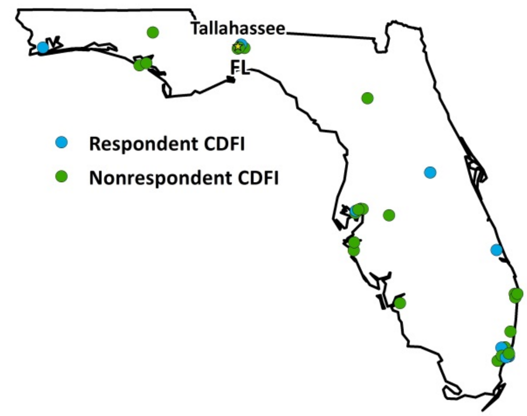
Development Services Provided

Each of the following functions had at least one response:

- Business technical assistance
- Event organization
- Homeownership counseling and technical assistance
- Policy research
- Credit counseling
- Data collection
- Real estate technical assistance
- Advocacy

FLORIDA

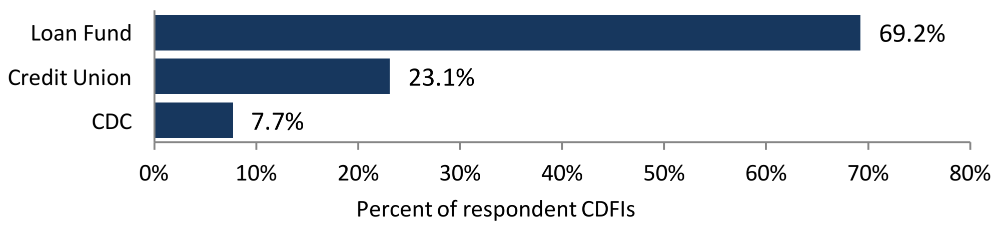
Number of respondent CDFIs: 13
Total number of surveyed CDFIs: 36
Response rate: 36.1%



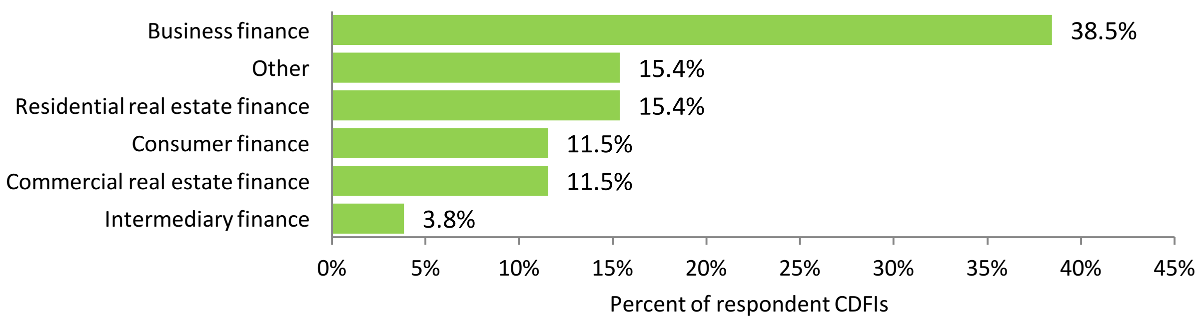
CDFI Geographic Service Provision in Florida	Number of Respondent CDFIs
State-level	5
County-level	7
Census tract-level	1

Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



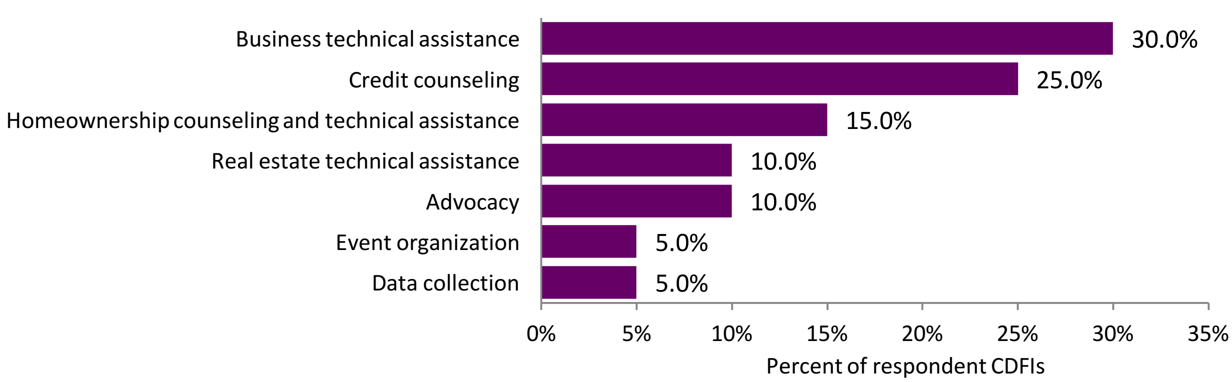
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=7 for total assets and 6 for total loan funds)

- 71.4 percent of respondent CDFIs had total assets less than $25 million.
- 71.4 percent of respondent CDFIs had total loan funds less than $25 million.

Development Services Provided

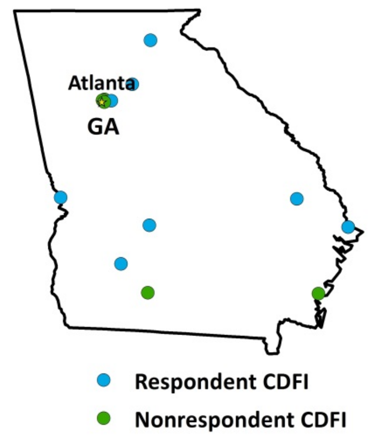


GEORGIA

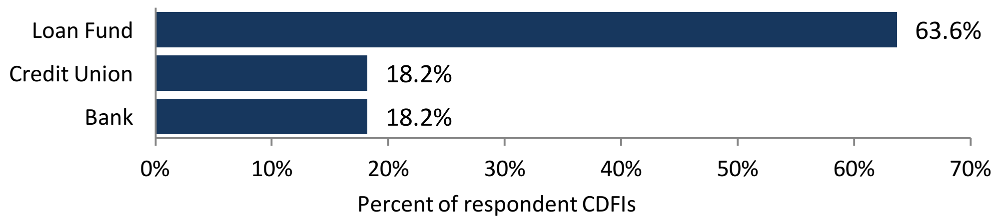
Number of respondent CDFIs: 11
Total number of surveyed CDFIs: 20
Response rate: 55.0%

CDFI Geographic Service Provision in Georgia	Number of Respondent CDFIs
National	1
State-level	5
County-level	5

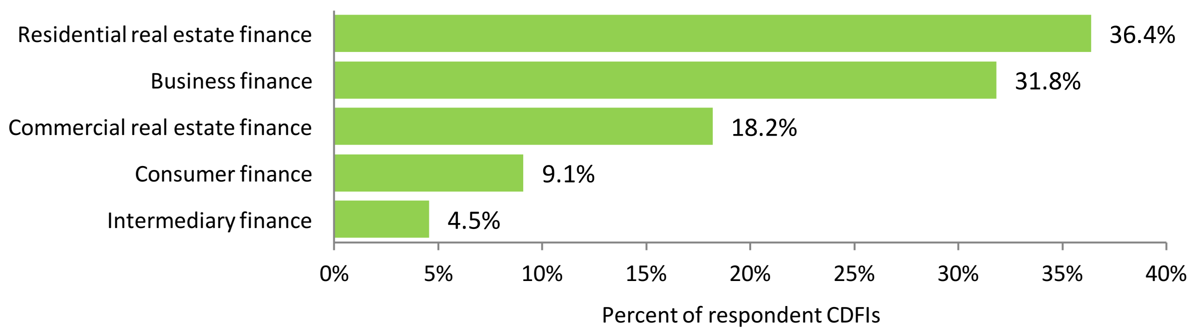
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.



Types of CDFIs



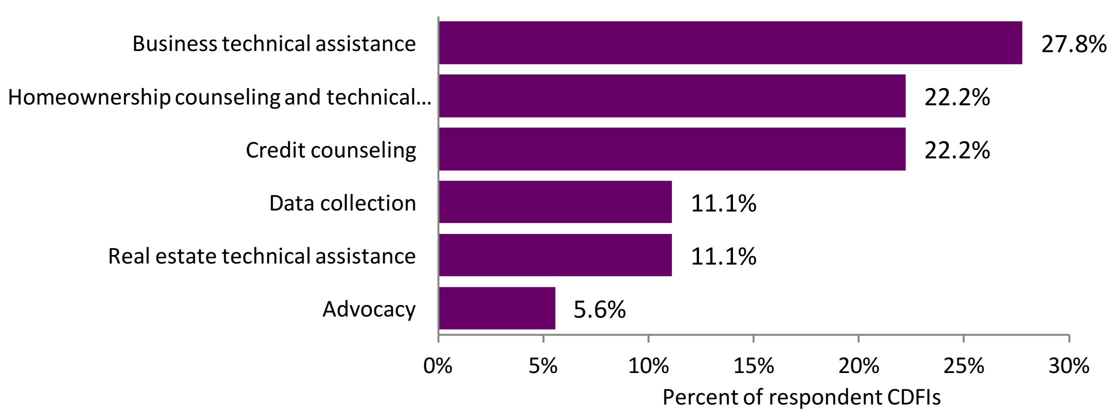
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=7 for total assets and 6 for total loan funds)

- All respondent CDFIs had total assets less than $500 million.
- All respondent CDFIs had total loan funds less than $500 million.

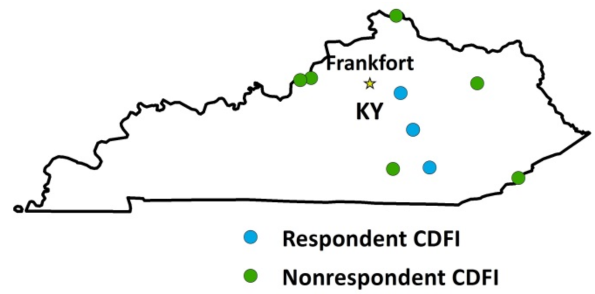
Development Services Provided



KENTUCKY

Number of respondent CDFIs: 4
Total number of surveyed CDFIs: 12
Response rate: 33.3%

CDFI Geographic Service Provision in Kentucky	Number of Respondent CDFIs
National	1
State-level	1
County-level	2



Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Venture Capital Fund

Business Lines

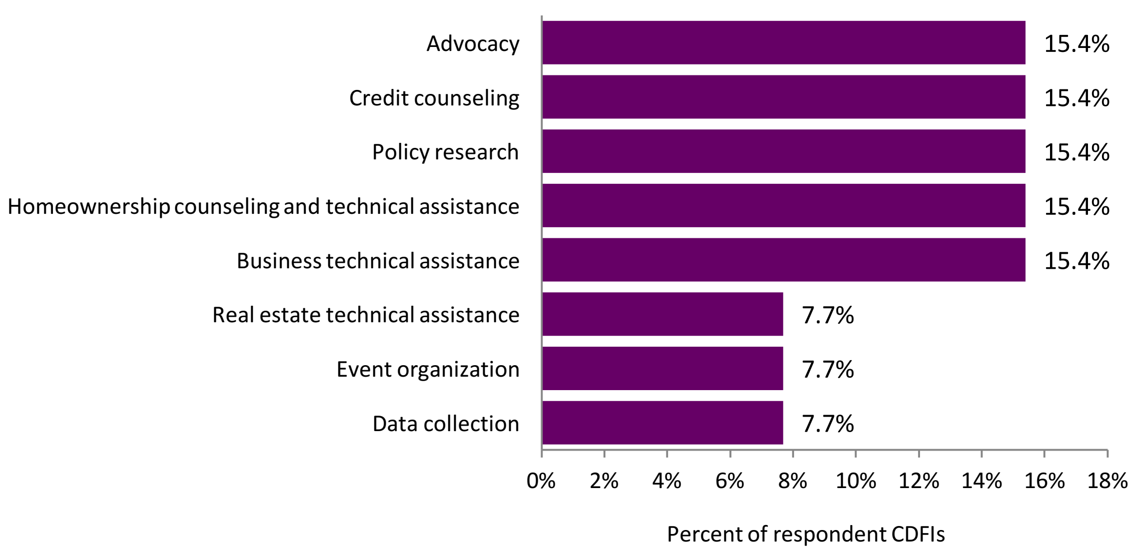
Each of the following types had at least one response:

- Business finance
- Intermediary finance
- Residential real estate finance

Dollar Ranges of Total Assets and Loan Funds (N=2)

- All respondent CDFIs had total assets less than $50 million.
- All respondent CDFIs had total loan funds less than $50 million.

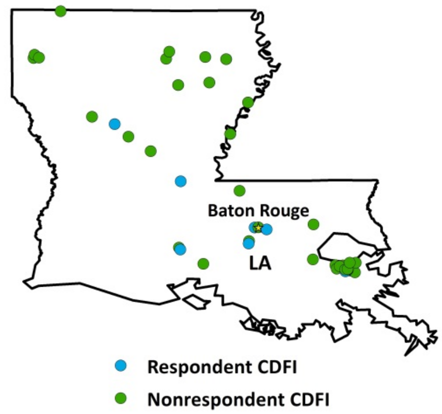
Development Services Provided



LOUISIANA

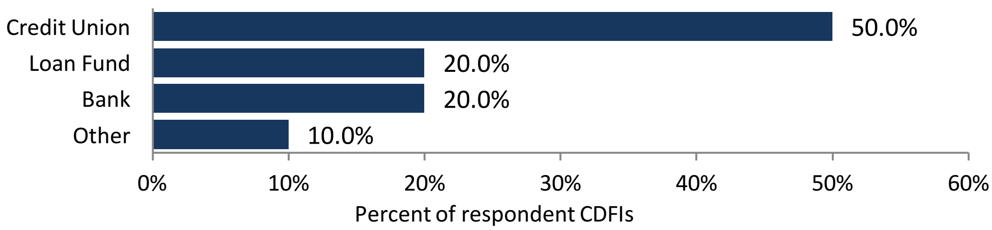
Number of respondent CDFIs: 10
Total number of surveyed CDFIs: 63
Response rate: 15.9%

CDFI Geographic Service Provision in Louisiana	Number of Respondent CDFIs
State-level	4
County-level	5
Census tract-level	1

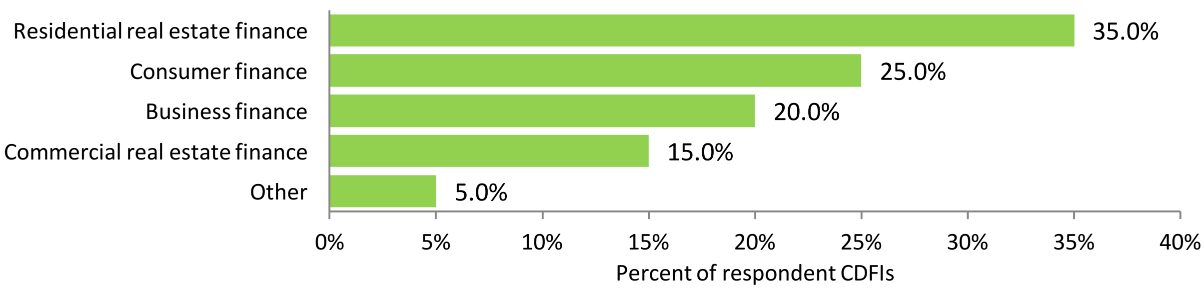


Note: No national CDFIs headquartered in Louisiana are represented in the survey sample.
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



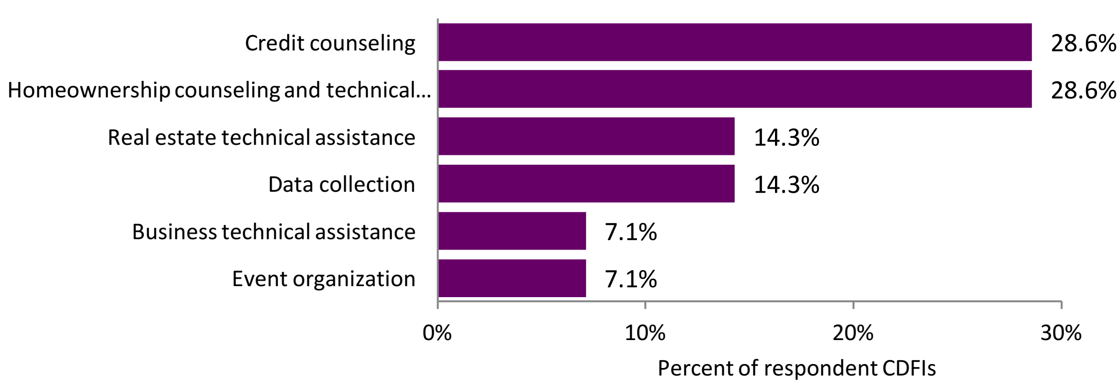
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=3)

- All respondent CDFIs had total assets less than $50 million.
- All respondent CDFIs had total loan funds less than $25 million.

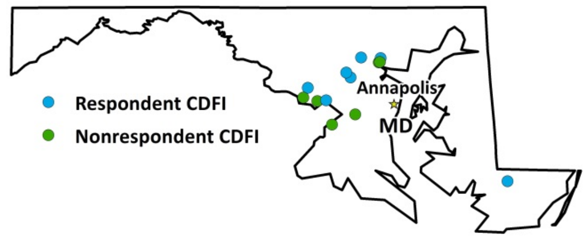
Development Services Provided



MARYLAND

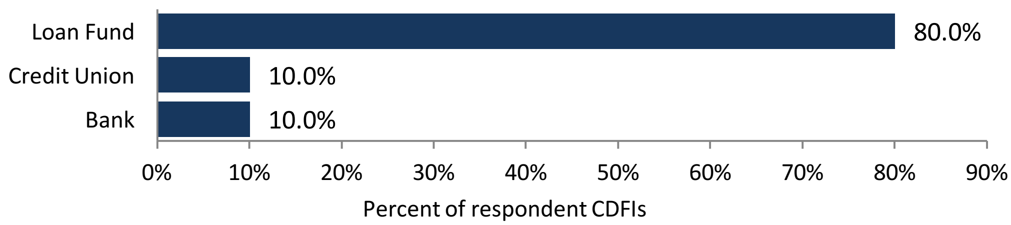
Number of respondent CDFIs: 10
Total number of surveyed CDFIs: 18
Response rate: 55.6%

CDFI Geographic Service Provision in Maryland	Number of Respondent CDFIs
National	4
State-level	1
County-level	4
Census tract-level	1

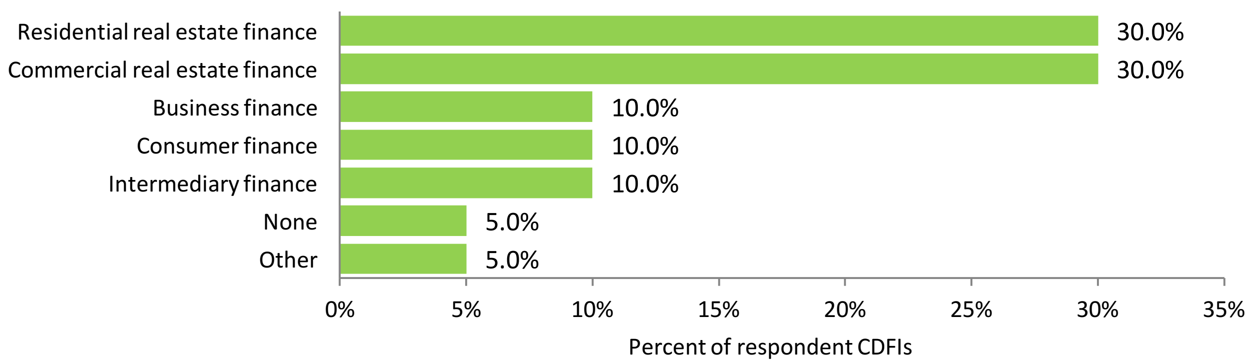


Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



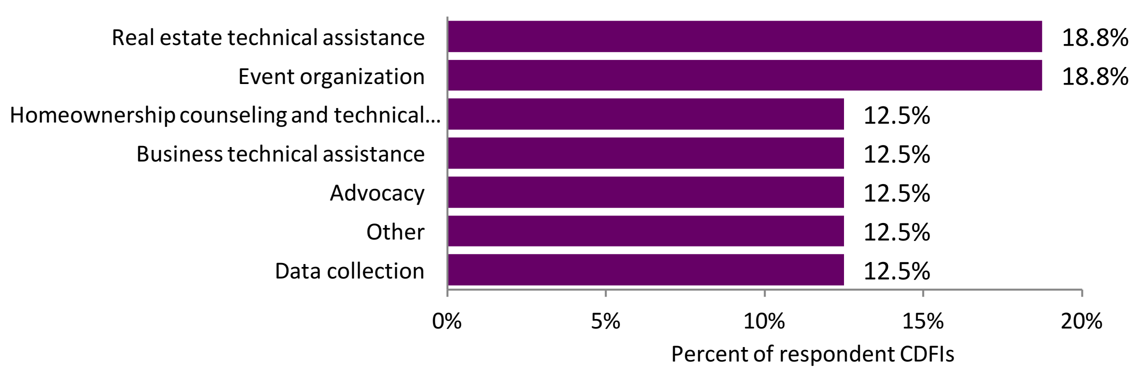
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=6)

- 66.7 percent of respondent CDFIs had total assets less than $25 million.
- All respondent CDFIs had total loan funds less than $500 million.

Development Services Provided

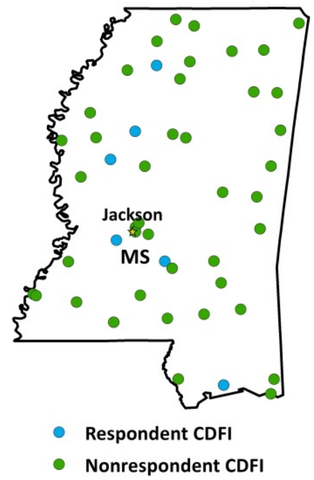


MISSISSIPPI

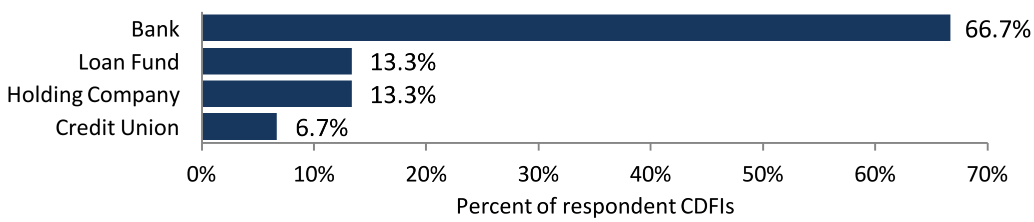
Number of respondent CDFIs: 15
Total number of surveyed CDFIs: 84
Response rate: 17.9%

CDFI Geographic Service Provision in Mississippi	Number of Respondent CDFIs
National	1
State-level	3
County-level	6
Census tract-level	4

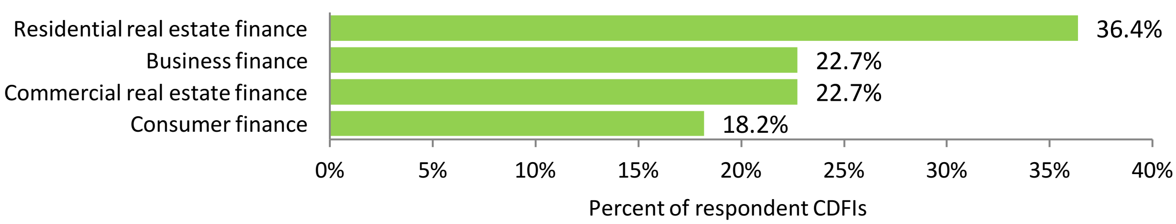
Note: One Mississippi respondent (6.7 percent) did not respond to this question.
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast



Types of CDFIs



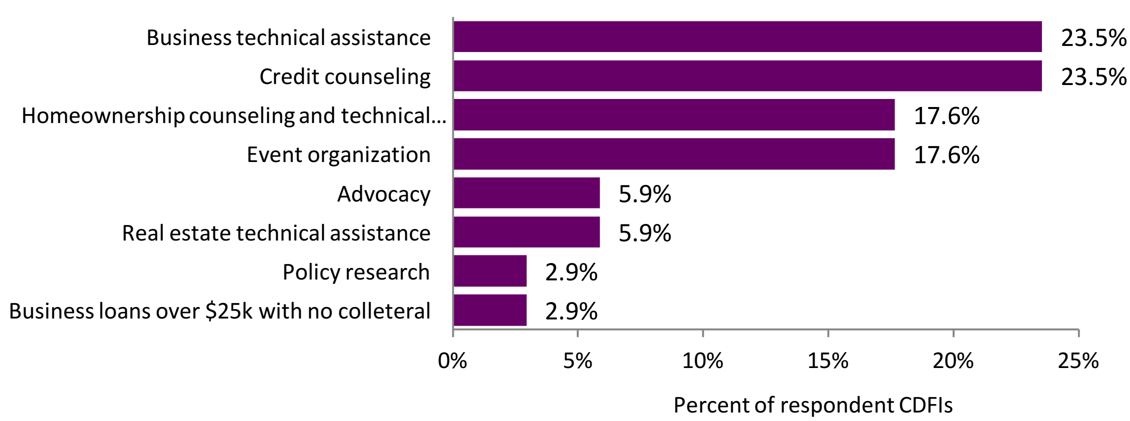
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=9 for total assets and 8 for total loan funds)

- 77.8 percent of respondent CDFIs had total assets greater than $50 million.
- 75.0 percent of respondent CDFIs had total loan funds greater than $50 million.

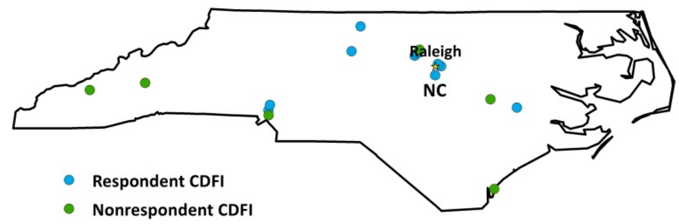
Development Services Provided



NORTH CAROLINA

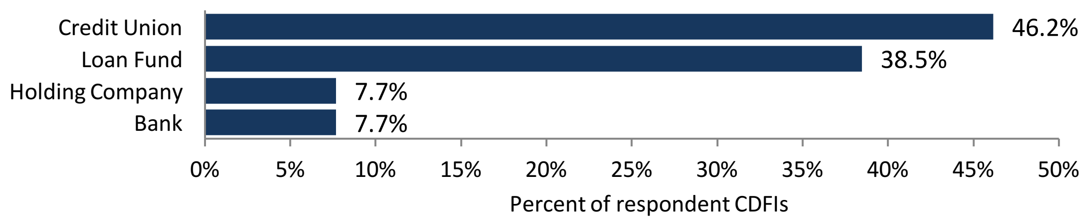
Number of respondent CDFIs: 13
Total number of surveyed CDFIs: 21
Response rate: 61.9%

CDFI Geographic Service Provision in North Carolina	Number of Respondent CDFIs
State-level	7
County-level	4

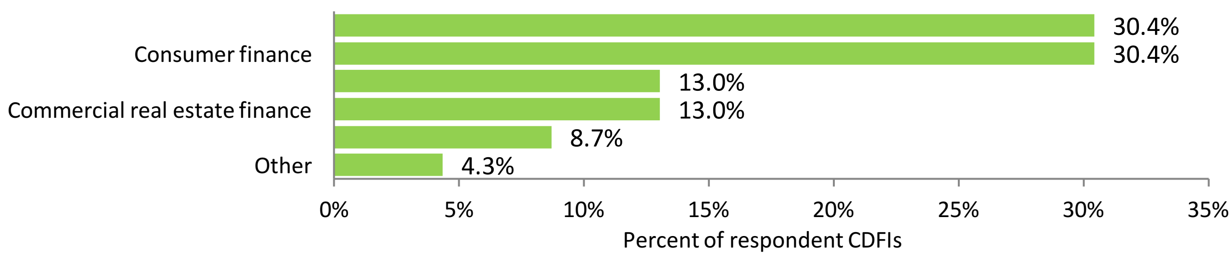


Note: Two North Carolina respondents (9.5 percent) did not respond to this question.
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



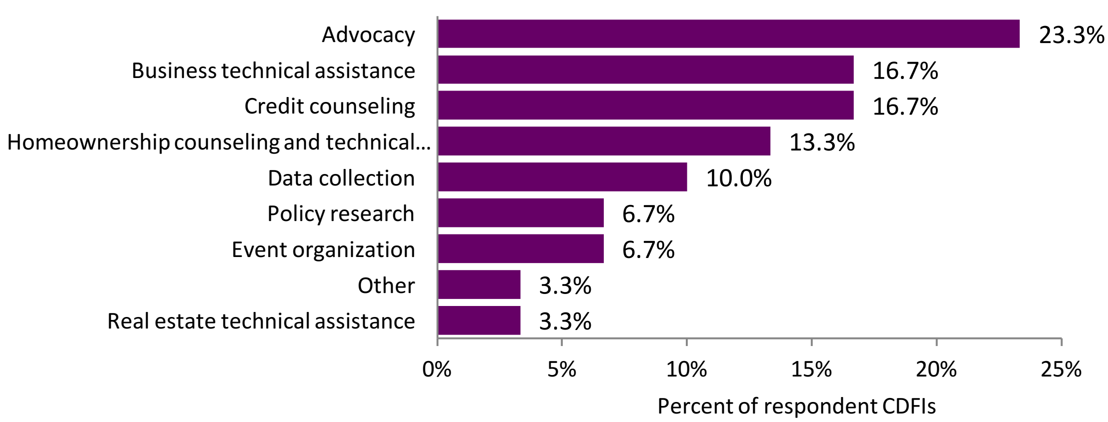
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=9)

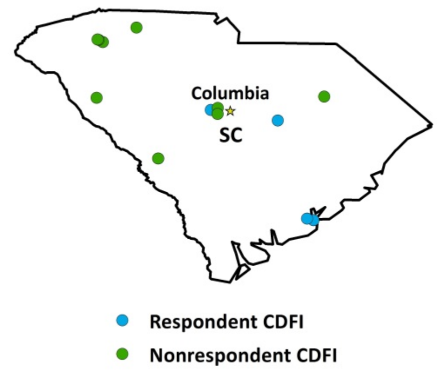
- 77.8 percent of respondent CDFIs had total assets less than $500 million.
- 77.8 percent of respondent CDFIs had total loan funds less than $500 million.

Development Services Provided



SOUTH CAROLINA

Number of respondent CDFIs: 6
Total number of surveyed CDFIs: 17
Response rate: 35.3%



CDFI Geographic Service Provision in South Carolina	Number of Respondent CDFIs
State-level	3
County-level	2
Census tract-level	1

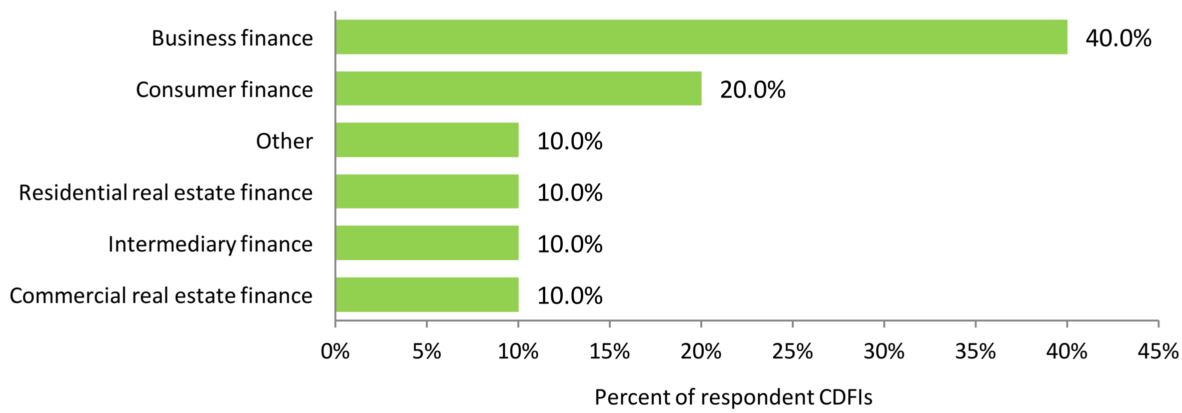
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Credit Union

Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=2)

- All respondent CDFIs had total assets less than $50 million.
- All respondent CDFIs had total loan funds less than $25 million.

Development Services Provided

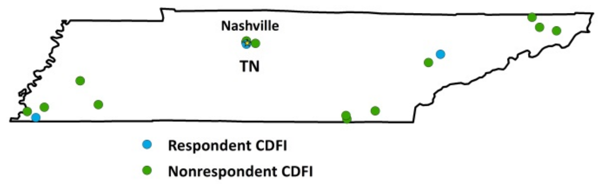
Each of the following functions had at least one response:

- Business technical assistance
- Credit counseling
- Data collection

TENNESSEE

Number of respondent CDFIs: 7
Total number of surveyed CDFIs: 22
Response rate: 31.8%

CDFI Geographic Service Provision in Tennessee	Number of Respondent CDFIs
State-level	2
County-level	3
Census tract-level	2



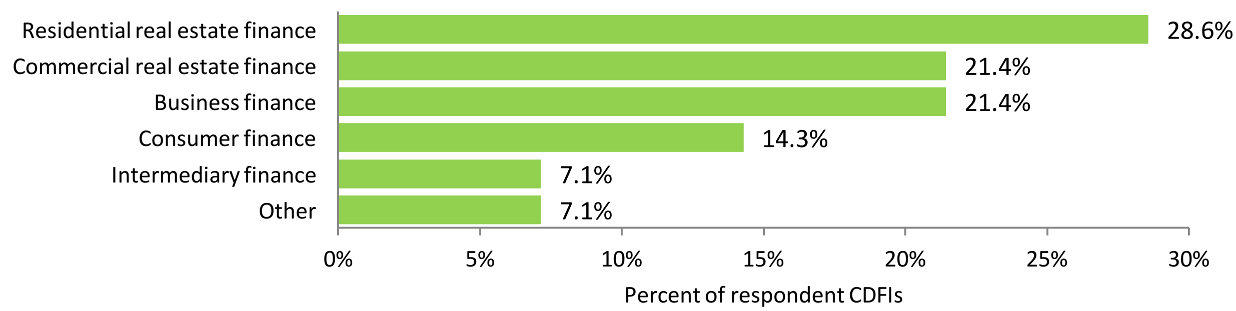
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Community Development Corporation
- Credit Union

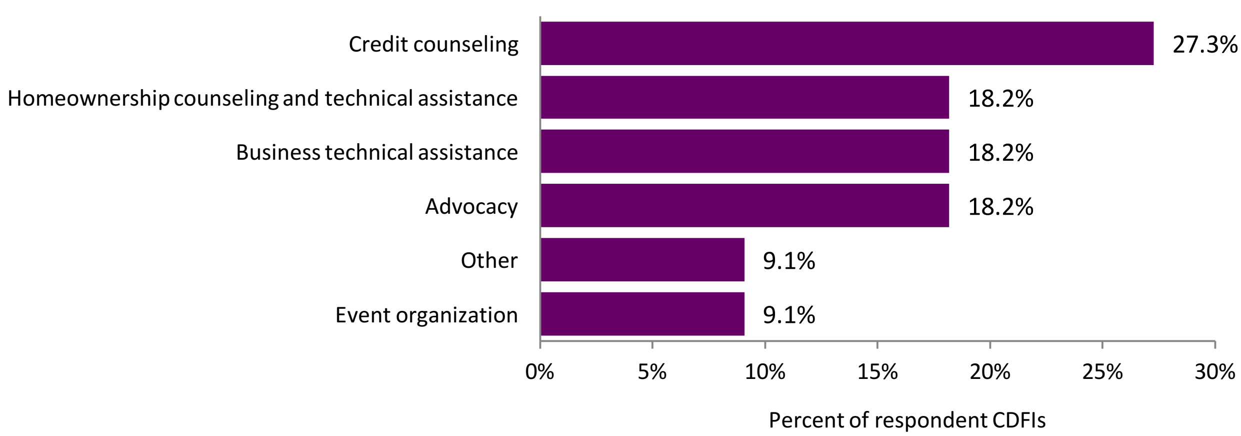
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=4)

- All respondent CDFIs had total assets less than $25 million.
- All respondent CDFIs had total loan funds less than $25 million.

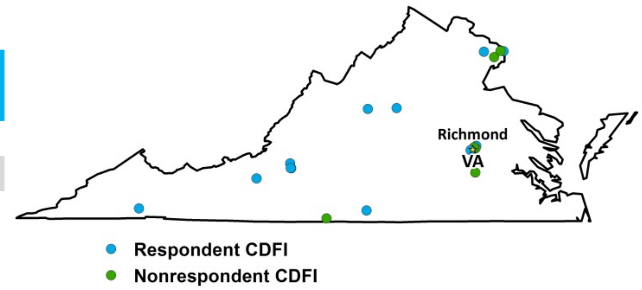
Development Services Provided



VIRGINIA

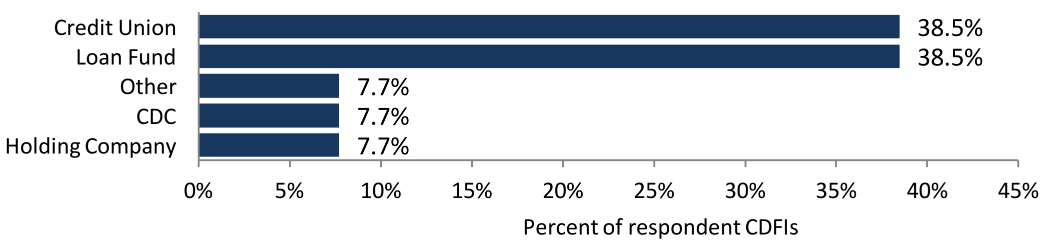
Number of respondent CDFIs: 13
Total number of surveyed CDFIs: 20
Response rate: 65.0%

CDFI Geographic Service Provision in Virginia	Number of Respondent CDFIs
National	1
State-level	6
County-level	6

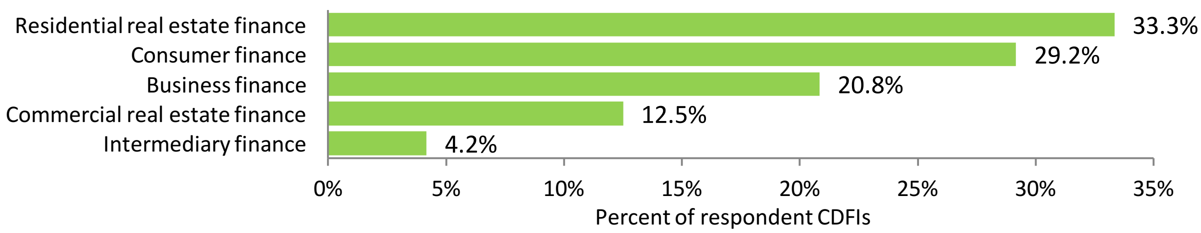


Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.

Types of CDFIs



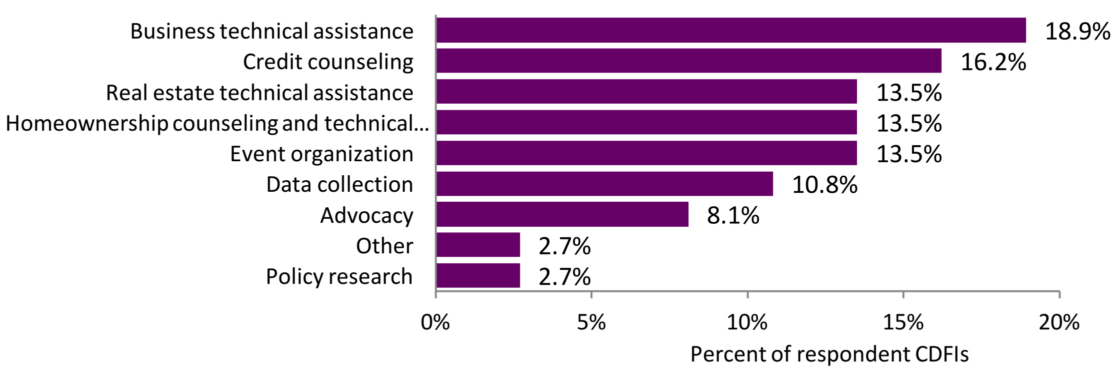
Business Lines



Dollar Ranges of Total Assets and Loan Funds (N=8)

- 50.0 percent of respondent CDFIs had total assets less than $25 million and 50.0 percent had total assets greater than $50 million.
- 50.0 percent of respondent CDFIs had total loan funds less than $25 million and 50.0 percent had total loan funds greater than $50 million.

Development Services Provided

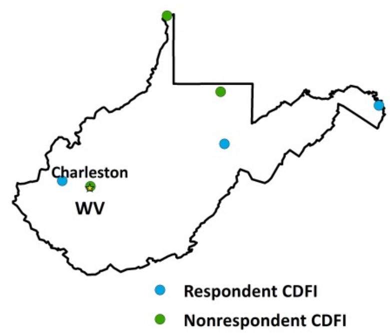


WEST VIRGINIA

Number of respondent CDFIs: 3
Total number of surveyed CDFIs: 6
Response rate: 50.0%

CDFI Geographic Service Provision in West Virginia	Number of Respondent CDFIs
State-level	1
County-level	1

Note: One West Virginia respondent (16.7 percent) did not respond to this question.
Source: Survey results from the Federal Reserve Bank of Richmond's 2017 Survey of CDFIs in the Southeast.



Types of CDFIs

Each of the following types had at least one response:

- Loan Fund
- Community Development Corporation

Business Lines

Each of the following business lines had at least one response:

- Business finance
- Commercial real estate finance

Dollar Ranges of Total Assets and Loan Funds (N=2)

- All respondent CDFIs had total assets less than $50 million.
- All respondent CDFIs had total loan funds less than $50 million.

Development Services Provided

Each of the following development services had at least one response:

- Business technical assistance
- Real estate technical assistance

FEDERAL RESERVE BANK OF RICHMOND®
Richmond ▪ Baltimore ▪ Charlotte

Post Office Box 27622 • Richmond, VA 23261
www.richmondfed.org

Presorted Standard
U.S. POSTAGE
PAID
Permit No. 2
Richmond, VA

CHANGE SERVICE REQUESTED

CDFI WEB RESOURCES

To view the 2017 Directory of CDFIs in the Southeast, as well as additional research on CDFIs, visit:
https://www.richmondfed.org/community_development/resource_centers/cdfi/.

COMMUNITY SCOPE

Community Scope **Volume 4, Issues 1 and 2 offer key findings from the 2015 Survey of CDFIs in the Southeast and an analysis of the geographic scope of CDFI service provision in the Southeast, respectively. To view these and other past issues, visit:**
https://www.richmondfed.org/publications/community_development/community_scope.

SMALL BUSINESS CREDIT SURVEY

The 2016 Small Business Credit Survey (SBCS) from the Federal Reserve System, in partnership with local business and civic groups, gathered information from small businesses on general business conditions and firm financial and credit experiences. To view the ***2016 SBCS Report on Employer Firms and the 2016 SBCS Report on Startup Firms,*** **visit**: https://www.newyorkfed.org/smallbusiness.

COMMUNITY HIGHLIGHTS

The Richmond Fed's Community Highlights webpage features community development convenings throughout the Fifth District. By convening and engaging policymakers, community development practitioners and researchers, the Richmond Fed helps further dialogue about workforce development, affordable housing, small business and the Community Reinvestment Act (CRA) to support economic stability. To read Community Highlights, visit
https://www.richmondfed.org/community_development/community_highlights.

30% post consumer waste