

OFN OPPOSES ADMINISTRATION'S FY 2018 BUDGET PROPOSAL TO ELIMINATE FUNDING FOR CDFI FUND PROGRAMS

Highlights CDFI multiplier effect of responsible finance for hardworking Americans

Philadelphia, PA (May 23, 2017)—Opportunity Finance Network (OFN) today released the following statement in response to the administration's full budget proposal for fiscal year (FY) 2018, which eliminates funding for the U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) grants.

OFN President and CEO Lisa Mensah said, "We are very disappointed with the administration's recommendation to eliminate funding for CDFI Fund programs. Community development financial institutions (CDFIs) have received bipartisan support for years and have a proven track record of leveraging private and federal funds. CDFIs produce a multiplier effect, attracting an additional twelve dollars from private sources for every one dollar of federal funds. From FY 2005-FY 2015, the CDFI Fund awarded \$1.4 billion in Financial Assistance awards and the CDFIs who were the recipients of these Financial Assistance awards closed \$30.4 billion in loans. That helps all economies move forward, as CDFIs work on projects that get these dollars into the hands of hardworking Americans in low-income rural, urban, and Native communities."

OFN member and President and CEO of Natural Capital Investment Fund Marten Jenkins said, "In places like West Virginia, where capital for small business is tough to come by, CDFIs make all the difference. The CDFI Fund is the best kind of public-private partnership because it helps CDFIs build capacity on their balance sheets to provide the finance and the know-how to help the entrepreneur be the entrepreneur."

OFN member and President and CEO of Access to Capital for Entrepreneurs Grace Fricks said, "Our CDFI finance enables entrepreneurs to start a business, or take their business to the next stage, and creates jobs in Georgia. The CDFI Fund does a lot of good as we leverage it with bank capital and other capital and lend in ways that change the landscape for the better in the diverse communities we serve."

The CDFI Fund has received bipartisan support and Congress appropriated \$248 million in funding for FY 2017. Under President Trump's budget proposal funding would be eliminated.

OFN member CDFIs are performance-oriented, responsible investors that partner across public and private sectors to finance opportunities in low-income, low-wealth, and under-resourced communities. For more than 30 years, CDFIs have successfully leveraged public resources to contribute to economic growth in markets that mainstream financing does not reach.



About Opportunity Finance Network

Opportunity Finance Network (OFN), the national network of community development financial institutions (CDFIs), strives to ensure low-income and other under-resourced communities have access to affordable, responsible financial products and services. Members of OFN are CDFIs that deliver responsible lending to help low-income communities join the economic mainstream. Through 2015, OFN's network originated \$48billion in financing in rural, urban, and Native communities. This financing has helped to create or maintain more than 1,044,000 jobs, start or expand nearly 191,000 businesses and microenterprises, and support the development or rehabilitation of nearly 1.5 million housing units and 9,800 community facility projects. For more information, visit www.ofn.org.

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