Cooperative Credit Union Association, Inc.
Community Development Financial Institutions Overview

- Community Development Financial Institutions ("CDFIs"), such as community development credit unions, are charged with supplying low-income, distressed communities with traditional banking services such as savings accounts and personal loans and offering individuals the tools needed to become self-sufficient stakeholders in their own future.

- The CDFI Fund uses small amounts of federal dollars to leverage significant amounts of private and non-federal funding.

- Operated through the NCUA, the Community Development Revolving Loan Fund ("CDRLF") is a loan program as well as a provider of technical assistance grants, which are used to assist credit unions serving low-income communities by:

  ✓ providing financial services to their communities;
  ✓ stimulating economic activities in their communities, resulting in increased income and employment; and
  ✓ operating more efficiently.

- To participate in the CDRLF Program, a federally or state-chartered credit union must be currently designated as a "low-income" credit union.

- A low-income designated credit union is one in which more than half of its members meet the NCUA definition for a "low-income member." Low-income members are those who earn 80 percent or less than the median family income for the metropolitan area where they live, or the national metropolitan area, whichever is greater. For the most part these are very small credit unions that personify the idea of a community based financial institutions.

- The goal is to ensure that Congress continues to fully fund both the CDFI and CDRLF. Credit unions across the country use funds available from these important programs to spur economic activity in their local communities.