

# CDFI BOND GUARANTEE PROGRAM 2013-2015

## FLORIDA CONGRESSIONAL LEGISLATIVE BRIEFING

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**CONTACT:** Joy Beaton, Director of Government Relations  
Florida Community Loan Fund (FCLF)  
Phone 941.587.0586, Email JBeaton@FCLF.org

### CDFI BOND GUARANTEE PROGRAM (BGP): OVERVIEW

Since inception, the CDFI Bond Guarantee Program (BGP) has lent \$852 Million in “zero-cost” bonds. Authorized by the US Department of Treasury and administered by the CDFI Fund, BGP is designed to demonstrate the capacity of Community Development Financial Institutions (CDFIs) to issue and deploy 30-year Bond Loans to support community development lending in persistently poor underserved areas. As a multi-year national demonstration, the goal is to enable the CDFI industry to access long term capital, comply with rigorous federal bond guarantee standards, and create a body of “performance measure” proof in order to ultimately tap the conventional Wall Street bond market. To date, the BGP has led to two CDFIs securing AA Standard & Poors Ratings.<sup>1</sup>

| Year         | Bond Authority Level | \$ Amount Issued     | # of Qualified Bond Issuers | #CDFI Participants |
|--------------|----------------------|----------------------|-----------------------------|--------------------|
| 2013         | \$500 million        | \$325 million        | 3                           | 4                  |
| 2014         | \$750 million        | \$200 million        | 1                           | 4                  |
| 2015         | \$750 million        | \$327 million        | 3                           | 9 <sup>2</sup>     |
| <b>Total</b> | <b>\$2 Billion</b>   | <b>\$852 Million</b> |                             | <b>17</b>          |

### LEGISLATIVE STATUS FY16 FSSG Approps (H.R. 2995)

In anticipation of accessing the Bond Guarantee Program for Florida for the first time, the Florida Community Loan Fund (FCLF) is seeking support from the FL House Delegation Leadership for an H.R. 2995 re-authorization of a BGP 2016 bond authority level **of \$750 Million**<sup>3</sup> to match the Senate bond authority level recommended in S.B. 1910.

As Florida’s leading and only statewide CDFI, FCLF has historically secured significant CDFI resources for FL including: Financial Assistance awards to grow

FCLF; New Markets Tax Credits to scale the size of its lending; and most recently the CDFI/ Healthy Food Financing Initiative (HFFI) Program with support from the FL Department of Agriculture and Department of Economic Development. Florida, however, remains “underserved” by CDFI Fund resources in comparison to its national population share. CDFIs in FL, including FCLF, all lack access to essential long-term 30-year capital that the BGP can provide.

<sup>1</sup> The Reinvestment Fund and Clearinghouse CDFI.

<sup>2</sup> In 2015 one of the Qualified Bond Issuers included 3 CDFIs in Kentucky, 1 in New Jersey, 1 in Chicago and 1 in Los Angeles, and the first Native American CDFI to participate.

<sup>3</sup> Senate Appropriations S.B. 1910 has reported out a 2016 BGP Bond Authority Level of \$750 Million.

## STATES WITH BGP ACTIVITY



## QUALIFIED BGP ISSUERS

BANK OF AMERICA



COMMUNITY REINVESTMENT FUND



OPPORTUNITY FINANCE NETWORK



STONEHENGE CAPITAL



WISCONSIN HOUSING & ECONOMIC DEVELOPMENT AUTHORITY



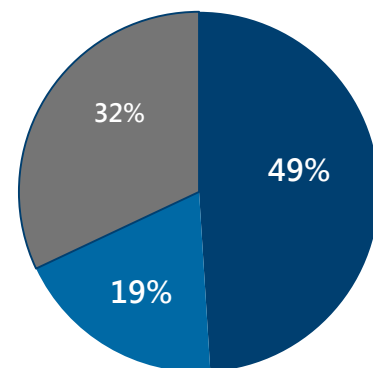
## BGP PARTICIPATING CDFI ENTITIES

**Bridgeway Capital**, Pittsburgh, PA  
**Capital Impact Partners**, Arlington, VA  
**Chicago Community Loan Fund**, Chicago, IL  
**Citizens Potawatomi Community Development Corporation**, Shawnee, OK  
**Clearinghouse CDFI**, Lake Forest, CA  
**Community Development Trust, LP**, New York, NY  
**Community Ventures**, Lexington, KY  
**Enterprise Community Loan Fund, Inc.**, Columbus, MD

**Federation of Appalachian Housing Enterprises**, Berea, KY  
**IFF**, Chicago, IL  
**Kentucky Highlands Investment Corporation**, London, KY  
**Local Initiatives Support**, New York, NY  
**Low Income Investment Fund**, San Francisco, CA  
**New Jersey Community Capital**, New Brunswick, NJ  
**Raza Development Fund**, Phoenix, AZ  
**The Reinvestment Fund**, Philadelphia, PA

## CDFI BOND DISBURSEMENTS AS OF DECEMBER 2015

Bond proceeds are used by CDFIs to deliver financing at the local community level. CDFIs are required to commit 100% of their Bond Loans within 2 years (50% required in year 1), and fully disburse 100% of all funds within 5 years. All CDFIs participating in BGP have met the commitment requirements. To date, a cumulative total of \$168 Million has been disbursed by participating CDFIs. Of this amount, 49% has been lent in California, 19% in the State of New York, and the balance in other parts of the country.



*Of the \$168 Million, 49% was disbursed in California, and 19% was in NY State.*

For additional information, members of the Florida Delegation may contact Jennifer Debes, Legislative Director for Chairman Ander Crenshaw, House Subcommittee on Financial Services, or Chris Sweet, Senior Legislative Assistant to Congressman Diaz-Balart.

Jennifer.Debes@mail.house.gov

Ph 202.225.2501

Chris.Sweet@mail.house.gov

Ph 202.225.4211