

[Home](#) » [Speeches and Testimony](#) » Keynote Address by CDFI Fund Director Jodie Harris at the 2019 Opportunity Finance Network Conference

KEYNOTE ADDRESS BY CDFI FUND DIRECTOR JODIE HARRIS AT THE 2019 OPPORTUNITY FINANCE NETWORK CONFERENCE

Tuesday, October 22, 2019

Thank you for that kind introduction, Donna. Thank you to Lisa Mensah and the OFN Board of Directors for the invitation to join you this afternoon. It is great to have OFN here in DC. It is also a true honor and privilege to be addressing all of you, the OFN membership, for the first time in my role as Director. Thank you all for having me.

I'd like to also thank OFN for inviting the CDFI Fund to have a role in the conference programming. Yesterday, CDFI Fund staff held office hours and answered questions from many of you about compliance, certification, and our various programs. Hopefully, you had a chance to visit with us. If not, many CDFI Fund staff are in attendance [please stand up]. Please do not hesitate to introduce yourself. In addition, we will be participating in a couple more sessions tomorrow.

Yesterday was also a reminder of how fantastic it is that the CDFI Fund is in its 25th year. Last month we held the CDAB on the actual date the law was signed. We had two our fantastic panels that reflected on the past 25 years and discussed what the next 25 years would look like. President Clinton's acknowledgement of the anniversary was a great surprise. One thing I took away from President Clinton's remarks was the deep level of work, commitment and dedication that went into starting the CDFI Fund and that went into sustaining it for the last quarter of a century. I would be remiss if I didn't thank those who led the organization before me and are here today - Annie, Donna, Maurice and Ellen- as well as the CDFI Fund staff who have worked tirelessly to make the Fund what it is today.

When I assumed the role of Director I had the benefit of a short learning curve when it came to operations and we got to work on revising our program calendar after the government shutdown. Where I realized I had the steepest learning curve was on learning what was going on in the industry. Trips into the field to meet and talk with CDFIs, CDEs, and investors in a dozen states this year have provided a valuable understanding of, and insight into, how the industry is addressing some of the key issues in our communities.

I learned about how CDFIs are addressing community disinvestment, poverty, affordable housing, unemployment, and access to capital at the community level; and, most importantly, how they are endeavoring to have impact in their communities. Thank you for inviting me out to learn from you.

Over these past months, I have also focused on ensuring the CDFI Fund continues to work towards the five goals outlined in our five-year strategic plan.

- First, we strive to increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFI Fund awardees.
- Second, we want to build the capacity of the CDFI Fund and its network to better capture, produce, and utilize data to improve decision-making, performance, and accountability.
- Third, we hope to ease the customer experience and create on-ramps for new and emerging CDFIs and CDEs to access CDFI Fund programs.
- Fourth, we want to promote awareness of CDFIs in order to expand their access to new resources.
- And lastly, we want to create organizational excellence by increasing workforce engagement, enhancing team performance, and improving operational efficiency.

Fostering and facilitating the CDFI Fund's commitment to these goals and objectives is the beacon by which the CDFI Fund continues to chart its course.

The most tangible and immediate means by which the CDFI Fund sustains and grows the impact of its mission-based lending network is through its assistance programs. Over the course of 2019, CDFI Fund assistance awards continued to nurture the growth, reach, and impact of CDFIs, CDEs, and community development organizations serving distressed and underserved communities across the country. This year, the CDFI Fund:

- Awarded more than \$50 million in fiscal year 2018 and 2019 BEA Program awards to FDIC-insured institutions for increasing investments in CDFIs or in their own lending, investing, and service activities in the most economically distressed communities.
- We guaranteed a \$100 million bond guarantee issuance through the CDFI Bond Guarantee Program. The CDFI Fund has now issued more than \$1.6 billion in bond guarantees through the program, and participating CDFIs have deployed in excess of \$1 billion in bond loans.
- We distributed nearly \$143 million in FY 2018 Capital Magnet Fund awards. The 38 awardees are expected leverage these funds with an additional \$5.5 billion in public and private sector awards to develop more than 25,000 units of affordable housing. We expect to announce roughly \$130 million in FY 2019 awards in early 2020.
- We provided more than \$9 million in Technical Assistance awards through the FY 2019 round of the CDFI Program and NACA Program. Within the next two months, the CDFI Fund will announce the FY 2019 Financial Assistance award recipients for these programs.
- And we also allocated \$3.5 billion in New Markets Tax Credits through the 2018 round of the program to 73 CDEs. And for the 2019 application round, which closes later this month, we will announce awards by summer of 2020.

Capitalizing CDFIs is at the heart of our mission to expand economic opportunity for underserved people and communities. We know that it is having an impact, and that this impact continues to grow.

I am happy to say the CDFI industry continues to build on its impressive record of investment. This year, CDFI Program awardees financed more than 19,000 businesses and the development of more than 51,000 units of affordable housing.

Over the past ten years, since 2009, CDFI Program awardees have:

- Lent or invested more than \$55 billion;
- Financed more than 200,000 business; and
- Financed the development of more than 270,000 units of affordable housing.

In addition, since the inception of the New Markets Tax Credit Program, CDEs have leveraged investments in low-income communities that have:

- Created more than 830,000 permanent and construction jobs;
- Financed the construction of more than 218 million square feet of commercial real estate; and
- Provided financial counseling and development services to more than 82,000 businesses.

The growth curve of CDFI activity over the past several years has been impressive. From \$3.6 billion of reported lending activity in 2016; \$5 billion in 2017; \$11.1 billion in 2018; and now, in 2019, its at \$21.5 billion. It's safe to say maintaining momentum has not been an issue.

However, this level of growth only underscores the level of need and demand that exists in distressed and underserved communities across the nation. A pervasive disinvestment in people and places excluded from the nation's economic mainstream persists throughout the greater financial services system.

During this year's meeting of the Community Development Advisory Board there was an acknowledgement that much had been accomplished over the 25 years since the CDFI Fund was created. However, communities across the nation continue to be challenged by ongoing and persistent poverty. These are rural and urban communities, communities of color and Native American communities, and far too many that are unable to access the banking system.

While the CDFI industry has grown and total assets of the national network of roughly 1,100 CDFIs now total over nearly \$160 billion, this still does not yet even count as a rounding error for total assets of FDIC-insured banks and NCUA-insured credit unions, which is in excess of \$19.7 trillion. CDFIs are still but a fraction of the financial services industry.

We need to enable CDFIs to continue to effectively reach communities of need. We need to extract maximum leverage without sacrificing sustainability. One way to do that is to increase CDFI access to the CDFI Fund's programs.

Ensuring CDFIs are able to effectively access the full range of CDFI Fund programs, leverage resources and capital beyond the CDFI Fund, and expand and grow into areas of deeper distress requires the CDFI Fund to continue building the capacity of the CDFI network. That's why earlier this year the CDFI Fund relaunched its Capacity Building Initiative. There are a few components of CBI that I want to highlight.

In order to develop a comprehensive training curriculum, we surveyed you all to see what you thought you most needed to learn. What you told us, in some ways, reaffirmed what we thought we already knew and in others proved very enlightening.

What you told us is that you all generally define success through financial and operational indicators, as well as your mission outcomes. You all experience similar challenges and outcomes to achieving success. Assistance and training is needed in two areas:

- **Fundamentals of CDFI operations**—such as strategic planning, developing financial management policies and procedures, risk management and mitigation, as well as loan portfolio management; and
- **Facilitating growth, innovation and partnership**—such as maximizing the use of partnerships with non-profits, developers, and governmental organizations.

Most eye-opening was that while CDFIs indicated capacity building is needed, sometimes the CDFI Fund is not in the best position to provide it. Instead, CDFIs learn from peers, professionalized-technical assistance providers, industry groups, and foundations to build capacity.

We heard from you that peer-to-peer training and industry expertise is the most useful to you. So this coming year, we are working on a training and technical assistance opportunity that leverages the peer network and expertise that already exist in the CDFI network. This training will be available to the greater CDFI and mission-based lender community. We fully expect that it will encompass all of the elements and touch-points that you highlighted in your survey responses.

In addition, the CDFI Fund is supporting two other capacity building trainings on specialized topics, which launched earlier this year:

- One to provide Native CDFIs tools to enhance their management and operational capacity, as well as to showcase Native CDFI best practices.
- And another aimed at increasing the number of CDFIs serving individuals with disabilities and, ultimately, increase the impact and reach of CDFIs in the disability community.

Finally, it was this time last year that we mentioned coming revisions to the CDFI certification application. To refresh, more than two years ago the CDFI Fund undertook the process of examining policies and procedures used to certify CDFIs, which have not changed since the CDFI Fund was established 25 years ago. We undertook this process to ensure that our certification policies allow CDFIs to respond to, and succeed in, today's environment.

Ensuring that our CDFI certification measurements and practices are adequate to enabling the growth, reach and performance of the CDFI network has been a difficult process. But it is a process that we want to make sure we get right. So, we are taking our time to finalize changes to the certification application, and we will release those changes for public comment. In the meantime, the existing certification process, as well as the annual recertification procedure, still remain in effect.

The CDFI Fund will continue its work to preserve the impact the CDFI network has achieved, and to sustain the momentum we have built to generate economic opportunity in America's distressed and underserved communities.

Thank you very much for having me this afternoon. It has been a pleasure to join you and even more of an honor to work together, ensuring the CDFI industry remains robust and responsive to all of the challenges we may face.

Enjoy the rest of the conference. Thank you.

[ABOUT](#)

[Staff](#)
[Careers](#)

[PROGRAMS & TRAINING](#)

[Certification](#)
[Programs](#)

[RESEARCH & DATA](#)

[Research Reports](#)
[Data Releases](#)

[AWARDS](#)

[Searchable Awards](#)
[Database](#)

[IMPACT](#)

[BLOG](#)

[NEWS & EVENTS](#)

[Announcements](#)
[Requests for Comments](#)

[TOOLS](#)
[AMIS](#)
[CIMS](#)

