(Washington, DC)— Congresswoman Gwen Moore (D-Wisc.) today joined the U.S. Treasury Department's Community Development Financial Institution Fund Director Donna J. Gambrell, Milwaukee County Executive Scott Walker and Milwaukee Common Council President Willie Hines in Milwaukee to announce awards totaling nearly $53 million to 62 organizations serving economically distressed communities across the nation, including three in Milwaukee and one in Madison, Wisconsin.

Legacy Bank, Milwaukee Economic Development Corporation and North Milwaukee Bancshares – all in Milwaukee – will be receiving $2.75 million in CDFI funds. Forward Community Investments in Madison will also receive $1 million.

The CDFI Fund was created to promote economic revitalization and community development through investment to Community Development Financial Institutions. One way the CDFI Fund accomplishes this mission is through direct investment in financial institutions that provide loans, investments, financial services and technical assistance to underserved populations and communities. The awards announced today are being made through the fiscal year 2009 round of the CDFI Program with annual appropriations from Congress.

"CDFIs provide the access to credit and investment capital that struggling neighborhoods need," Congresswoman Moore said.

"I have often said that a family needs two things to be stable – a home, and access to education," CDFIs help revitalize neighborhoods and develop housing so that people can live in affordable and safe communities near their workplace, where they don't have to worry so much about meeting their monthly rent payment and they know their children have a safe place to go outside and play.

"But if people are going to keep their housing, they have to have jobs – and good paying jobs at that. Too often, some of the best ideas and the smartest minds in our communities are stymied and unable to develop because the individuals with these bright minds and ideas cannot find the initial loan or start up capital they need to start a business. CDFIs are charged with working right here in our communities to support innovative minds and great ideas. They are here to bolster the entrepreneurial spirit.

“I am thrilled to be here with three such local institutions, Legacy Bank, the Milwaukee Economic Development Corporation and North Milwaukee Bancshares. Together, they have a combined 86 years of personal banking, small business and real estate loan experience as Community Development Financial Institutions.”

The announcement took place at Villa Palermo, the headquarters of Palermo’s Pizza. This location highlighted how CDFIs provide vital financing and support to local businesses and communities. With an initial $46,250 loan in 1990 from the CDFI Milwaukee Economic Development Corporation, one of the four Wisconsin-based award recipients, Palermo’s has grown into a thriving business now occupying a new manufacturing facility that employs 420 people, of which 55 percent are minorities and 31 percent are women.

The CDFI Fund received 452 applications from organizations across the nation requesting more than $529 million in funding under the FY 2009 round of the CDFI Program. Today’s announcement completes the FY 2009 funding round by awarding the remaining appropriated funds to the most highly rated applicants in a combined pool.

Background

Through the CDFI Program, the CDFI Fund invests in and builds the capacity of existing private, for-profit and non-profit community-based lending organizations known as Community Development Financial Institutions (CDFIs) that serve rural and urban low-income people and communities across the nation that lack adequate access to affordable financial products and services.

The CDFI Program consists of two types of monetary awards: Financial Assistance and Technical Assistance. The program is funded through an annual appropriation from the United States Congress. The CDFI Fund receives applications on an annual basis and awards funds through a competitive process. Since inception, the CDFI Fund has awarded over $821 million through the CDFI Program.

Financial Assistance awards allow the CDFI Fund to achieve economic and community development impact by investing in CDFIs that demonstrate the financial and managerial capacity to provide affordable financial products and services to low-income communities and populations. Financial Assistance awards are made only to certified CDFIs (meaning, they have been certified by the CDFI Fund prior to applying for funds), which includes both mature CDFIs and small and emerging CDFIs.

The organizations receiving awards today are headquartered in 24 states, the District of Columbia and Puerto Rico.

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