

# What is CDFI

FirstLight Federal Credit Union is proud to be a Community Development Financial Institution (CDFI).

The CDFI Fund CDFI Certification Seal (the “Seal”) is designed to visually communicate FirstLight's mission to improve lives and achieve dreams. We have and will continue to provide financial services to meet the needs of economically disadvantaged individuals and underserved communities.



## WHAT IT MEANS TO BE A CDFI

- Community Development Financial Institutions - or CDFIs - are mission-driven financial institutions that provide financial services to meet the needs of economically disadvantaged individuals within underserved communities.
- CDFIs invest in local communities and the residents who live there by providing critically needed financing often unavailable from mainstream financial institutions.
- CDFIs are certified by the U.S. Department of the Treasury's Community Development Financial Institutions Fund – known as the CDFI Fund. In order to become a certified CDFI, the financial institution must: have a primary mission of promoting community development; provide financial products and services; serve one or more defined low-income target markets; maintain accountability to the community it serves; and be a legal non-governmental entity.
- All CDFIs share a common mission of serving low-income communities. CDFIs are commonly loan funds, credit unions, community banks, or venture capital funds.
- Certified CDFIs are part of a national network promoting economic growth in America's underserved communities by financing businesses, creating jobs, and rebuilding neighborhoods.
- As a CDFI, FirstLight Federal Credit Union puts the community first and values local, economic growth.

## HOW THE AWARDS BENEFIT COMMUNITIES

- CDFIs utilize resources from the CDFI Fund to provide financial products and services to low-income individuals and underserved communities. These resources go towards creating jobs, building infrastructure, developing commercial and residential real estate, and financing homeowners.
- CDFIs help start and expand businesses and create jobs, and they help families buy or renovate homes. CDFIs finance needed facilities and organizations that provide vital services to their communities. CDFIs provide affordable financial services as an alternative to payday lenders and other predatory loan products.
- Specifically, CDFIs finance affordable housing, small businesses, schools, community facilities, health care centers, grocery stores and many other types of investments that spark growth in communities across America.
- Using creative and innovative financing products, FirstLight Federal Credit Union can provide loans and financial services to communities where resources are scarce.

## **USING TAXPAYER DOLLARS TO LEVERAGE PRIVATE INVESTMENT**

- CDFIs are a perfect example of innovative public-private partnerships developed to leverage taxpayer dollars for greater impact in communities across America.
- CDFIs are community-based and know their local markets well, which enables them to make informed decisions on which opportunities to finance for the greatest community impact.
- CDFIs use limited taxpayer dollars appropriated by the U.S. Congress and awarded by the CDFI Fund to leverage even more capital and credit from the private sector, multiplying the impact many times over. Many of the CDFI Fund's programs require CDFIs to match their awards dollar for dollar with funding from non-federal sources.
- CDFIs create even greater impact by relending capital once a loan is repaid, keeping their awards working in their communities and strengthening the local economic growth.