



DIRECTOR

DEPARTMENT OF THE TREASURY
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND
601 THIRTEENTH STREET, NW, SUITE 200 SOUTH
WASHINGTON, DC 20005

March 30, 2010

Dear CDFI Community:

I am writing to inform you of an important new initiative launched by the Department of the Treasury last month. The Community Development Capital Initiative (CDCI) offers low-cost capital to regulated Community Development Financial Institutions (CDFIs) in order to enhance their ability to provide credit in distressed communities. These communities continue to bear a disproportionate burden of the economic downturn, with dire consequences for the small businesses, job-seekers and housing sectors that serve them. The work of the CDFI Fund in these economically distressed communities has never been more important.

The CDCI program is open to all certified CDFI banks, thrifts, holding companies and credit unions, offering capital: with a 2% dividend rate for eight years and up to 5% of risk-weighted assets for banks and thrifts or up to 3.5% of total assets for credit unions.

The Department of the Treasury has worked with the federal banking regulators to develop a user-friendly application, which is available along with further program details at Treasury's Office of Financial Stability website at:

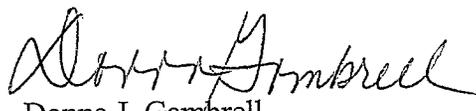
<http://www.financialstability.gov/roadtostability/comdev.html>.

I am sure you will be pleased to know that the original application deadline for this program has been extended. **Applications must be submitted to an institution's primary federal regulator by 5:00 PM (EDT) on April 30, 2010.** This deadline also applies for institutions currently not certified as a CDFI to submit a CDFI Certification application to the CDFI Fund.

CDFIs should contact their primary federal regulator for additional information on the application process. For more general inquiries regarding the terms of the program, CDFIs may contact Michael Tae in Treasury's Office of Financial Stability at michael.tae@do.treas.gov or by phone at (202) 622-9865. For questions about the CDFI Certification application, please contact the CDFI Fund through cdfihelp@cdfi.treas.gov, or call Christopher Stever (202) 622-8322 or Michelle Dickens (202) 622-8959.

CDFIs are critically important to supporting an economic recovery that reaches the hardest-hit communities and, in the past year, there has been a growing recognition of the work of certified CDFIs across America. As we continue on the long road to recovery, we remain committed to CDFIs' success. We hope that the CDCI will help to strengthen CDFIs and enable them to play an even greater role in bringing economic opportunity to those who need it most.

Sincerely,


Donna J. Gambrell
Director