

Analysis of Obligation of Appropriated Funding for the Community Development Financial Institutions (CDFI) Fund Programs

Background

Enacted in 1994, the CDFI Fund and its programs have a long and successful history of providing capital to mission focused lenders that serve low-income and disinvested communities. Given the program's maturity, it has an established and predictable cycle and timeline for implementation and obligation of appropriated funding. The analysis below reviews this history. It also highlights how the Office of Management and Budget's (OMB) FY 2026 budget and projections for FY 2025 outlays suggest that the funding lawfully appropriated by Congress is being placed at risk of expiration.

Immediate action is needed to prevent OMB from unlawfully withholding funds appropriated by Congress. The most urgent concern is the indefinite delay in the release of the FY 2025 Notice of Funding Availability (NOFA) for the BEA Program. This delay impedes applicants from applying for funding. There are also growing concerns that OMB intends to impede the CDFI Fund from obligating FY 2025 monies under the CDFI Program umbrella.

Typically, Congress appropriates funding in a fiscal year with the intent that the agency obligate the monies by the end of that Federal fiscal year ending on September 30. The analysis below demonstrates that the CDFI Fund has faithfully adhered to this timeline with the only exceptions being disruptions caused by the COVID pandemic and an unsuccessful attempt during the first Trump Administration to rescind the BEA's FY 2016 funding. Luckily, Congress gives the CDFI Fund up to two years to obligate program funds and (to date) no monies have expired.

Currently, OMB has not approved the FY 2025 BEA NOFA with less than three months left in the fiscal year. In its FY 2026 budget, OMB projects that no FY 2025 BEA monies will be obligated. Failure to obligate monies places those funds at risk of expiration.

The CDFI Program NOFA was published on January 16, 2025 and applications were due on March 21, 2025. In 2024, 948 CDFI Program applications were submitted (and a similar number are likely to have been submitted for FY 2025). Yet, these monies appear to be at risk, too. OMB's FY 2026 budget projects that only 25% of the FY 2025 appropriated funds will be obligated.

Failure by OMB to release appropriated monies and/or approve paperwork needed by Treasury to implement the CDFI Fund's programs will result in the expiration of the Treasury's authority to obligate the money. Such an outcome is in direct conflict with Congressional authority and intent.

The Administration's actions, if left unchallenged, will impact more than 1,440 CDFIs serving 92% of all 435 voting Congressional districts. These institutions support low- and moderate-income and persistent-poverty communities across all 50 states, U.S. territories, and the District of Columbia.

FY 2026 Budget

The FY 2026 budget proposal clearly outlines the Administration’s intent to withhold already appropriated funding from key CDFI Fund programs, including the CDFI Program (Financial Assistance and Technical Assistance), Bank Enterprise Award (BEA), Native Initiatives, the Healthy Food Financing Initiative, and the Small Dollar Loan Program. Of the \$324 million appropriated by Congress for FY 2025, the Administration plans to obligate only 25%—just \$73 million, leaving \$251 million unspent in violation of Congressional intent.

The FY 2026 budget proposes to replace the Congressionally authorized and longstanding CDFI Fund programs with a new and undefined \$100 million “Rural Financial Assistance Program.” This substitute lacks clear definition and purpose. Rather than building on the track record of proven programs, the Administration’s proposal replaces them with an untested structure that rural communities cannot depend on and ignores the needs of non-rural communities.

OMB’s actions are unprecedented and put all FY 2025 appropriated dollars at risk, particularly given that the full-year Continuing Resolution (CR) was only signed this past March. While some delay in disbursement might be expected, the scope and intent of the proposed withholding far exceed historic precedent.

CDFI Fund Programs Timeline Analysis (As of July 11, 2025)

Table 1: BEA Program Timeline

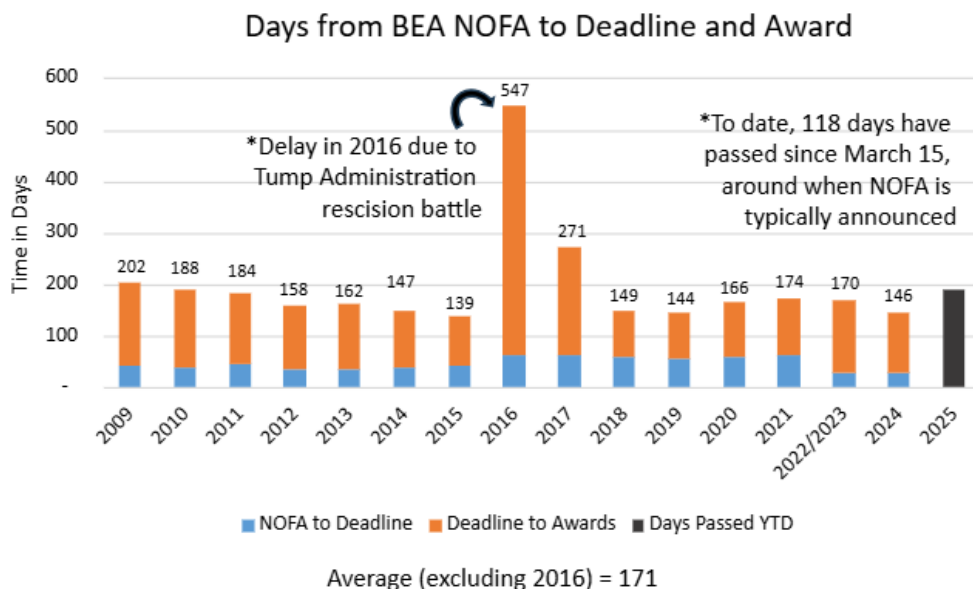


Table 1: Table 1 tracks the BEA Program timeline (in days) from NOFA release to application deadlines to award announcement. Since 2009, this process has occurred within 150–200 days (171 days average), reflecting consistent agency implementation. The only exception to this schedule was an unsuccessful attempt to rescind BEA FY 2016 monies. The 2025 bar above indicates that no action has occurred to launch the FY 2025 BEA funding round.

Table 2: CDFI Program Timeline

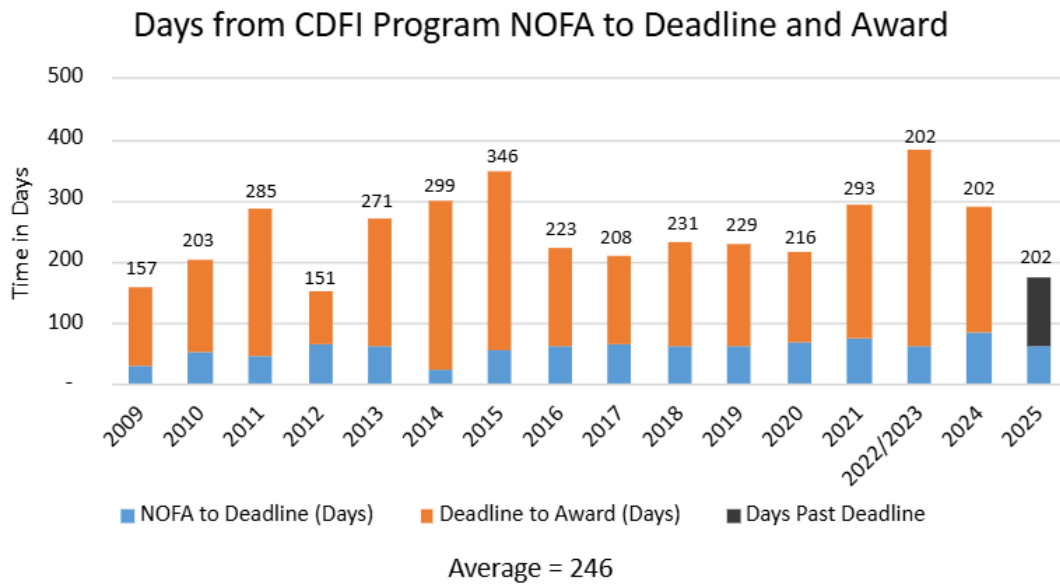


Table 2: The Table 2 timeline analysis for the CDFI Program shows that the CDFI Program has followed predictable cycles. Since 2009, the process from NOFA publication to award has taken an average of 246 days.

Table 3: Analysis of BEA Program Obligation of Appropriated Funding

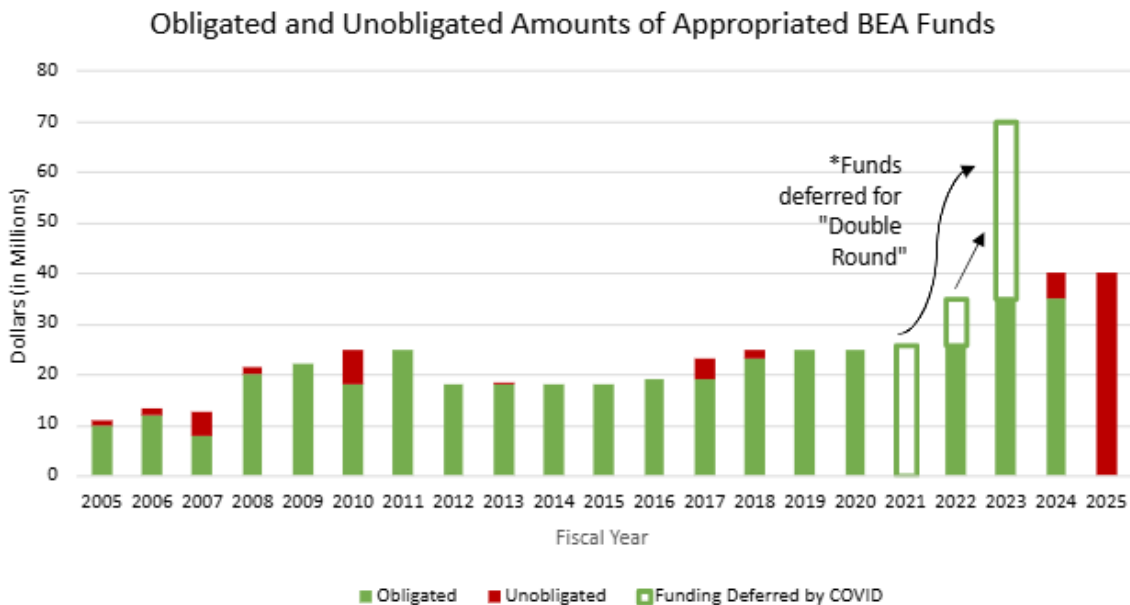
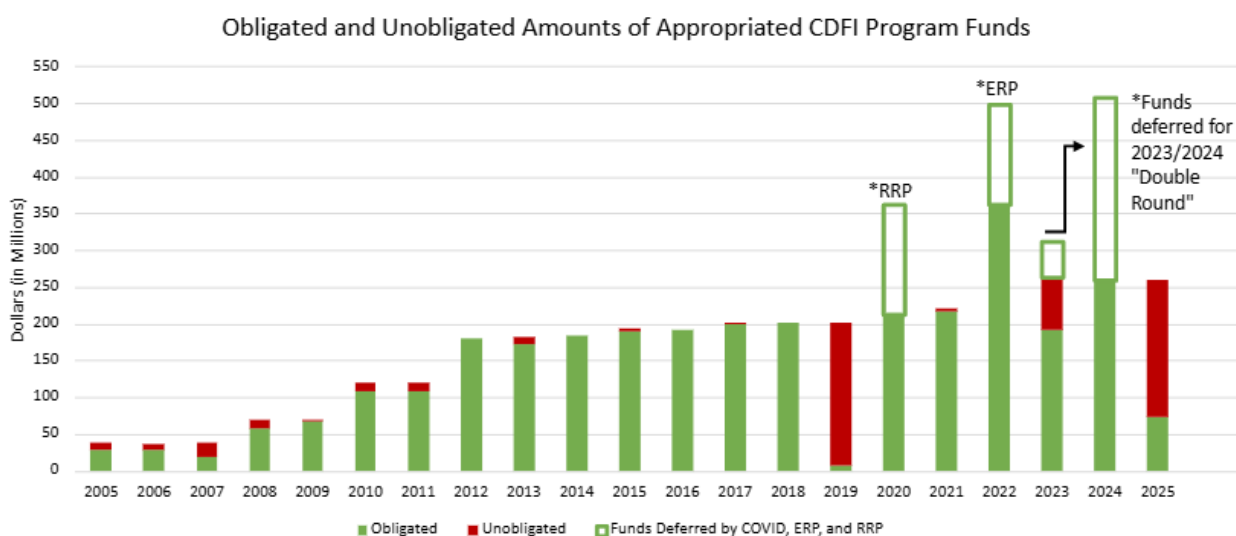


Table 3: Table 3 compares appropriated vs. obligated BEA Program funds across two decades. BEA funds are typically fully obligated, with only minor unobligated balances that are carried forward for obligation in the next funding round. It is important to note that significant disruptions occurred during the period

of 2020-2024 as a result of the COVID pandemic when the CDFI Fund was asked to administer two new emergency programs. However, all BEA monies were fully obligated within the two year window provided by Congress. To note, FY 2025 stands out as the first time that OMB has projected not obligating BEA program funding, suggesting a Congressionally unauthorized withholding of funds.

Table 4: Analysis of CDFI Program Obligation of Appropriated Funding



*In this context, "CDFI Program" influences Financial Assistance, Technical Assistance, Native American Program, Healthy Foods Initiative, Small Dollar Loan Program, and Disabilities Fund

Table 4: Table 4 compares appropriated vs. obligated CDFI Program funds across two decades. CDFI Program funds are typically fully obligated, with only minor unobligated balances that are carried forward for obligation in the next funding round. It is important to note that significant disruptions occurred during the period of 2020-2024 as a result of the COVID pandemic when the CDFI Fund was asked to administer two new emergency programs. However, all CDFI Program monies were fully obligated within the two year window provided by Congress. To note, FY 2025 stands out as the first time that OMB has projected not obligating the large majority of CDFI Program dollars, suggesting a Congressionally unauthorized withholding of funds.

Sources

1. Community Development Financial Institutions Fund (CDFI Fund) – NOFA release data and funding announcements, 2009–2025.
2. CDBA Newsflash – BEA and CDFI Program update archives.
3. White House Budgets – Office of Management and Budget, FY2005–FY2025.
4. Consolidated Appropriations Acts – FY2005–FY2025, U.S. Congress.
5. U.S. Treasury Department – Budget Justifications for the CDFI Fund.
6. CDFI Coalition – Historical summaries of CDFI program funding

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