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News from Rapoza Associates ...

Treasury Releases Application for \$80 million Capital Magnet Fund

Today the Community Development Financial Institutions (CDFI) Fund announced its much anticipated Notice of Funds Availability (NOFA) for the Capital Magnet Fund. The purpose of the program is to facilitate financing of affordable housing and community service facilities in economically distressed areas. The program was authorized in the Housing and Economic Recovery Act of 2008.

Eligible grantees include certified CDFIs and non-profit housing organizations that have as a principal purpose the management or development of affordable housing. Applicants may apply for up to \$12 million. Funding may be used to capitalize a revolving loan fund, affordable housing fund, as loan guarantees, or as loan loss reserves. No more than 30% of a particular award may be used to finance community service facilities or economic development activities that are not related to physical structures which would include loans to businesses.

An organization seeking to become certified as a CDFI must submit its application materials to the CDFI Fund by no later than April 1, 2010 in order to be eligible for consideration under the 2010 Capital Magnet Fund application round. An organization already certified as a CDFI must submit a Certification of Material Events form to the CDFI Fund by no later than April 1, 2010.

Deadline for application submission is April 15, 2010. The announcement and supporting materials can be found here: http://www.cdfifund.gov/news_events/CDFI-2010-13-CDFI-Fund-Opens-Capital-Magnet-Fund-for-Applications.asp.