

U.S. Sens. Patrick Leahy and Bernie Sanders and Congressman Peter Welch Thursday announced that four Vermont nonprofit organizations will receive an infusion of \$2.3 million in capital to make loans and provide technical assistance to small businesses, day cares, nonprofit affordable housing developers and first time home buyers.

Vermont's congressional delegation said the U.S. Department of Treasury's Community Development Financial Institution Fund (CDFI) is awarding the Vermont Community Loan Fund (VCLF) of Montpelier a \$750,000 grant; Northern Community Investment Corporation (NCIC) of St. Johnsbury a \$750,000 grant; Opportunities Credit Union of Burlington a \$750,000 grant; and a loan fund at the Champlain Housing Trust (CHT) a \$74,085 grant. The organizations are among 180 nationwide organizations receiving nearly \$105 million in awards. Leahy said that in many instances, the award recipients will leverage the grants with private funds to lend multiples of the awards to Vermonters.

In April, Leahy hosted CDFI Director Donna Gambrell at a small business lending conference in Barre where she met with Vermont's CDFI eligible organizations and learned about the need for more capital in rural Vermont and the greater Burlington area. As a senior member of the Senate Appropriations Committee, Leahy has been a key advocate for the CDFI program. During consideration of the American Recovery and Reinvestment Act, Leahy pushed for inclusion of funding for the program to get capital to struggling small businesses. The economic recovery act provided Vermont with \$6 million in CDFI capital last year.

"In one way or another, Vermonters have seen and felt the sting of the nationwide credit crunch," said Leahy. "These funds provide targeted capital to some of the most vulnerable corners in a difficult economy – struggling small businesses, people looking to buy their first home, affordable housing developers and many others."

Sanders said, "Once again, Vermont is ahead of the curve in terms of innovative approaches to affordable financing for childcare, housing, and business development. These grants will help extend financing and credit to those who traditionally lacked adequate access to these services."

Rep. Welch, a member of the House Committee on Energy and Commerce, said, "This is great news for rural communities in Vermont, many of which face difficulty in accessing the necessary

capital to invest in jobs, homes and businesses. These awards will allow institutions serving these communities to boost their lending capacity, creating jobs in the short-term and laying a solid foundation for long-term economic growth."

NCIC President Jon Freeman explained that NCIC will use these funds in the North Country of New Hampshire and the Northeast Kingdom of Vermont to increase small business lending. He said, "This is wonderful news for the region as it allows us to expand our services for the most innovative businesses."

VCLF Executive Director Will Belongia said his organization will use the grant to leverage more lending capital statewide. Belongia said, "This grant from the CDFI Fund is a testament to VCLF's mission and the success we've had growing businesses and creating jobs, even during this recession. This grant has a multiplier effect, too: these funds will be loaned out to create more jobs, repaid, and re-loaned again and again, improving the wealth and well-being of hundreds of Vermonters. The ultimate impact is enormous for a small state like us. That is exactly the work VCLF has been doing for 23 years."

Opportunities Credit Union Executive Director Cheryl Fatnassi said the new funds will help her organization provide financial products from small business loans, to car loans and home loans to low and moderate income Vermonters, especially those in the Burlington area. Fatnassi said, "Opportunities has leveraged several CDFI investments over the past few years allowing us to provide over 17,500 loans totaling over \$240 million to Vermonters to start and expand businesses, buy a first home and to finance basic transportation. This investment in our community is tremendously important to immigrants, low income and other underserved community members as they build financial independence and assets. "

Champlain Housing Trust will leverage the grant with other funding sources to expand its lending programs for home buyers. "These are critical funds for us as we work to find ways to serve more low and moderate income homeowners with the financing they need," explained Emily Higgins, Director of Homeownership at CHT.

Created in 1994, the CDFI Fund invests in and builds the capacity of for-profit and nonprofit community based lending organizations, known as Community Development Financial Institutions (CDFIs). These organizations, certified as CDFIs by the U.S. Treasury, serve rural and urban low-income people and communities across the nation that face particular difficulty during the slow economy in finding access to affordable financial products and services.

Awards are granted through an annual competitive application process. Since its creation, the CDFI Fund has awarded almost \$1.2 billion to CDFIs, community development organizations and financial institutions. In addition, the CDFI Fund has allocated \$26 billion in tax credit authority to Community Development Entities through the New Markets Tax Credit Program. For more information on the CDFI Fund and its programs, visit [www.cdfifund.gov](http://www.cdfifund.gov).