



Virginia CDFI Coalition

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Media Contact:

Leah Fremouw

Virginia CDFI Coalition

lfremouw@bridgingvirginia.org

VIRGINIA CDFI COALITION CELEBRATES WIN FOR VIRGINIA

Governor Glenn Youngkin signs VA CDFI Fund into law, codifying and recapitalizing this innovative state program.

Richmond, VA - Today, Virginia Governor Glenn Youngkin signed into law Senate Bill 1320 (SB 1320) and House Bill 1411 (HB 1411), codifying and recapitalizing the Virginia Community Development Financial Institution Fund (VA CDFI Fund). Both bills overwhelmingly passed the Virginia General Assembly in February 2023. The VA CDFI Fund has had a demonstrable impact on Virginia communities since it was established. In six months, the grantees deployed \$1.66 million in loans to over 160 businesses, resulting in the creation and/or retention of 314 jobs. The [Virginia CDFI Coalition](#) believes establishing the VA CDFI Fund is an exciting opportunity to expand inclusive economic opportunities throughout the Commonwealth.

In 2021 the Commonwealth of Virginia became one of the few states to create a state-funded CDFI Fund, passing a \$10 million budget amendment to support Virginia-based CDFIs, building their capacity to support communities and businesses across the state. In response to this opportunity, a majority of Virginia-based CDFIs organized and formed the [Virginia CDFI Coalition](#), establishing a collective voice for the community development and investment community. Since 2021 the Coalition and its members have advocated for cementing the VA CDFI fund into statute, representing the interests of CDFIs and community development lenders to the General Assembly, relevant committees, and other stakeholders.

“Small businesses are the economic engine of the Commonwealth. Expanding their access to financing through loans, grants, or forgivable loans, as well as community revitalization real estate projects, will offer new and significant economic development opportunities for our rural areas,” **stated Delegate Danny Marshall (R-Danville)**, who [carried the House legislation](#), in a [recent press release](#). “The Commonwealth is a national leader, becoming one of the first states to create a CDFI Fund in the state budget. This public/private partnership can be a model for other states.”

CDFIs are an important part of the economic ecosystem, offering affordable financial opportunities to people and communities who would otherwise be unable to access them. In 2019, Virginia CDFIs awarded around \$212.1M to businesses, including \$7.93M to industrial/agricultural businesses and \$140.7M to nonprofits & community facilities. Since 1996 Virginia CDEs and CDFIs have awarded over \$15.6B for individuals, small businesses, and affordable housing, and more¹.

¹ CDFI Coalition Fact Sheet 2019



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Senator Mark R. Warner, co-founder of the bipartisan [Senate Community Development Finance Caucus \(CDFC\)](#) and author of the COVID-era [law](#) that provided \$12 billion to CDFIs and MDIs nationwide, shared his enthusiasm for codifying Virginia’s CDFI Fund. “While talent and ambition is not confined by income bracket or zip code, access to start-up capital often is. CDFIs play a critical role in providing responsible and affordable credit to rural, minority, and underserved communities, and the VA CDFI Fund will continue to support these institutions as they work to expand opportunity.”

“The VA CDFI Fund is a great tool to expand economic opportunity across Virginia and to make sure that small businesses and entrepreneurs can grow their businesses and create jobs,” [said U.S. Rep. Jennifer McClellan](#), who was also recently elected to the US House of Representatives. Rep. McClellan originally carried the budget amendment as a state senator, creating the fund in 2021. And, McClellan was the patron of the 2023 Senate bill and budget amendment. “Virginia’s CDFI Fund has been a great success for economic growth, and will expand the reach of the Fund to invest in more communities across the Commonwealth - particularly those that have been underserved.”

“The Virginia CDFI Coalition is thankful to the Governor and the General Assembly for their efforts and looks forward to further strategic work with our Coalition members to expand opportunities for Virginia,” [says Leah Fremouw, Board President](#), and President and CEO of non-profit community lender [Bridging Virginia](#). “CDFIs are built to drive capital and provide banking resources for underresourced communities, and they are a critical tool for addressing the housing crisis. Establishing a consistent funding source allows CDFIs to not only address the most urgent issues but to coordinate on long-term, sustainable solutions.”

To learn more about The Virginia CDFI Coalition, visit here: <https://www.vacdficoalition.org/>.

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About [Virginia CDFI Coalition](#): The Virginia CDFI Coalition seeks to offer a collective voice to address issues concerning the unmet financial needs of Virginia communities by advocating for greater awareness of CDFI activities and operations and by supporting the goals of its member organizations with peer support and education. These goals will be implemented by the Coalition members individually and collectively in statewide and local venues with an emphasis on social and racial equity. We do this through advocacy and education, industry best practices & partnerships, storytelling and market education, and with financial products, services, and communities impacted.

The VA CDFI Coalition became a 501c3 in Fall of 2022. [You can read more about this announcement here.](#)