

The Value and Impact of CDFIs in Minnesota



Community Development Financial Institutions (CDFIs) are mission-driven lenders that serve and empower economically distressed communities. Minnesota CDFIs are an engine that builds community wealth by making direct investments and providing opportunities to small businesses and homeowners, primarily those who identify as Black, Indigenous, People of Color (BIPOC), immigrants, women, people with disabilities, and people who live in rural communities. **CDFIs invest in these communities at far greater rates than the private sector, powering new business growth and stability.** When entrepreneur Fatuma Yasin needed support to launch her business, she first completed the Initiative Foundation's Enterprise Academy, and then secured a microloan for inventory. Yasin now operates Asha's Beauty, the first Somali-owned business in St. Cloud's Crossroads Mall, offering culturally-specific fashion and beauty accessories to customers across Central Minnesota.

As Federally-certified institutions, CDFIs are accountable to their communities and responsible with their lending.

Certified CDFIs must meet standards for annual audits, reporting, and oversight from the Federal CDFI Fund at the Department of the Treasury and meet additional requirements from private sources of capital. CDFIs are also effective investments – **every dollar invested by a CDFI is leveraged eight times over to support Minnesota's communities.** CDFIs offer technical assistance like entrepreneurship training and financial literacy education, resulting in deep community relationships and responsible borrowing. This comprehensive support model means critical needs can be met, like when childcare worker Tonya Jenkins wanted to pursue her dream of opening her own facility. WomenVenture and First Children's Finance stepped up to support Tonya with training, business development, and financing to launch Children of the Future Learning Center, which now serves children aged 0-6 in South Minneapolis.

There are over 40 CDFIs in Minnesota, covering the entire state. **The mission of the MN CDFI Coalition is to activate the collective superpowers of Minnesota Community Development Financial Institutions to achieve economic justice.**



Fatuma Yasin with her Groundbreaker Award from the Initiative Foundation.



Angela Gladney, who is legally blind, with her family in front of her home. She was able to purchase her home thanks to Twin Cities Habitat for Humanity's Advancing Black Homeownership Program, which helped her build credit and financial literacy.

"We do this work together to nurture vibrant and equitable communities. Support for CDFIs is critical as we build Minnesota's future"

– LeeAnn Rasachak, CEO of WomenVenture and Board Chair of the MN CDFI Coalition

Minnesota CDFIs and Nonprofit Lenders

- 4 Directions Development
- African Development Center
- African Economic Development Solutions
- Build Wealth MN
- Community Reinvestment Fund Inc
- Corporation for Supportive Housing
- Entrepreneur Fund
- Exodus Lending
- First Children's Finance
- Greater Minnesota Housing Fund
- Habitat for Humanity of Minnesota
- Hmong American Partnership
- Indian Land Tenure Foundation
- Initiative Foundation
- Latino Economic Development Center
- Leech Lake Financial Services, Inc.
- Local Initiatives Support Corporation (LISC)
- Metropolitan Economic Development Agency (Meda)
- Midwest Minnesota Community Development Corporation
- Mille Lacs Corporate Ventures
- Mni Sota Fund
- Minnesota Consortium of Community Developers
- Neighborhood Development Alliance
- Neighborhood Development Center
- NeighborWorks Home Partners
- NEON
- Northcountry Cooperative Foundation
- Northland Foundation
- Northwest Minnesota Foundation
- One Roof Community Housing
- Propel Nonprofits
- Shared Capital Cooperative
- Southern Minnesota Initiative Foundation
- Southwest Initiative Foundation
- Sunrise Banks
- Twin Cities Habitat for Humanity
- West Central Initiative
- White Earth Investment Initiative
- The Sunlight Loan Fund
- WomenVenture

CDFI Statewide Impact

15,901 Small businesses and microenterprises financed

16,014 Consumers receiving loans

37,112 Affordable housing units created

197,447 Education and childcare seats financed

196,558 Jobs created or retained

(cumulative data 2005-2022)

Types of Lending



25

CDFIs provide loans for small businesses and co-ops, technical assistance and training to start and grow businesses

15

CDFIs provide loans for home ownership and repairs and affordable housing projects, and home ownership counseling



10

CDFIs provide loans for community services and real estate projects for education, child care, health care, and other services

6

CDFIs provide loans to consumers and financial literacy training and counseling



Several of the 40 CDFIs and other nonprofit lenders in Minnesota offer more than one kind of loan