



NCUA Media Release

NCUA Opens Applications for Grants and Low-Rate Loans May 22

New Video Details How Low-Income Credit Unions May Obtain CDRLF Money

ALEXANDRIA, Va. (May 21, 2012) – Starting tomorrow, 1,119 credit unions with a low-income designation may apply to the National Credit Union Administration (NCUA) for grants and low-rate loans. NCUA also posted a new YouTube video today about the Community Development Revolving Loan Fund (CDRLF) application process.

“Tomorrow, NCUA begins accepting 2012 grant and loan applications for the Community Development Revolving Loan Fund,” said NCUA Board Chairman Debbie Matz. “This year, we are making \$1.3 million available for grants and \$11 million for lending. To help more credit unions access these funds, we have created a new video that highlights how the program works and the new, streamlined application process.”

“All of NCUA’s work to improve our grant and loan programs reflects the agency’s strong commitment to help low-income credit unions thrive,” added Chairman Matz, who is featured in the new video. “I’ve said many times that low-income credit unions are extremely important to their communities. They fill a crucial role by providing needed access to financial products and services for individuals of modest means. These grants and loans are designed to provide vital assistance to low-income credit unions so they will be available to serve their members for many years to come.”

CDRLF Grants Streamlined, Prioritized

NCUA’s Office of Small Credit Union Initiatives administers the CDRLF and the grant application process. Grants go up to \$25,000 with an application deadline of June 29. In 2012, credit unions will experience a streamlined CDRLF application program. Specific changes include:

- An automated, online funding application;
- A single application for all funding initiatives; and
- The ability to bundle reimbursement requests for multiple initiatives.

As part of the 2012 CDRLF funding round, NCUA has prioritized grants for:

- Financial literacy and education in school branches;
- New product and service development;
- Staff, official, and board member training;
- Student and job creation internships; and
- Volunteer Income Tax Assistance.

- MORE -



Loans Offered at Record Low Rates

Previously, CDRLF provided loans up to \$300,000, but a new rule adopted by the NCUA Board last year now allows loans to exceed that amount on a case-by-case basis. The modified rule also allows greater flexibility in setting interest rates that can fall below 1 percent. For 2012, NCUA has set the interest rate for loans at a record low of 0.4 percent. NCUA will accept loan applications through the rest of 2012 or when funds are exhausted.

Low-income credit unions may use low-rate CDRLF loans for projects like:

- Expanding share draft or credit card programs;
- Creating partnerships with community-based service organizations and government agencies;
- Acquiring, expanding, or improving office space or equipment;
- Initiating or expanding micro-business, education, and real-estate loan programs; and
- Offering consumer-friendly, short-term alternatives to payday loans.

“The changes we have put in place to ease credit unions’ access to the Community Development Revolving Loan Fund build on NCUA’s past success in assisting low-income credit unions to better serve their members,” concluded Chairman Matz. “I encourage all eligible credit unions to apply for this important source of money.”

The new CDRLF video is available for viewing on NCUA’s official [YouTube channel](#). For more information about CDRLF grants, see the recent Letter to Credit Unions available at <http://www.ncua.gov/Resources/Pages/LCU2012-04.aspx> or the grant application guidelines available at <http://www.ncua.gov/Resources/Documents/LCU2012-04Enc.pdf>.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter, and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 92 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

- NCUA -