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## **ORGANIZATIONS ANNOUNCE PLAN TO CHANNEL FUNDING TO ECONOMICALLY DISTRESSED COMMUNITIES**

Washington, D.C. – (December 9, 2009) – Two national organizations – the Community Development Bankers Association (CDBA) and Promontory Interfinancial Network, L.L.C. – today announced they will work together to channel more than \$10 billion into America’s most economically distressed communities over the next five years.

The announcement was made during a signing ceremony at the U.S. Capitol to formally renew the organizations’ Banking on Communities program. Initiated in early 2004, that program channels funding into the communities through banks certified by the Treasury Department as Community Development Financial Institutions (CDFIs).

Under the initiative, socially motivated investors – individuals, corporations, nonprofits, faith-based organizations – and banks can receive up to \$50 million of federal deposit insurance coverage when depositing funds in a community development bank that’s a member of CDBA and the Promontory Network. The \$50 million of federal insurance protection at the heart of the program is made possible through a service offered to banks by Promontory: the Certificate of Deposit Account Registry Service<sup>®</sup>, or CDARS<sup>®</sup>. No one has ever lost a penny in an account insured by the Federal Deposit Insurance Corporation.

“Corporate America can do some good by channeling their deposits to Community Development Banks,” said Dorothy J. Bridges, President and CEO of City First Bank of DC. “CDARS enables corporations, nonprofits, and other socially motivated investors to put the organization’s money on a social mission with complete security.”

“The initiative has been a tremendous success for CDFI banks and the communities they serve,” said William Dana, Board Chairman of CDBA and CEO of Central Bank of Kansas City, Kansas City, Missouri. “We launched the program in early 2004 with ambitious goals and are pleased to have exceeded those goals. Since its inception, more than \$3.5 billion dollars have been

channeled from depositors into community development banks (less than \$1 billion is currently outstanding). Now that the program is fully up and running, we anticipate that number to be more than \$2 billion *annually*.”

“After receiving a loan from City First Bank of D.C. in 2001 to open our first shop in the District of Columbia, we have subsequently grown CakeLove from a moonlighting project to seven thriving stores through D.C., Virginia, and Maryland with 65 employees and an online presence,” said Warren Brown, founder and owner of the CakeLove bakery.

“Banking on Communities enables deposits to flow into underserved communities to finance housing, to launch new businesses, to fund child care centers – in short, to open the door to a better life for millions of Americans,” said Robert M. McGill, Chairman & CEO of Neighborhood National Bank, San Diego, CA. “It stimulates economic growth, so we all benefit.”

“It is a ‘win’ for everyone involved,” said Eugene Ludwig, Chairman of the Promontory Interfinancial Network, “investors, banks, and, perhaps most of all, the communities themselves.”

*About the Community Development Bankers Association:* CDBA is the national membership trade association, nonprofit (501(c)3), of the community development banking industry. CDBA was organized in 2001 for the purpose of facilitating the revitalization of disinvested low-income communities and promoting the growth and development of community development banks that are certified by the U.S. Department of the Treasury as Community Development Financial Institutions (CDFIs). As part of the U.S. Treasury Department’s certification process, CDFI Banks must demonstrate that at least 60% of their total lending, services, and other activities benefit low income communities. To learn more about CDBA, go to [www.cdbanks.org](http://www.cdbanks.org).

*About Promontory Interfinancial Network:* Based in Arlington, VA, Promontory Interfinancial Network was founded in 2002 to develop and provide creative solutions to issues confronting bank management. Currently, more than 3,000 FDIC-insured institutions belong to the Network. To learn more about Promontory, go to [www.promnetwork.com](http://www.promnetwork.com). To learn more about CDARS, go to [www.cdars.com](http://www.cdars.com).

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