



Primer: The Community Development Financial Institutions Fund is Woke and Weaponized

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Background

On March 14, 2025, President Trump issued an Executive Order, “Continuing the Reduction of the Federal Bureaucracy,” which bolsters his administration's efforts to eliminate the woke and weaponized federal bureaucracy. The order prohibits certain entities from engaging in non-statutory functions and limits them to doing only what is required by law.¹ Affected entities include the Federal Mediation and Conciliation Service, United States Agency for Global Media, Woodrow Wilson International Center for Scholars, Institute of Museum and Library Services, United States Interagency Council on Homelessness, Minority Business Development Agency, and, notably, the Community Development Financial Institutions Fund.²

The Community Development Financial Institutions Fund (the CDFI Fund) was created by the Riegle Community Development Regulatory Improvement Act of 1994 ostensibly to promote economic development in disadvantaged communities.³ It is of particular concern given the way it has been politicized to further a woke agenda. According to the Congressional Research Service, the Department of the Treasury can certify banks, credit unions, nonprofit loan funds, microloan funds, and (for-profit and nonprofit) venture capital funds that demonstrate having a primary mission of promoting community development as Community Development Financial Institutions (CDFIs).⁴ After certification by the Treasury Department, CDFIs become eligible for federal financial awards and other assistance provided by the CDFI Fund. In short, the CDFI Fund certifies certain financial institutions and entities, CDFIs, as eligible recipients of federal taxpayer dollars to advance so-called financial inclusion for underserved populations.⁵

¹ Executive Order (March 14, 2025). “Continuing the Reduction of the Federal Bureaucracy,” *The White House*. <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>

² *Ibid.*

³ Getter (September 29, 2023). “Community Development Financial Institutions (CDFIs): Overview and Selected Issues,” *Congressional Research Service*.

<https://www.congress.gov/crs-product/R47217?q=%7B%22search%22%3A%22Community+Development+Financial+Institutions+Institution+Fund%22%7D&s=1&r=9>

⁴ *Ibid.*

⁵ *Ibid.*

What might have begun as a well-intentioned initiative to help poor communities has morphed into something antithetical to the values, principles, and history of America. Rather than focusing on broad-based economic growth, the CDFI Fund now prioritizes hyperpartisan political agendas such as Diversity, Equity, and Inclusion (DEI), Anti-Racism/Critical Race Theory (CRT), and the Green New Deal.

In its 2021 announcement of awards, former Treasury Secretary Yellen stated, “The President and the Vice President ran on a very ambitious agenda – ‘Build Back Better,’ unwinding systemic racism, creating an economy that works for everyone. I believe this is what that looks like in practice. By channeling more capital into CDFIs, we are translating those ideas into reality.”⁶ The CDFI Fund is littered with examples of similar initiatives that are more focused on advancing the far left’s agenda rather than helping lift low-income communities out of poverty. The CDFI Fund is another way the federal government funnels taxpayer money to politically connected entities to advance a particular political agenda. What follows are examples of the CDFI woke agenda in practice. Further analysis by the Department of Government Efficiency (DOGE) would no doubt find many more examples of taxpayer dollars being funneled to woke entities or being used for woke practices.

How the CDFI Fund Works

As stated above, the CDFI Fund can certify banks, credit unions, nonprofit loan funds, microloan funds, and (for-profit and nonprofit) venture capital funds that demonstrate a mission of promoting community development.⁷ After certification, CDFIs become eligible for financial awards and other assistance the CDFI Fund provides.⁸ A CDFI's business model requires both public and private funding.⁹ Private funding is needed to supplement any gaps in public financing that may occur following government budget cuts or modification of requirements.¹⁰ It is important to note that because money is fungible, federal funding that directly supports otherwise less controversial purposes should still be viewed as ultimately supporting entities that advance radical ideologies through their lending practices.¹¹

⁶ (June 2021). “45 African American Alliance CDFI Member Organizations Among CDFIs awarded 1.25 Billion by US Treasury Department,” *African Alliance of CDFI CEOs*.
<https://aaacdfi.org/blog/45-african-american-alliance-cdfi-member-organizations-among-cdfis-awarded-1-25-billion-by-us-treasury-department/>

⁷ Getter (September 29, 2023). “Community Development Financial Institutions (CDFIs): Overview and Selected Issues,” *Congressional Research Service*.
<https://www.congress.gov/crs-product/R47217?q=%7B%22search%22%3A%22Community+Development+Financial+Institutions+Institution+Fund%22%7D&s=1&r=9>

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

Highlights

DEI

- In April 2023, then Vice President Kamala Harris and then Deputy Secretary of the Treasury Wally Adeyemo announced that the CDFI Fund awarded over \$1.73 billion in grants to 604 Community Development Financial Institutions (CDFIs) across the country through the CDFI Equitable Recovery Program (CDFI ERP).¹²
 - The funds were specifically meant to build “a more **equitable, resilient economy**.”¹³ These are loaded terms that point directly to the woke ideology underpinning a scheme to target funds based on “disproportionate impacts” and for specific racial groups rather than aiding all affected Americans equally. In so doing, the Biden administration may have violated Title VI of the 1964 Civil Rights Act by making skin color a determinant of access to CDFI loan programs.
- In October of 2022, then Vice President Harris announced “new public and private sector efforts to “advance racial equity.”¹⁴ Including \$11.4 million in grant awards under the Small Dollar Loan Program, \$27.6 million under the CDFI/NACA Program, and three guarantees totaling \$355 million under the Community Development Financial Institution (CDFI) Bond Guarantee Program.¹⁵

CRT/Anti-Racism

- The CDFI fund is also used to support racist ideology and paradigms. For example:
 - The Opportunity Finance Network, one of the leading national networks of more than 470 community development financial institutions (CDFIs), has published multiple articles about how CDFIs advance racial justice and address “a white monopoly on capital.”¹⁶

Anti-capitalism/Anti-colonialism

- Many CDFI institutions support anti-capitalist and anti-colonial narratives, framing society as inherently oppressive and fostering division rather than unity. For example:

¹² (April 10, 2023). “CDFI Equitable Recovery Program,” *U.S. Department of Treasury: Community Development Institutions Fund*. <https://www.cdfifund.gov/programs-training/programs/erp>

¹³ Press Release (April 10, 2023). “Vice President Harris, Treasury Department Announce Over \$1.73 Billion to Improve Access to Capital, Financial Services in Underserved Communities,” *U.S. Department of the Treasury*. <https://home.treasury.gov/news/press-releases/jy1397>

¹⁴ Fact Sheet (October 4, 2022). “FACT SHEET: Vice President Harris Announces New Public and Private-Sector Efforts to Advance Racial Equity at Freedman’s Bank Forum,” *The American Presidency Project*. <https://www.presidency.ucsb.edu/documents/fact-sheet-vice-president-harris-announces-new-public-and-private-sector-efforts-advance>

¹⁵ *Ibid.*

¹⁶ (February 14, 2024). “From Purpose to Practice: Advancing Equity, Inclusion, and Accessibility in Lending,” *Opportunity Finance Network*. <https://www.ofn.org/blog/advancing-racial-equity-in-lending/>

- The Opportunity Finance Network has also published blog pieces and articles on CDFIs addressing the so-called wounds of colonialism and systemic racism.¹⁷

Gender Radicalism

- CDFIs have assisted gender-affirming care. For example:
 - CDFI funding was used to help expand services for a Detroit area clinic that provides services to LGBTQ+ residents.¹⁸
 - Some CDFI's have been found to push pride initiatives and support "transgender housing."¹⁹

Climate Radicalism

- There are examples of Community Development Financial Institutions finding innovative ways to "Build Climate Resilience" as far back as 2016. For example:
 - A blog post on the CDFI Fund website states, "With over 1,000 CDFIs operating nationwide, there are significant opportunities for CDFIs to build climate resilience into ongoing projects and support local efforts to adapt to a changing climate. Many CDFIs are already doing so in many different ways."²⁰
 - In 2023, the Opportunity Finance Network committed \$8.5 million in loans and grants from its Finance Justice Fund to six member CDFIs to support products and services that build so-called climate resiliency.²¹
 - There are also examples of CDFI's participating in climate working groups going back as far as 2019.²²

Illegal Aliens

- There is evidence that CDFI institutions have assisted immigrants and potentially illegal aliens. For example:

¹⁷ (April 30, 2024). "Beyond Land Acknowledgement: How CDFIs Can Support Land Justice," *Opportunity Finance Network*. <https://www.ofn.org/blog/beyond-land-acknowledgement-how-cdfis-can-support-land-justice/>

¹⁸ Scheon (April 23, 2024). "CDFI funding helps Corktown Health expand services for Detroit area's LGBTQ residents," *Michigan LGBTQ+ Elders Network*.

<https://migenconnect.org/2024/04/30/cdfi-funding-helps-corktown-health-expand-services-for-detroit-areas-lgbtq-residents/>

¹⁹ <https://x.com/cdfi/status/1537525443783495682?s=46&t=yoRaohotqXP0omWUE7Z7EQ>

²⁰ Donovan (May 26, 2016). "Community Development Financial Institutions Finding Innovative Ways to Build Climate Resilience," *U.S. Department of Treasury: Community Development Institutions Fund*.

<https://www.cdfifund.gov/impact/16>

²¹ Press Release (December 13, 2023). "OFN Invests \$8.5 Million in Climate Financing to Community Lenders Across Several States," *Opportunity Finance Network*.

<https://www.ofn.org/news/ofn-climate-financing-community-lenders-across-several-states/>

²² <https://x.com/carlseip/status/1186301481907097600?s=46&t=yoRaohotqXP0omWUE7Z7EQ>

- The Social Innovations Journal asserted that CDFIs must collaborate more and strive to create asset-building opportunities for undocumented immigrant families.²³

Conclusion

Far-left ideologues have thoroughly corrupted the CDFI Fund. It now serves as a vehicle providing taxpayer support for woke initiatives from the Green New Deal and DEI to CRT/anti-racism and gender ideology. President Trump's EO limiting the functions of this entity and others is an effort to neuter the woke and weaponized bureaucracy. Congress could take steps to defund and dismantle this politicized entity, which will help the Trump administration to purge the federal bureaucracy of left-wing radicalism.

²³ Gonzalez and Rechnitz (September 13, 2017). "Undocumented Immigrants Are Worthy Candidates for Capital Investments," *Social Innovations Journal*.
<https://socialinnovationsjournal.org/editions/issue-38/76-featured-social-innovations/2599-undocumented-immigrants-are-worthy-candidates-for-capital-investments>