

# Congress of the United States

Washington, DC 20515

April 3, 2019

The Honorable Nita Lowey  
Chairwoman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kay Granger  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mike Quigley  
Chairman  
House Appropriations Committee  
Subcommittee on Financial Services  
Washington, DC 20515

The Honorable Tom Graves  
Ranking Member  
House Appropriations Committee  
Subcommittee on Financial Services  
Washington, DC 20515

Dear Chairwoman Lowey, Ranking Member Granger, Chairman Quigley, and Ranking Member Graves:

As you begin work on the Fiscal Year 2020 Financial Services Appropriations bill, we respectfully request that you provide no less than \$300 million in funding for the Community Development Financial Institutions Fund.

As you know, the CDFI Fund's mission is to expand the capacity of CDFIs to provide credit, capital, and financial services to underserved populations and communities across the country. Housed within the Department of the Treasury, the CDFI Fund spurs investments in local and often underserved communities in rural, urban and Native areas by fostering the creation and expansion of CDFIs, private sector financial institutions that specialize in providing affordable credit, creating jobs, and revitalizing neighborhoods. CDFIs fill a market gap left by insufficient lending from traditional financial institutions, such as commercial banks.

CDFI Fund Grant Programs Include: Financial Assistance (FA) awards to certified CDFIs and Technical Assistance (TA) grants to certified or emerging CDFIs; the Native American CDFI Assistance (NACA) Program aimed at increasing the number and capacity of CDFIs serving native communities; and the Bank Enterprise Award (BEA) Program providing monetary awards to FDIC-insured banks that invest in low-income communities and/or in CDFIs.

CDFI Fund grants are awarded competitively to the organizations that best demonstrate how they will partner with their communities to address their economic development needs. Through its administration of these competitive grant programs the CDFI Fund has not only invested directly in local communities, but has also attracted billions of dollars in additional private-sector investments. Since its inception, the CDFI Fund has awarded more than \$3.2 billion on a competitive basis to CDFIs. In FY 2018, CDFIs program awardees made over 280,000 loans or investments totaling over \$11 billion, including loans to nearly 15,000 small businesses. The average size of each loan or investment was \$39,821. CDFIs also financed over 33,613 affordable housing units, provided financial literacy training to 343,471 individuals, made

207,657 consumer loans totaling \$3.5 billion, and made 19,050 home improvement and home purchase loans totaling \$2.1 billion.<sup>1</sup>

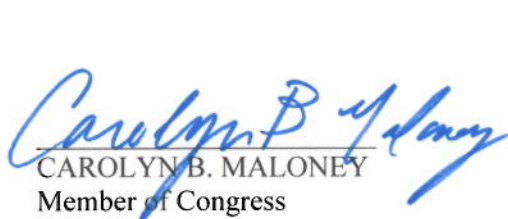
By leveraging over \$12 in private capital to every dollar in federal support, CDFIs fill the yawning credit gap encountered in many distressed communities, creating jobs improving housing and community facilities, increasing access to healthy foods, improving the lives of persons with disabilities, and creating economic opportunity.

The great need for this financing for low-income communities continues, as evidenced by the applicant demand in the FY 2018 CDFI Program round. The CDFI Fund received 700 total applications requesting a combined \$505 million for Financial Assistance and Technical Assistance awards, Healthy Food Financing Initiative awards, Persistent Poverty County awards, and Disability Funds Financial Assistance awards. In addition, 124 CDFI's applied for \$218 million for the BEA program.


CDFIs are increasingly investing in some of the poorest communities in America – where poverty is over 30 percent or median incomes are under 60 percent of the area median. Further compounding issues of poverty, these areas typically lack access to affordable financial services. CDFIs are making a difference in rural communities and areas of persistent poverty that have been left outside the economic mainstream. In the FY 2018 round of CDFI Program awards, 28 percent of the award recipients primarily serve rural target markets.

Access to affordable credit is a pressing issue in many underserved rural, urban and Native communities. It is critical that we continue to make the necessary investments in these struggling communities to get people back to work, to empower local communities to develop their economies, and to provide financial services to consumers without access to affordable credit. The CDFI Fund is exemplary of that effort and we respectfully request that you ensure the CDFI Fund receives no less than \$300 million for FY20. Thank you for your consideration of this request.

Sincerely,

  
CAROLYN B. MALONEY  
Member of Congress

  
DON YOUNG  
Member of Congress

  
BARBARA LEE  
Member of Congress

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<sup>1</sup> Audit of the CDFI Fund's 2018 and 2017 financial statements by the Treasury Dept. Office of Inspector General





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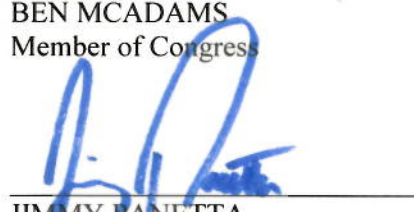
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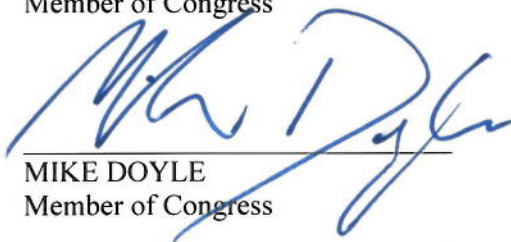
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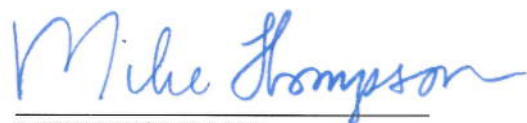
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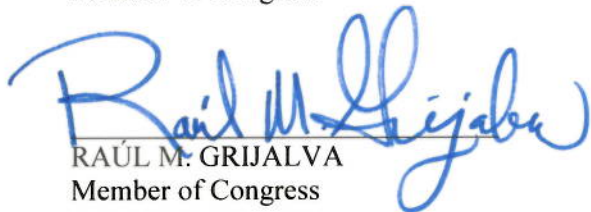
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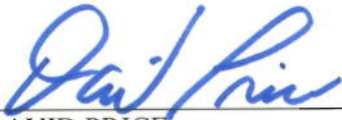


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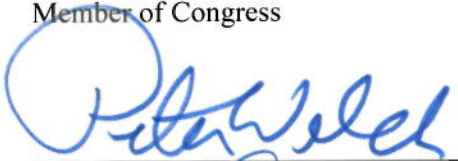
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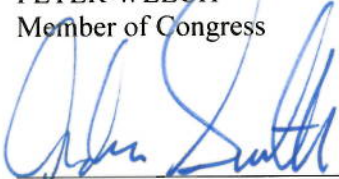
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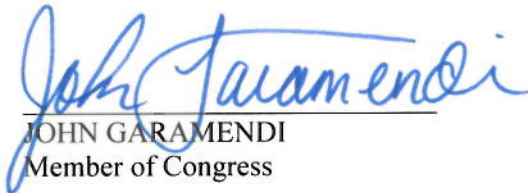
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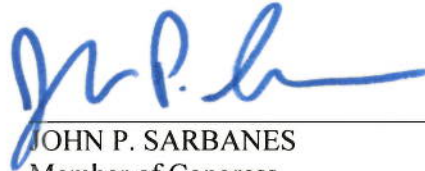
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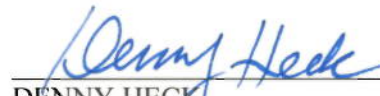
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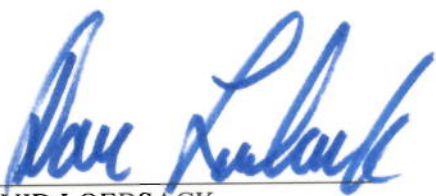
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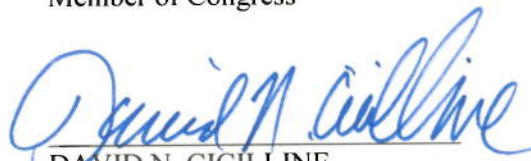
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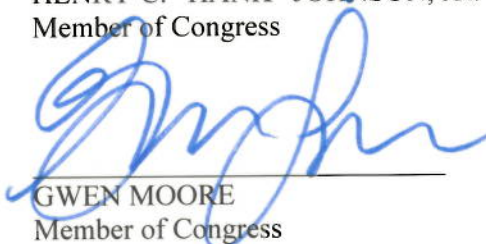
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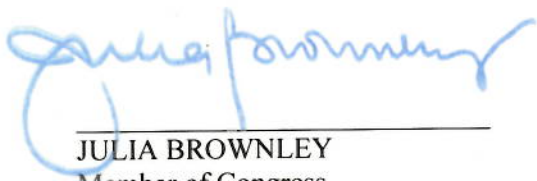


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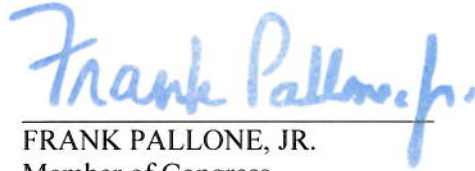
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