June 8, 2018

The Honorable Rodney Frelinghuysen
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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

The Honorable Tom Graves
Chairman, Financial Services & General Government Subcommittee
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike Quigley
Ranking Member, Financial Services & General Government Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Frelinghuysen and Graves, and Ranking Members Lowey and Quigley:

We write in support of the Community Development Financial Institutions (CDFI) Fund. We urge the House Appropriations Committee to restore the $59 million reduction included in the Fiscal Year 2019 Financial Services-General Government (FSGG) Subcommittee Bill and provide at least $250 million for the CDFI Fund.

Because of the success of Community Development Financial Institutions in leveraging federal funds, the impact of this 23% reduction will be far greater than money cut from the bill. Historically, CDFIs leverage $12 for every dollar in federal funds.

The enacted rate for the CDFI Fund in FY 2018 was $250 million. Of this amount, $233 million was available for Financial Assistance programs. CDFIs will leverage that $233 million into close to $2.7 billion in financial products and services for low-income populations and communities all across the nation.

The House FSGG Appropriations Subcommittee Bill appropriates $191 million for the CDFI Fund for FY 19. Of this amount, $168 million will be available for financial assistance, which will result in a leverage total of $2.01 billion. That will result would be a reduction of nearly $700 million in financing for small businesses, needed community facilities and affordable housing in economically distressed rural, urban and Native communities across America.

CDFIs provide the flexible, market-driven products and services that consumers and small business owners in underserved markets need to grow and thrive. They fill a vital niche in the nation’s financial services delivery system by serving communities and market sectors that conventional lenders cannot - with the ultimate goal of bringing CDFI customers into the mainstream economy as bank customers, homeowners and/or entrepreneurs. In FY 2017 alone, CDFIs program awardees made over 120,000 loans or investments totaling over $5 billion to
over 12,000 small businesses. The average size of each loan or investment was $41,744. CDFIs also financed over 27,962 affordable housing units.

In the FY 2017 round of CDFI Program awards, 29 percent of the award recipients primarily serve rural target markets, a proportion well above the 14 percent of Americans live in rural areas and according to a 2017 Urban Institute report: “64 percent of CDFI lending went to census tracts that had at least one of the following characteristics: an unemployment rate of 10 percent or higher, a poverty rate of 20 percent or higher, 50 percent or more residents earning less than 200 percent of the federal poverty level, or a population with at least half nonwhite residents.”

There are few programs in the federal government that turn $1 in federal funds into $12 from other sources and target that money to help low wealth people and communities create jobs, improve communities and build affordable housing.

For these reasons, we urge you to support $250 million for the CDFI Fund.

Sincerely,

First National Bank & Trust
VentureSouth
Cook Inlet Housing Authority
US Bank
FNBC Bank
Southern Bancorp Community Partners
CAMEO - California Association for Micro Enterprise Opportunity
Coalition for Responsible Community Development
Genesis LA Economic Growth Corporation
Lendistry
Opportunity Fund
PACE Finance Corporation
Peoples’ Opportunity Fund
San Luis Obispo County Housing Trust Fund
Strategic Development Solutions
Sustainable Communities Fund
VEDC
Women’s Economic Ventures
Colorado Enterprise Fund
First Nations Oweesta Corporation
Mercy Loan Fund
Capital for Change, Inc.
Start Community Bank
NCALL Loan Fund
Home Ownership Resource Center of Lee County, Inc.
Solar and Energy Loan Fund

Alabama
Alabama
Alaska
Arizona
Arkansas
Arkansas
California
California
California
California
California
California
California
California
Colorado
Colorado
Connecticut
Connecticut
Delaware
Florida
Florida
1st Choice Credit Union, Georgia
ACT! Albany Community Together, Inc., Georgia
NeighborWorks Columbus, Georgia
Small Business Assistance Corporation, Georgia
Southwest Georgia United Empowerment Zone, Inc., Georgia
The Housing Fund, Georgia
Urban Asset Builders, Inc., Georgia
Federal Credit Union, Hawaii
Hawaii Habitat for Humanity Association, Hawaii
Idaho-Nevada CDFI, Idaho
Chicago Community Investment Corporation, Illinois
FUND Consulting, Illinois
IFF, Illinois
National Community Investment Fund, Illinois
Pacific Global Bank, Illinois
Fahe, Kentucky
Kentucky Habitat for Humanity, Inc., Kentucky
Concordia Bank & Trust Company, Louisiana
UNO FEDERAL CREDIT UNION, Louisiana
Coastal Enterprises, Inc. (CEI), Maine
MaineStream Finance, Maine
Northern Maine Development Com, Maine
The Genesis Fund, Maine
Calvert Impact Capital, Maryland
CohnReznick, LLP, Maryland
NeighborWorks Capital, Maryland
Boston Community Capital, Massachusetts
Capital Link, Massachusetts
Community Health Center Capital Fund, Massachusetts
Cinnaire, Michigan
Detroit Development Fund, Michigan
GenesisHOPE, Michigan
Northern Initiatives, Michigan
African Development Center, Minnesota
Community Reinvestment Fund, USA, Minnesota
Midwest Minnesota Community Development Corporation, Minnesota
Wells Fargo Bank, Minnesota
White Earth Reservation Federal credit Union, Minnesota
BankPlus, Mississippi
First American National Bank, Mississippi
Peoples Bank, Mississippi
PriorityOne Bank, Mississippi
Renaissance Community Loan Fund, Mississippi
1st Financial Federal Credit Union  
Keeping the Promise, Inc.  
Smith NMTC Associates LLC  
Kootenai Valley FCU  
NeighborWorks Montana  
NH Community Loan Fund  
New Jersey Community Capital  
First Financial Credit Union  
Guadalupe Credit Union  
Homewise, Inc  
Lore of the Land, Inc.  
Northern NM School Employees Federal Credit Union  
Brian Gately Credit Union Consulting Services  
Buffalo Cooperative FCU  
Cooperative Federal  
Leviticus 25:23 Alternative Fund, Inc.  
National Federation of Community Development Credit Unions  
Primary Care Development Corporation  
The Finest Federal Credit Union  
Cooperative Fund of New England  
Mountain BizWorks  
Self-Help Ventures Fund  
Anchor Financial Services  
Cincinnati Development Fund  
Economic Community Development Institute  
Finance Fund Capital Corporation  
HFLA of Northeast Ohio  
Mahoning Valley Economic Development Corp.  
Nueva Esperanza Community Credit Union  
Ohio, LLC  
Citizen Potawatomi Community Development Corporation  
MetaFund  
Arise Capital  
Consulting for Change  
FINANTA  
Impact Loan Fund, Inc.  
Impact Services Corporation  
Marcus Reinvestment Strategies  
Pennsylvania Assistive Technology Foundation  
Reinvestment Fund  
The Enterprise Center  
Women’s opportunities resource center  
Corp Juvenil para el Desarrollo de Comunidades Sostenibles