

**United States Senate**  
WASHINGTON, DC 20510-3005

May 12, 2022

The Honorable Chris Van Hollen  
Chairman  
Subcommittee on Financial Services  
Services & General Government  
Senate Appropriations Committee  
The Capitol, S-131  
Washington, D.C. 20510

The Honorable Cindy Hyde-Smith  
Ranking Member  
Subcommittee on Financial  
& General Government  
Senate Appropriations Committee  
The Capitol, S-131  
Washington, D.C. 20510

Dear Chairman Van Hollen and Ranking Member Hyde-Smith:

We write in support of at least \$331.4 million as proposed by the Fiscal Year 2023 Department of the Treasury Budget for the Community Development Financial Institutions Fund (CDFI Fund). The CDFI Fund administers a range of innovative and effective programs that enable Community Development Financial Institutions (CDFIs) to address the needs of underserved urban, rural, and Native communities that traditional financial institutions cannot.

CDFI Fund programs include Financial Assistance (FA) and Technical Assistance (TA) awards to small and emerging CDFIs as well as established CDFIs, the Native American CDFI Assistance (NACA) Program aimed at increasing the number and capacity of CDFIs serving Native communities; and the Bank Enterprise Awards (BEA) program providing monetary awards to FDIC-insured banks that invest in low-income communities and/or CDFIs. CDFIs use these awards to provide a range of financial products and services aimed at revitalizing communities and increasing economic opportunity. CDFI programs also include the Small Dollar Loan Program and Economic Mobility Corps. The CDFI Fund also administers the New Market Tax Credit Program, the Capital Magnet Fund, and the CDFI Bond Guarantee Program, which are designed to generate lending and investing to promote community revitalization, business development, affordable housing, and job creation in economically distressed communities.

There are over 1300 certified CDFIs<sup>1</sup>, and since 1994, the CDFI Fund has awarded \$5.6 billion in total funding to CDFIs, which leverage over \$12 in capital from other sources for every dollar of CDFI Fund assistance. In FY 2021, CDFI program awardees made over 4,000,000 loans or investments totaling \$38.7 billion. The average size of each loan or investment was under \$10,000. CDFIs also financed nearly 50,000 affordable housing units.

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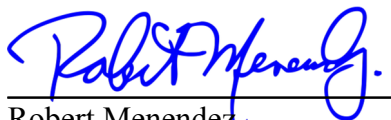
<sup>1</sup> To be eligible for CDFI certification an organization must be a non-governmental entities (with the exception of Tribal governmental entities); with a primary mission of promoting community development; that provides both financial and educational services to one or more defined low-income target markets; and is accountable to the target market it serves. Number current as of 12/1/2021.

CDFIs also provided assistance to distressed communities and small business as they coped with the economic consequences of the Coronavirus pandemic. Small Business Administration (SBA) data indicates that Community Financial Institutions (CFIs), which includes CDFIs, micro loan funds, Minority Depository Institutions, and other mission-based lenders made over \$30 billion in Paycheck Protection Program (PPP) loans and that nearly 40 percent of CFI loans went to low-moderate income communities and over 15 percent went to rural areas.

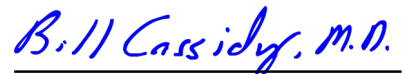
As the economy recovers, small businesses and entrepreneurs in disadvantaged communities will continue to need the patient, flexible capital available through CDFIs. With CDFIs' demonstrated success, a robust appropriation would provide much-needed capital and services to consumers and small businesses, especially in rural and urban low-income communities. Communities will put those dollars to work, improving access to healthy food, financing affordable housing, building and repairing community facilities, expanding businesses, and improving opportunity for persons with disabilities.

For these reasons, we strongly urge you to continue supporting the work of CDFIs with an appropriation for the CDFI Fund of \$331.4 million for FY 2023.

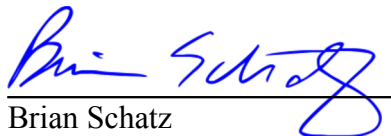
Sincerely,



Robert Menendez  
United States Senator



Bill Cassidy, M.D.  
United States Senator



Brian Schatz  
United States Senator



M. Michael Rounds  
United States Senator



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Jeanne Shaheen  
United States Senator



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Cory A. Booker  
United States Senator



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Tina Smith  
United States Senator



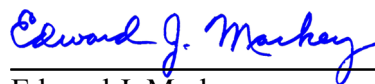
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Alex Padilla  
United States Senator



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Raphael G. Warnock  
United States Senator



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Edward J. Markey  
United States Senator



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Maria Cantwell  
United States Senator



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Jack Reed  
United States Senator



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Richard Blumenthal  
United States Senator



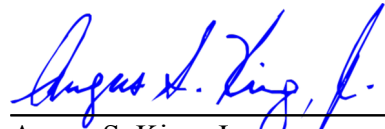
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Thomas R. Carper  
United States Senator



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Benjamin L. Cardin  
United States Senator



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Angus S. King, Jr.  
United States Senator



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Christopher S. Murphy  
United States Senator



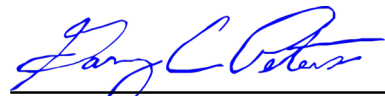
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Jon Tester  
United States Senator



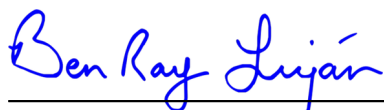
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Debbie Stabenow  
United States Senator



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Gary C. Peters  
United States Senator



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Ben Ray Lujan  
United States Senator



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Joe Manchin III  
United States Senator



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Mark R. Warner  
United States Senator



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Catherine Cortez Masto  
United States Senator



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Michael F. Bennet  
United States Senator



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Elizabeth Warren  
United States Senator



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Kirsten Gillibrand  
United States Senator



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John Hickenlooper  
United States Senator



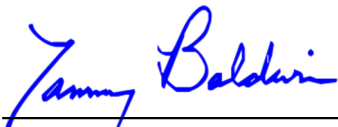
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Christopher A. Coons  
United States Senator



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Dianne Feinstein  
United States Senator



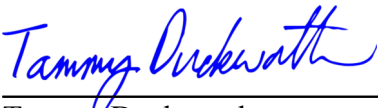
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Tammy Baldwin  
United States Senator



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Mazie K. Hirono  
United States Senator



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Tammy Duckworth  
United States Senator



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Sherrod Brown  
United States Senator



Sheldon Whitehouse  
United States Senator



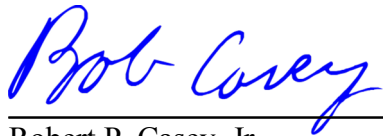
Richard J. Durbin  
United States Senator



Margaret Wood Hassan  
United States Senator



Tim Kaine  
United States Senator



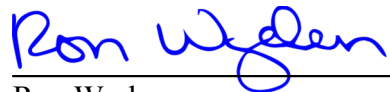
Robert P. Casey, Jr.  
United States Senator



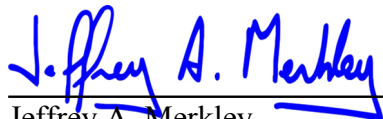
Bernard Sanders  
United States Senator



Jacky Rosen  
United States Senator



Ron Wyden  
United States Senator



Jeffrey A. Merkley  
United States Senator

