

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 CDFIs¹, 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.

¹ 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



Jeanne Shaheen
United States Senator



Cory A. Booker
United States Senator



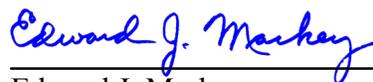
Tina Smith
United States Senator



Alex Padilla
United States Senator



Raphael G. Warnock
United States Senator



Edward J. Markey
United States Senator



Maria Cantwell
United States Senator



Jack Reed
United States Senator



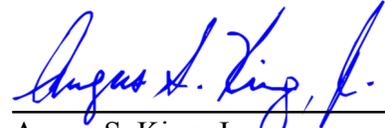
Richard Blumenthal
United States Senator



Thomas R. Carper
United States Senator



Benjamin L. Cardin
United States Senator



Angus S. King, Jr.
United States Senator



Christopher S. Murphy
United States Senator



Jon Tester
United States Senator



Debbie Stabenow
United States Senator



Gary C. Peters
United States Senator



Ben Ray Lujan
United States Senator



Joe Manchin III
United States Senator



Mark R. Warner
United States Senator



Catherine Cortez Masto
United States Senator



Michael F. Bennet
United States Senator



Elizabeth Warren
United States Senator



Kirsten Gillibrand
United States Senator



John Hickenlooper
United States Senator



Christopher A. Coons
United States Senator



Dianne Feinstein
United States Senator



Tammy Baldwin
United States Senator



Mazie K. Hirono
United States Senator



Tammy Duckworth
United States Senator



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

