



2025 Campaign

Monthly Call
June 25, 2025

Welcome

Hank Helton

Agenda

- Welcome, Overview of Agenda and recent sign on letter
- Where do we stand on the Tax Bill and FY 26 Appropriations
- What is happening at the CDFI Fund - leadership and funding award
- CDFI Advocacy and Taking Action
- Upcoming Monthly Campaign Call - July 23
- Feedback, Suggestions and Questions from Call Participants

Thank you for
signing on to
Secretary Bessent
letter!

CDFI Sign on Letter to Sec. Bessent

- ▶ Great success in a short time!
- ▶ Around 243 CDFIs signed on
- ▶ 40 States Represented

Thanks so much for your quick responses!

Appropriations and Tax Bill Updates

FY 26 Appropriations

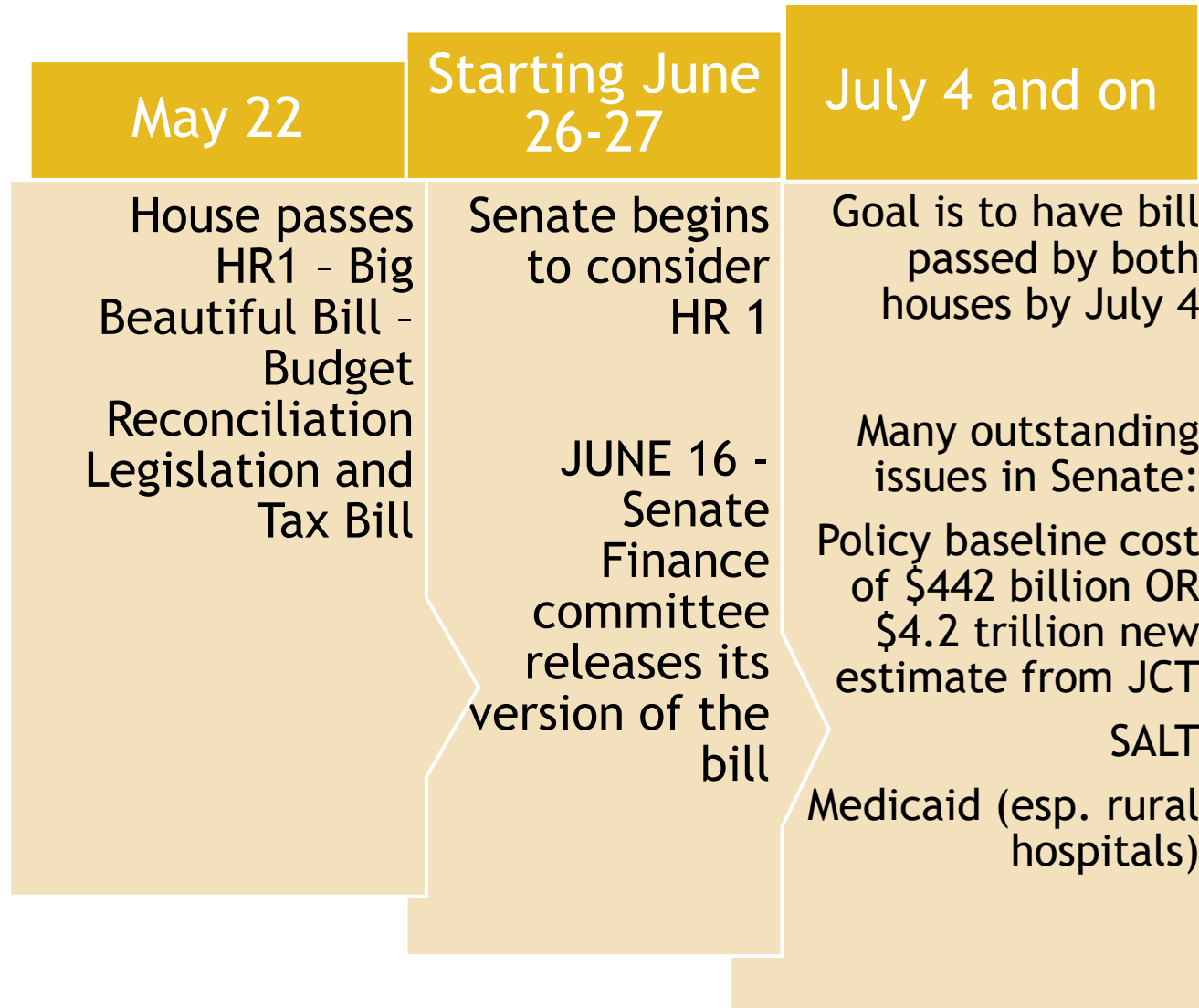
- ▶ President's proposed budget maintains the same level of discretionary spending as in FY 25 - reallocates funds by cutting domestic programs by \$167 billion (22 percent) and shifting that money to Defense and Border Security.
- ▶ President's "Skinny" Budget proposes to reduce the CDFI Fund by \$291 million, proposes \$100 million for a rural program, and \$33.146 million for administrative costs related to CDFI Fund operations, administration of the new Rural Financial Assistance Program, Bond Guarantee, New Markets Tax Credit, CDFI Certification and administration and closeout of programs proposed for elimination.

What Comes Next on Appropriations

GETTING TO A FY 26 BUDGET BILL

- ▶ Unclear if President's Full Budget will be released
- ▶ House Appropriations Committee: 302 (b) Allocations – no movement
- ▶ House mark-up for Financial Services and General Government delayed now; has not yet been rescheduled
- ▶ Expect most Senate mark-ups in September
- ▶ CR likely for the beginning of FY 26 and quite possibly for the full year

Status of Budget Reconciliation and Tax Bill



Key Provisions of House “Beautiful Bill”

- ▶ Permanency for all TCJA (2017) tax cuts
- ▶ \$3.94 trillion (net) - 10 year score
- ▶ Defense and Border Security Spending; \$218 billion
- ▶ Increase the SALT (State and Local Taxes) limits
- ▶ LIHTC expands - \$14.1 billion
- ▶ Opportunity Zones renewed and expanded - \$5.4 billion
- ▶ Spending reductions - \$1.7 billion
- ▶ New Markets Tax Credit Extension not included in the House Bill

Key provisions of Senate tax bill

- ▶ Senate Bill - Current Policy Baseline (CPB) : \$442 billion over 10 years and extension of TCJA (2017)
- ▶ JCT Score without CPB: \$4.2 trillion over 10
- ▶ Other issues - some version of SALT: +\$400 billion; Healthcare costs, deficits
- ▶ Permanent Extension of
 - ▶ NMTC
 - ▶ Opportunity Zones
 - ▶ LIHTC expansion
 - ▶ Several business Credits

What is happening at the CDFI Fund?

CDFI Fund Staffing and Leadership

- ▶ Pravina Raghavan, Director of CDFI Fund, has resigned. Her last day is this Friday.
- ▶ Director of Compliance also leaving
- ▶ Dan Aiello, senior policy advisor, also departing - his departure is for personal move and was in the works for a long time
- ▶ FY 26 Budget does not assume reduced staffing

FY 25 Funding - OMB Apportionment and release of funds

- ▶ For any agency or appropriated entity, once Congress passes Appropriations bill or CR and President signs it, OMB “apportions” the funding to the agency.
- ▶ Each agency has to have an OMB-approved plan on how they will use their budgetary resources - so it might impact the timing of when grants are delivered, discretion on projects, etc.
- ▶ If an agency exceeds their apportionment (even if they have been appropriated \$), their managers can be subject to the Anti-Deficiency Act.
- ▶ OMB has not apportioned funding for the CDFI Fund so they cannot release any awards as of now.
- ▶ Some other federal agencies or programs are also having their apportionment held up or slowed down.
- ▶ FY 25 CR made the CDFI Fund appropriation available in both FY25 and FY26.
- ▶ The FY 26 Budget appendix indicates that \$289 million, of the \$324 million appropriation will not be obligated in FY 25 or FY 26.

Taking Action Now

What can we do?

- ▶ We asked all of you to sign a letter to Secretary Bessent by 5 pm yesterday asking Treasury to announce its commitment to make awards with the FY 25 appropriation and provide a timetable for making awards
- ▶ We asked for clarification on status of FY 25 Capital Magnet Fund, Bank Enterprise Awards and Small Dollar Loan applications - none of which have opened yet.
- ▶ Sen. Warner's office is working on a bipartisan letter to ask Secretary Bessent for the CDFI Fund to award and spend the funds that they were provided in the FY 25 appropriations bill.
- ▶ And we are asking you to engage with your House members and Senators

Taking Action right after July 4th! Contact House Members and Senators

- ▶ Starting the week of July 7th, please contact ALL your House Members and Senators to call and ask Secretary Bessent to have the CDFI Fund award and spend the funds they were provided in the FY 25 Continuing Resolution.
- ▶ Talking points:
 - ▶ Congress appropriated \$324 million to CDFI Fund in the CR passed on March 14.
 - ▶ CDFI Fund accepted applications for its Financial Assistance Awards on March 21.
 - ▶ CDFI Fund has not opened applications for other CDFI FY 25 programs including the Bank Enterprise Awards (BEA), the Small Dollar Loan Program and the Capital Magnet Fund.
 - ▶ CDFI Fund has not provided any schedule related to those applications or to the announcement of the successful financial assistance award applications, which they invited.
 - ▶ Our understanding is that OMB has not provided an apportionment to the CDFI Fund - so they have not authorized them to spend the money that Congress appropriated and the President signed.
 - ▶ In addition, President Trump's FY 26 Budget Appendix states that there will be \$289 million in grant subsidies in the CDFI Fund that will not be distributed. This appears to refer to the FY25 appropriations from Congress that the President signed. It is not ok for the Administration to withhold approved funding.
- ▶ Please email Madison Smith to let her know of any emails you have sent or conversations you have had at Madison@rapoza.org

Priority - Republican Members of House Appropriations

Tom Cole (OK-04), Chairman
Michael Simpson (ID-02)
Mario Diaz-Balart (FL-26)
David Joyce (OH-14) **
David Valadao (CA-22)
John Rutherford (FL-05)
Ashley Hinson (IA-02)**
Michael Cloud (TX-27) **
Andrew Clyde (GA-09)
Jake Ellzey (TX-06)
Mark Alford (MO-04) **
Celeste Maloy (UT-02)

Harold Rogers (KY-05)
John Carter (TX-31)
Steve Womack (AR-03) **
Andy Harris (MD-01)
Dan Newhouse (WA-04)
Ben Cline (VA-05)
Tom Gonzales (TX-23)
Michael Guest (MS-03)
Stephanie Bice (OK-05)
Juan Ciscomani (AZ-06)
Nick LaLota (NY-01) **
Riley Moore (WV-02)

Robert Aderholt (AL-04)
Ken Calvert (CA-41)
Charles Fleischman (TN-03)
Mark Amodei (NV-02) **
John Moolenaar (MI-02)
Guy Reschenthaler (PA-14)
Julia Letlow (LA-05)
Ryan Zinke (MT-01)
Scott Franklin (FL-18)
Chuck Edwards (NC-11) **
Dale Strong (AL-05)

Financial Services Subcommittee is noted with **

Democratic Members of House Appropriations

Rosa DeLauro (CT-03), Ranking Member
James Clyburn (SC-06)
Debbie Wasserman Schultz (FL-25)
Mike Quigley (IL-05)
Pete Aguilar (CA-33)
Norma Torres (CA-35)
Josh Harder (CA-09)
Joseph Morelle (NY-25)
Veronica Escobar (TX-16)
Glenn Ivey (MD-04) **

Steny Hoyer (MD-05) **
Sanford Bishop, Jr. (GA-02) **
Henry Cuellar (TX-28)
Grace Meng (NY-06)
Lois Frankel (FL-22)
Ed Case (HI-01)
Lauren Underwood (IL-14)
Mike Levin (CA-49)
Frank Mrvan (IN-01)

Marcy Kaptur (OH-09)
Betty McCollum (MN-04)
Chellie Pingree (ME-01)
Mark Pocan (WI-02) **
Bonnie Watson Coleman (NJ-12)
Adriano Espaillat (NY-13)
Susie Lee (NV-03)
Madeleine Dean (PA-04)
Marie Gluesenkamp Perez (WA-03) **

Financial Services Subcommittee is noted with **

Senate Appropriations Committee Members

Susan Collins (ME), Chair **

Lindsey Graham (SC)

John Boozman (AR) **

Cindy Hyde-Smith (MS)

Markwayne Mulin (OK) **

Patty Murray (WA), Vice Chair

Jeanne Shaheen (NH)

Brian Schatz (HI)

Chris Van Hollen (MD) **

Kirsten Gillibrand (NY)

Mitch McConnell (KY)

Jerry Moran (KS)

Shelley Moore Capito (WV)

Bill Hagerty (TN) **

Deb Fischer (NE) **

Richard Durbin (IL) **

Jeff Merkley (OR)

Tammy Baldwin (WI)

Martin Heinrich (NM)

Jon Ossoff (GA)

Lisa Murkowski (AK)

John Hoeven (ND)

John Kennedy (LA)

Katie Britt (AL)

Mike Rounds (SD)

Jack Reed (RI) **

Christopher Coons (DE) **

Chris Murphy (CT)

Gary Peters (MI)

Action: When we are notified of 302-b allocation, will be helpful to reach out to Appropriations Members that represent your CDFI service area. Financial Services Subcommittee is noted with **

Actions in July - September

- ▶ **Watch for news from CDFI Coalition about appropriations markups** - we may ask you to take action very quickly!
- ▶ **Activate for House and Senate Recesses** - Help the Senators and House Members in your CDFI service area get to know you and your customers. This is especially important in August!
PLEASE PLAN NOW!
- ▶ **Plan meetings, tours and events in the state and district** for members and their staffs, especially with your customers in the communities you serve
 - ***June 28- July 6***
 - ***Aug 2 – Sept. 1***
- ▶ **Next Call** - July 23 at 4 pm ET
- ▶ *If you have need help determining whom to contact, please email Madison at Madison@rapoza.org*

Updated Campaign Resources

- ▶ Access on www.cdfi.org/2025-campaign/
- ▶ Congressional Contact and House and Senate Staffer Contact Information
- ▶ Key Committee Rosters, including the Senate CDFI Caucus
- ▶ [“House Stories and CDFI Data”](#) - We have CDFIs listed that serve the Congressional District along with impact stories from their district. Please [submit a success story](#) on the campaign page or send us one (even a news article or a blog will suffice) at Paul@rapoza.org
- ▶ Fact Sheets:
 - ▶ CDFI overview (revised)
 - ▶ FY 26 Appropriations
 - ▶ State Fact Sheets -FY23 data
- ▶ Maps of CDFIs by state, under the State Fact Sheet section
- ▶ 30th Anniversary Report
- ▶ CDFI Coalition Transition Paper
- ▶ Continually adding and as necessary revising resources on campaign website
- ▶ Support from the Coalition/Rapoza Associates for scheduling and messaging (*contact Madison Smith at Madison@rapoza.org*)

Feedback, Suggestions and Q and A

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Appendix

CDFI Fund Appropriations

- ▶ Fiscal Year 2025 Final: \$324 million
- ▶ Fiscal Year 2026 White House (Trump) Budget: \$33 million in Administration Costs plus \$100 million for a new Rural Financial Award Program
- ▶ Fiscal Year 2026 CDFI Coalition request: \$324 million
- ▶ House sign-on letter led by Reps. Don Bacon and Derek Tran - \$324 million
- ▶ Senate sign-on letter led by Sen. Warner - \$325 million

FY26 Appropriations - President's Budget

- Provides \$33 million for ongoing Salaries and Expenses and continues CDFI Certification, CDFI Bond Guarantee and New Markets Tax Credit administration.
- Provides \$100 million in “Rural Financial Award Program” to the CDFI Fund to provide “access to affordable financing and spur economic development in rural America.” Requires that 60% of CDFIs’ loans and investments go to rural areas.
- Cuts all “discretionary grants” (\$291 million) from the CDFI Fund. Issues raised includes no need for “seed funding” and racial justice and climate.
- Listed on the Administration’s “Woke Programs,” with a particular focus on the equitable recovery program and efforts on racial justice and climate funding.
- No comment on the Capital Magnet Program
- Administration proposes significant cuts or termination in programs across the federal government used by CDFIs and their customers