



2025 Campaign

Monthly Call
July 23, 2025

Welcome

Hank Helton

Agenda

- Welcome, Overview of Agenda and recent sign on letter
- FY 25 Programs Funding Status
- Legislative Update and FY 26 Appropriations
- CDFI Advocacy and Taking Action
- What is happening at the CDFI Fund - leadership and certification
- Upcoming Monthly Campaign Call - September 10 or 17
- Feedback, Suggestions and Questions from Call Participants

Keep the
Momentum Up!

FY 25 CDFI Programs Funding Status

FY 25 CDFI Funding Status

Total CDFI Fund	\$324 million	Note: Does not include NMTC/BGP/CMF/Housing FA
FA/TA	\$188 million	Applications accepted; NO awards/funds yet
Disabilities Fund Set-aside	\$10 million	part of FA/TA
Economic Mob. Corps Set-aside	\$2 million	part of FA/TA
Housing Production -FA (other funds)	\$100 million	Applications accepted; NO awards/funds yet
Native Initiative (NACA)	\$28 million	Applications accepted; NO awards/funds yet
Healthy Food Financing	\$24 million	Applications accepted; NO awards/funds yet
BEA (Bank Enterprise Award)	\$40 million	Application NOT released
Small Dollar Loan Fund	\$9 million	Application NOT released
Bond Guarantee program auth.	\$500 million	Applications accepted; NO awards yet
Capital Magnet Fund	TBD	Application NOT released
New Markets Tax Credit	\$10 billion	Applications accepted; awards expected in Fall

Neither the FY 2026 Budget Appendix nor the Treasury Department’s FY 2026 Congressional Justification indicates that Treasury will obligate the \$324 million CDFI Fund appropriation provided in the FY 2025 CR. The Budget Appendix includes a table indicating that \$289 million of appropriated funds will be undistributed after 2026 (see page 837).

Program and Financing (in millions of dollars)			
Identification code 020–1881–0–1–451		2024 actual	2025 est. 2026 est.
Obligations by program activity:			
0009	General Administrative Expenses	39	35 33
0012	Financial Assistance	309	69
0013	Small Dollar Loan Program	18
0014	Native American/Hawaiian Program	47	4
0016	Rural Financial Assistance Program 99
0026	Healthy Food Initiative	48
0028	Bank Enterprise Award	40
0050	No Year Account	8 8
0051	Undistributed 289
0091	Direct program activities, subtotal	501	116 429

Continuing Efforts to have CDFI Funding Released

- ▶ CDFIs contacted their Senators and House Members to ask Sec. Bessent to ask OMB to release funding
- ▶ CDFI Coalition and other CDFI Trade Associations have been meeting with Treasury Officials asking them to pressure OMB to release funding
- ▶ Bipartisan Senate CDFI Caucus letter to OMB Director Russell Vought, led by Senators Crapo and Warner, is currently soliciting sign-ons and is asking OMB to “swiftly obligate all discretionary funding for the CDFI Fund in a timely manner.”

United States Senate

WASHINGTON, DC 20510

Page 2

[[DATE]]

[[CLOSING]]

The Honorable Russell Vought
Director
United States Office of Management and Budget
725 17th St, NW
Washington, D.C. 20503

[[SIGNATURES]]

Dear Director Vought,

We write to request information on the Office of Management and Budget's efforts to deploy FY25 funding provided to the CDFI Fund. As you know, *the Full-Year Continuing Appropriations and Extensions Act of 2025* appropriated \$324 million for the CDFI Fund and prescribed those funds to support over 1,400 CDFIs in rural and urban communities. As your Office seeks to implement and execute on this funding legislation, we urge you to swiftly obligate all discretionary funding provided by Congress to the CDFI Fund in a timely manner.

Since its inception over three decades ago, the CDFI Fund has proven critical to the CDFI sector's success and has met the mission to create a public-private partnership to promote access to capital in our most underserved rural and urban communities. Each year, CDFIs leverage federal dollars from the CDFI Fund with private-sector investment to boost small business formation, increase housing production, and deliver new capital to America's forgotten communities.

It's imperative that congressionally-approved funds for the CDFI Fund are deployed strategically and in a timely manner. Delay in the obligation of funds hinders critical projects in our states and could constrain the flow of capital to businesses and consumers who need it the most. To date, the CDFI Fund has yet to announce and disburse awards for five programs within its portfolio even though application periods closed months ago. Furthermore, other programs have yet to publish applications for the current fiscal year.

The uncertainty around the deployment of federal funds from the CDFI Fund is concerning but can be addressed expeditiously. Therefore, we request that your Department issue a spending plan to Congress outlining the timelines for the obligation of all discretionary funds. The plan should provide Congress and the CDFI community with certainty that there will be continuity in the programs that have been lawfully funded.

Thank you for your consideration of our request. We stand ready to work with your Administration to support CDFIs and the communities that they serve.

CC:
The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Senate CDFI Caucus Members

First Name	Last Name	State	Party
Lisa	Blunt Rochester	DE	D
Cory	Booker	NJ	D
John	Boozman	AR	R
Bill	Cassidy	LA	R
Tom	Cotton	AR	R
Mike	Crapo	ID	R
Steve	Daines	MT	R
Dick	Durbin	IL	D
John	Hickenlooper	CO	D
Cindy	Hyde-Smith	MS	R
Jim	Justice	WV	R
John Neely	Kennedy	LA	R
Amy	Klobuchar	MN	D
Cynthia	Lummis	WY	R
Jerry	Moran	KS	R
Lisa	Murkowski	AK	R
Jon	Ossoff	GA	D
Gary	Peters	MI	D
Jack	Reed	RI	D
Mike	Rounds	SD	R
Brian	Schatz	HI	D
Tim	Sheehy	MT	R
Tina	Smith	MN	D
Chris	Van Hollen	MD	D
Mark	Warner	VA	D

Legislative Update and FY 26 Appropriations

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 Financial Services General Gov't (FSGG) Subcommittee marked up CDFI Fund at \$276 million**
- ▶ **CDFI Fund one of 3 items that Democrats highlighted as positive in the House FSGG. Continues to enjoy bipartisan support.**

Treasury Programs \$ in millions	FY25 Final	FY26 Budget	FY26 House Subcommittee
CDFI Fund	\$324	\$0.00	\$276.60
CDFI FA/TA Grant Programs	188	0	170
Native Initiative	28	0	35
Healthy Food Financing Initiative	24	0	0
Bank Enterprise Award	40	0	35
Admin and Research	35	33.146	33.6
Disabilities Fund*	10	0	10
Small Dollar Loan Fund	9	0	3
Economic Mobility Corps*	2	0	0
Bond Program subsidy	0	0	0
Bond Guarantee program authority	500		500

*Set aside from FA/TA

House released 302b Allocations last week

Topline Allocation

- ▶ Defense: \$892,500,000,000, Non-Defense: \$705,600,000,000
- ▶ Total: \$1,598,100,000,000

Appropriations Bill	Amount (millions)	Notes
Agriculture, Rural Development, FDA, and Related Agencies	\$25,523	
Commerce, Justice, Science, and Related Agencies	\$76,824	
Defense	\$831,513	
Energy and Water Development and Related Agencies	\$57,300	
Financial Services and General Government	\$23,198	Was \$23,600 in FY2025
Homeland Security	\$66,361	
Interior, Environment, and Related Agencies	\$37,971	
Labor, HHS, Education, and Related Agencies	\$184,491	
Legislative Branch	\$6,700	
Military Construction, Veterans Affairs, and Related Agencies	\$152,091	
National Security, Department of State, and Related Programs	\$46,218	
Transportation, HUD, and Related Agencies	\$89,910	

GETTING TO FY 26 APPROPRIATIONS

- ▶ Appears President's Full Budget Document will not be released; Agencies already working on FY27 (next year).
- ▶ House Appropriations Committee: 302 (b) Allocations released last week.
- ▶ Full House Appropriations Committee markup of FSGG expected in September.
- ▶ Small Possibility for Senate FSGG to mark-up before August recess; Expect FSGG and most Senate mark-ups in September.
- ▶ CR likely for the beginning of FY26 and quite possibly for the full year, **but further recissions also likely.**

Rescission Bills

- ▶ First Recission Bill, cutting total of \$9 billion in appropriated funds from Foreign Aid and the Corporation for Public Broadcasting, was passed last week
- ▶ Administration has indicated they will recommend more rescission bills soon.
- ▶ Given House is recessing until Labor Day as of tonight, we would expect those new rescission bills in September.
- ▶ **Do not expect any advance notice of what agencies will be targeted with rescissions of already appropriated funds from, but we are concerned that the CDFI Fund could be on the list, especially since OMB is holding up funding.**
- ▶ We need you to continue your on-the-ground advocacy and relationship building with all your Representatives and Senators and their staff, especially during the August recess! It is imperative to do additional outreach to Republican members and Senators!

Taking Action Now

Actions in August - September

- ▶ **Plan meetings, tours and events in the state and district** for members and their staffs, especially with your customers in the communities you serve
 - ***Aug 2 – Sept. 1***
- ▶ **Respond to CDFI Survey** that will likely be released in the Fall
- ▶ Listen for news for an **in-person Fall Advocacy Day** for CDFIs. We need to have a great showing to build and solidify our support on the Hill!
- ▶ *If you have need help determining whom to contact, please email Madison at Madison@rapoza.org*

What is happening at the CDFI Fund?

CDFI Fund Leadership and Certification

- ▶ Dietrich Douglas named Acting Director. He has been the Legal Counsel for the CDFI Fund since January 2023.
- ▶ Certification responses are beginning to come out, and we understand that several CDFIs are being denied for seemingly trivial issues or minor inaccuracies. CDFI Coalition is engaging with DAS Alex Smith on this issue.

Feedback, Suggestions and Q and A

The background features abstract geometric shapes. On the left, there are overlapping triangles in shades of yellow and light grey. On the right, a solid dark grey vertical band runs down the side. The overall design is modern and minimalist.

Appendix

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

Key provisions of final tax “Big Beautiful Bill”

- ▶ Permanent Extension of:
 - ▶ NMTC
 - ▶ Opportunity Zones
 - ▶ LIHTC expansion
 - ▶ Several Business Credits
- ▶ CBO provided final estimate this week - net cost of \$3.4 trillion increase to the deficit and 10 million people lose health insurance.
- ▶ Cuts to SNAP, Medicaid, clean energy, student loans and increases for military and immigration enforcement/ICE. (A net of \$1.1 trillion in cuts)
- ▶ Extends the 2017 tax cuts permanently and provides tax deductions for tips and overtime for 4 years. (\$4.5 trillion in decreased revenue)

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*)