

United States Senate

WASHINGTON, DC 20510

The Honorable Bill Hagerty
Chairman
Subcommittee on Financial Services and
General Government
U.S. Senate Committee on Appropriations
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Subcommittee on Financial Services and
General Government
U.S. Senate Committee on Appropriations
Washington, DC 20510

Re: FY 2027 CDFI Fund

Dear Chairman Hagerty and Ranking Member Reed:

We write to request that no less than \$324 million be provided for the Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) in the fiscal year (FY) 2027 Financial Services and General Government Appropriations measure. The CDFI Fund generates economic opportunity in distressed areas by expanding access to credit, capital, and financial services through the investment in and assistance to a nationwide network of Community Development Financial Institutions (CDFIs).

The CDFI Fund has yet to make awards with funds appropriated for Fiscal Year 2025. We also request that the Committee include language requiring the CDFI Fund to establish a schedule for publication of applications and making of awards consistent with Congressional intent.

The Riegle Community Development and Regulatory Improvement Act of 1994 (Pub. L. 103-325) established the CDFI Fund in 1994. Since then, it has awarded more than \$8 billion to CDFIs, community development organizations, and financial institutions through its funding programs, allocated \$91 billion in tax credits through the New Markets Tax Credit Program, and guaranteed nearly \$3 billion in bonds through the CDFI Bond Guarantee Program.

Through its unique public-private partnership model, the CDFI Fund's award recipients successfully leverage billions in private-sector investment to create jobs, build affordable housing and essential community facilities, and invest in neighborhood revitalization initiatives. CDFIs turn every public dollar into roughly eight dollars of private investment, using a small federal investment to deliver billions in private capital and affordable financial services to underinvested communities.

Since 2010, recipients of CDFI Program Financial Assistance awards have originated nearly \$300 billion in loans and investments, all in communities lacking access to traditional lending or banking institutions or experiencing widespread disinvestment. These resources have financed over 1.3 million businesses and supported the development of over 550,000 units of affordable housing. An appropriation of \$324 million will generate billions in new investments across America, including loans to more than 100,000 businesses, nearly 900,000 mortgage and consumer loans, an additional 45,000 affordable homes created or preserved, and thousands of

loans and investments in childcare centers, business incubators, rural hospitals, and other vital facilities.

For these reasons, we strongly urge continued investment in the work of the CDFI Fund by providing it with an FY 2027 appropriation of at least \$324 million.