



Dear Chair Collins, Vice Chair Murray, Chairman Hagerty and Vice Chair Reed:

Thank you for your past support for Treasury's Community Development Financial Institutions Fund (CDFI Fund) and its programs. We write in support of Fiscal Year (FY) 2027 appropriations for the CDFI Fund, to report to the Committee on the status of FY 2025 and 2026 appropriations, and recommend bill language to ensure timely action on funds appropriated by Congress.

For FY 2027, we support an appropriation of \$324 million for the CDFI Fund in the FY 2027 Financial Services and General Government Appropriations bill. The amount is the same as FY 2026, \$204.5 million above the budget request, and \$47.4 above the House Financial Services and General Government FY 2027 bill.

The CDFI Fund generates economic opportunity in distressed rural, urban, and Tribal communities by expanding access to credit, capital, and financial services through a nationwide network of mission-driven lenders. Through its unique public-private partnership model, the CDFI Fund leverages more than \$8 in private capital for every \$1 in federal investment, delivering billions in financing to communities that lack access to traditional banking and investment.

CDFIs fill persistent credit gaps by providing patient, flexible capital to small businesses, affordable housing developments, aspiring homeowners, community facilities, and essential services. Across the country, CDFIs finance entrepreneurship, support job creation, and drive long-term community revitalization.

CDFIs are one of the federal government's most effective tools for addressing housing needs for a broad range of incomes. This includes financing affordable rental housing, supporting wealth building through low-cost mortgage lending. In underinvested rural communities, CDFIs routinely provide the resources needed to bring down the cost of housing and homeownership. Recipients of CDFI Fund financial assistance provide over \$5 billion in affordable mortgage financing each year.

We remain concerned about the slow pace of apportionments, publication of applications, and the awarding of funds under the current administration. For your information, we have included a table on the status of CDFI Fund programs.



Status of CDFI Fund FY 2025 Awards

Program	Application Opened?	Money apportioned from OMB?	Awards Made?
Native Initiatives	Closed March 2025	Yes, April 2026	No, and no target date specified
Financial Assistance	Closed in March 2025 followed by a Supplemental Application closed in October 2025.	Yes, April 2026	No, and no target date specified
Housing Financial Assistance*	Closed April 2025	No	No, and no target date specified
Technical Assistance	Closed March 2025	Yes, April 2026	No, and no target date specified
Bank Enterprise Awards	No	Yes, April 2026	No, and no target date specified
Small Dollar Loan Program	No	Yes, April 2026	No, and no target date specified
Healthy Foods Financing Initiative	Closed March 2025	Yes, April 2026	No, and no target date specified
Bond Guarantee Program	Closed February 2025, Next NOFA release date uncertain	N/A	Yes (partial)
Capital Magnet Fund**	No	No	No, and no target date specified

*Funded through repayments from Emergency Capital Investment Program (ECIP)

**Multiple years of funding through Government Sponsored Enterprises (GSEs)

Fiscal Year 2025

On April 9, the Office of Management and Budget (OMB) finally apportioned FY 2025 appropriations of \$289 million to the CDFI Fund. However, OMB has yet to clear and the CDFI Fund has not published applications for the Bank Enterprise Act (BEA) nor the Small Dollar Loan Program. Appropriations for both programs were included in the April 9 allotment. The authorization for FY 2025 appropriations expires at the end of FY 2026.

On April 4, 2025, the CDFI Fund closed applications on the Housing Financial Assistance program. The source of funding for that program is repayments from the Emergency Capital



Investment Program. Although those repayments total \$100 million, and applications are pending, OMB has yet to make an allotment.

Additionally, of the \$500 million authorized for the FY 2025 Bond Guarantee program, only \$100 million was obligated. For FY 2026, Congress again authorized \$500 million for the Bond Guarantee program, and that authorization expires on September 30, 2026. The CDFI Fund has not yet opened the FY 2026 Bond Guarantee application.

Finally, it is worth noting that the CDFI Fund has yet to act on completed applications for Financial and Technical Assistance, Native Programs and Healthy Food Financing. Applications for those programs closed more than 14 months ago. The CDFI Fund has not announced its schedule for making awards for these programs.

Fiscal Year 2026

As of this date, other than administrative costs, OMB has not apportioned Fiscal Year 2026 CDFI Fund appropriations.

Continued delays in the availability of these funds hinder the CDFI Fund's ability to publish NOFAs, make awards, and provide critical capital to communities in need. CDFIs rely on predictable funding cycles to plan lending, raise matching capital, and maintain project pipelines. Delays in apportionment and award timelines create uncertainty that directly affects lending activity.

Bill Language Recommendations

We urge the Committee to include bill language requiring the timely apportionment and release of appropriated and assessed funds to the CDFI Fund, including FY 2026 funding, Capital Magnet Fund and Housing Financial Assistance funding, and the establishment and publication of a clear schedule for the future release of NOFAs and the making of awards.

We strongly urge continued investment in the CDFI Fund by providing no less than \$324 million in FY 2027 and by including directive language to ensure the timely release and deployment of appropriated and assessed funds.

Thank you for your continued support of the CDFI Fund and the communities it serves.