April \_\_\_, 2014

|  |  |
| --- | --- |
| The Honorable Tom Udall  Chairman  Appropriations Subcommittee on Financial Services and General Government  United States Senate  Washington, DC 20510 | The Honorable Mike Johanns  Ranking Member  Appropriations Subcommittee on Financial Services and General Government  United States Senate  Washington, DC 20510 |

Dear Chairman Udall and Ranking Member Johanns:

As you prepare the FY 2015 Financial Services General Government Appropriations bill, we are writing to request $226 million for the Community Development Financial Institutions Fund which is the funding level enacted in the 2014 Consolidate Appropriations Act (P.L.113-76).

The Community Development Financial Institutions Fund (CDFI Fund) was established within the U.S. Department of Treasury in 1994[[1]](#footnote-1) to promote community development in economically distressed urban and rural areas by investing in mission-driven financial institutions, known as community development financial institutions (CDFIs).

There are now over 800 certified CDFIs working in low-wealth communities across the country providing the flexible, market-driven products and services that consumers and small business owners need to grow and thrive. CDFIs are able to serve communities and market sectors that traditional financial institutions cannot and the ultimate goal of a CDFI is to transition their customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.

The CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services in underserved communities. CDFI Fund programs include: Financial Assistance (FA) awards to certified CDFI and Technical Assistance (TA) awards to certified as well as small and emerging 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.

Since 1994, the CDFI Fund has awarded more than $1.9 billion on a competitive basis to CDFIs and these federal dollars have effectively been leveraged, loaned and invested in urban and rural communities across the country where they are creating jobs and strengthening local economies. Last year, CDFIs made over 24,285 loans or investments totaling over $1.9 billion and financed more than 8,173 small businesses, over 17,732 housing units, and created more than 35,097 jobs. The CDFI Fund also administers the New Market Tax Credit Program and the CDFI Bond Guarantee Program, both designed to generate lending and investing to promote community revitalization, business development, and job creation in economically distressed communities.

We appreciate the important work that CDFIs do in our home states financing new and growing businesses, delivering financial services to distressed urban neighborhoods as well as remote rural areas, and facilitating the development of strong economically vibrant communities.

We strongly urge you to include $226 million for the CDFI Fund in the FY 2015 appropriations bill.

Sincerely,

1. The CDFI Fund was authorized as part of the *Riegle Community Development and Regulatory Improvement Act (PL 103-325)*. [↑](#footnote-ref-1)