

United States Senate

WASHINGTON, DC 20510

April 26, 2013

The Honorable Frank Lautenberg
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 Lautenberg and Ranking Member Johanns:

As you prepare the FY 2014 Financial Services and General Government Appropriations bill, we are writing to request \$224.9 million for the Treasury Department's Community Development Financial Institutions Fund as requested in the President's budget.

The Community Development Financial Institutions Fund (CDFI Fund) was established within the U.S. Department of Treasury in 1994 to promote community development in economically distressed urban and rural communities by investing in and growing Community Development Financial Institutions (CDFIs) across the country.

CDFIs are community-based, mission-driven financial institutions that specialize in delivering affordable credit, capital, and financial services to residents and businesses in minority and economically distressed communities. As community-based financial institutions, CDFIs understand and can respond effectively to the needs of their target market and provide the flexible, market-driven products and services that consumers and small business owners need to grow and thrive.

CDFIs fill a vital niche in the nation's financial services delivery system by serving communities and market sectors that conventional lenders cannot - with the ultimate goal of bringing CDFI customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.

To date, the CDFI Fund has certified more than 999 CDFIs to work in low-wealth communities in all 50 states and the District of Columbia. In addition to overseeing CDFI certification, the CDFI Fund administers a range of innovative programs designed to strengthen the ability of CDFIs to provide financial products and services to underserved communities. CDFI Fund programs include: Financial Assistance (FA) awards to certified CDFIs and Technical Assistance (TA) grants to certified or 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 Award (BEA) Program providing monetary awards to FDIC-insured banks that invest in low-income communities and/or in CDFIs.

Since 1994, the CDFI Fund has awarded over \$1.7 billion on a competitive basis to CDFIs, Native American CDFIs, and financial institutions through the BEA Program - with more than \$1 billion going to CDFIs and emerging CDFIs as FA awards or TA grants. In FY 2012, CDFIs made over 17,500 loans or investments totaling over \$1.29 billion and financed more than 4,102 small businesses, over 24,466 housing units, and created more than 25,618 jobs.

We appreciate the important role that CDFIs play in our home states by financing businesses, families and neighborhoods that are generally unable to access the capital they need from conventional lenders. Thanks to the work of CDFIs, we have seen entire communities take a step towards financial self-sufficiency.

Again, we strongly urge you to include \$224.9 million for the CDFI Fund in the FY 2014 appropriations bill.

Sincerely,

Robert Menendez

Angus King

Bob Casey

Jeffrey A. Meehan

Mark Wyden

Chuck Schumer

Kirsten E. Gillibrand

Kay R. Hagan

Amy Klobuchar

Al Franken

Ben Sanders

Max Baucus

Jack Reed

May of Gardiner

Jon Testa

Brian Eckel

Debbie Stetsnow

Jim Johnson

Nick Dent