*DRAFT LETTER to accompany a Representative’s FY’17 appropriations request for the CDFI Fund*

**House of Representatives**

|  |  |
| --- | --- |
| The Honorable Ander Crenshaw  Chairman  Appropriations Subcommittee on  Financial Services and General Government  United States House of Representatives  Washington, DC 20515 | The Honorable Jose Serrano  Ranking Member  Appropriations Subcommittee on  Financial Services and General Government  United States House of Representatives  Washington, DC 20515 |

Dear Chairman Crenshaw and Ranking Member Serrano

**US Senate**

|  |  |
| --- | --- |
| The Honorable John Boozman  Chairman  Subcommittee on Financial Services & General Government  Senate Appropriations Committee  The Capitol, S-131  Washington, D.C. 20510 | The Honorable Chris Coons  Ranking Member  Subcommittee on Financial Services & General Government  Senate Appropriations Committee  The Capitol, S-131  Washington, D.C. 20510 |

Dear Chairman Boozmen and Ranking Member Coons:

I write to respectfully ask that you provide at least $245.9 million for the Community Development Financial Institutions (CDFI) Fund in the fiscal year 2017 Financial Services and General Government Appropriations bill.

The CDFI Fund was established within the U.S. Department of Treasury in 1994t\[[1]](#endnote-1) to promote community development in economically distressed areas by investing in mission-driven financial institutions, known as community development financial institutions (CDFIs). CDFIs are able to serve urban and rural communities and market sectors that traditional financial institutions cannot. The ultimate goal of a CDFI is to transition their customers into the mainstream economy as bank customers, home owners and/or entrepreneurs.

There are now over 930 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. I can attest to the critical work that CDFIs do in my home state……..

The CDFI Fund administers a range of innovative and effective programs that enable CDFIs to address the needs of their target markets. CDFI Fund programs include Financial Assistance (FA) and Technical Assistance (TA) awards to small emerging CDFIs as well as established CDFIs, the Native American CDFI Assistance (NACA) Program aimed growing and strengthening CDFIs serving Native communities; and the Bank Enterprise Awards (BEA) program which provides monetary awards to FDIC-insured banks that invest in low income communities and/or CDFIs.

Since 1994, the CDFI Fund has awarded $2.3 billion on a competitive basis to CDFIs and these federal dollars have effectively been leveraged, loaned ad invested in urban and rural communities across the country, creating jobs and strengthening local economies. Last year, CDFIs made over 41,000 loans or investments totaling $3 billion, financing more than 12,000 small businesses and 25,000 housing units.

In the fiscal year 2017 Appropriation bill, I ask that you provide at least $245.9 million for the CDFI Fund, with no less than $175.4 million to fund FA and TA grants funding for the Healthy Foods Financing Initiative, and not less than $15.5 million for NACA and $19 million for BEA, as well as $26 to cover the administrative costs associated with these programs in addition to the New Markets Tax Credit, the CDFI Bond Guarantee Program, and the Capital Magnet Fund, all of which are administered by the CDFI Fund[[2]](#endnote-2).

I appreciate you considering this programmatic funding request.

Sincerely,

Representative ------------

1. The CDFI Fund was authorized as part of the *Riegle Community Development and Regulatory Improvement Act (PL 103-325)*. [↑](#endnote-ref-1)
2. The New Markets Tax Credit, the CDFI Bond Program and the Capital Magnet Fund do not require an appropriation other than funds requested to cover administrative costs associated with the programs. [↑](#endnote-ref-2)