*DRAFT LETTER to accompany a Senator’s FY’16 appropriations request for the CDFI Fund*

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| 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 Boozman and Ranking Member Coons:

I write to respectfully ask that you provide at least $233.5 million for the Community Development Financial Institutions (CDFI) Fund in the fiscal year 2016 Financial Services and General Government Appropriations bill.

The CDFI Fund was established within the U.S. Department of Treasury in 1994[[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 more than 900 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 over $2.1 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, creating jobs and strengthening local economies. Last year, CDFIs made over 28,000 loans or investments totaling nearly $3 billion, financed nearly 10,000 small businesses and over 25,000 housing units.

In the fiscal year 2016 Appropriation bill, I ask that you provide at least $233.5 million for the CDFI Fund, with no less than $174.6 million to fund FA and TA grants including $22 million for the Healthy Foods Financing Initiative, $16 million for NACA, $18 million for BEA, and $24.9 to cover the administrative costs associated with these programs as well as 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,

Senator ------------

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)