March 29, 2017

The Honorable Rodney Frelinghuysen  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Tom Graves  
Chairman  
House Appropriations Committee  
Subcommittee on Financial Services  
Washington, DC 20515

The Honorable Mike Quigley  
Ranking Member  
House Appropriations Committee  
Subcommittee on Financial Services  
Washington, DC 20515

Dear Chairman Frelinghuysen, Ranking Member Lowey, Chairman Graves, and Ranking Member Quigley:

As you begin work on the Fiscal Year 2018 Financial Services Appropriations bill, we respectfully request that you provide full funding agreed to by the House in the Fiscal Year 2017 House Financial Services Appropriations bill of $250 million for the Department of the Treasury’s Community Development Financial Institutions (CDFI) Fund.

As you know, the CDFI Fund’s mission is to expand the capacity of CDFIs to provide credit, capital, and financial services to underserved populations and communities across the country. Housed within the Department of the Treasury, the CDFI Fund spurs investments in local and often underserved communities in rural, urban and Native areas by fostering the creation and expansion of CDFIs, private sector financial institutions that specialize in providing affordable credit, creating jobs, and revitalizing neighborhoods. CDFIs fill a market gap left by insufficient lending from traditional financial institutions, such as commercial banks.

CDFI Fund Grant 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.

CDFI Fund grants are awarded competitively to the organizations that best demonstrate how they will partner with their communities to address their economic development needs. Through its administration of these competitive grant programs the CDFI Fund has not only invested directly
in local communities, but has also attracted billions of dollars in additional private-sector investments. Since its inception, the CDFI Fund has awarded more than $2 billion to CDFIs. In FY16 alone the CDFI Fund extended $176 million in awards which resulted in $3.6 billion investments and loans made by CDFIs in low-income communities. This investment in FY16 helped finance 11,300 small businesses, 33,000 affordable housing units, and provided 427,345 individuals with financial literacy and other training. In FY15 CDFI awardees created more than 65,000 jobs.

The CDFI Fund is also responsible for administering the New Markets Tax Credit Program, which provides tax credits to attract private investment to distressed communities. In FY16 over $3 billion in loans and investments were made possible under the New Markets Tax Credit Program, with over 75 percent of the loans and investments made in Severely Distressed Communities. This critical financing generated $8 of private investment for every $1 of federal funding, created 178 million square feet of manufacturing, office and retail space, and financed over 5,400 businesses.

Access to affordable credit is a pressing issue in many underserved rural, urban and Native communities. It is critical that we continue to make the necessary investments in these struggling communities to get people back to work, to empower local communities to develop their economies, and to provide financial services to consumers without access to affordable credit. The CDFI Fund is exemplary of that effort and we respectfully request that you ensure that the CDFI Fund is funded at the level approved by the House in the FY2017 Financial Services Appropriations bill. Thank you for your consideration of this request.

Sincerely,

CAROLYN B. MALONEY
Member of Congress

CEDRIC L. RICHMOND
Member of Congress

GREGORY W. MEEKS
Member of Congress

ALCEE L. HASTINGS
Member of Congress

BARBARA LEE
Member of Congress

DONALD S. BEYER, JR.
Member of Congress
DANIEL T. KILDEE  
Member of Congress

MICHELLE LUJAN GRISHAM  
Member of Congress

GWEN MOORE  
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STEPHANIE N. MURPHY  
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JIMMY PANETTA  
Member of Congress

CHELLIE PINGREE  
Member of Congress

MARK POCAN  
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JOHN P. SARBANES  
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JUAN VARGAS  
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NYDIA M. VELAZQUEZ  
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STEPHEN F. LYNCH  
Member of Congress

AL GREEN  
Member of Congress