July 5, 2016

The Honorable Harold Rogers  
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 Ander Crenshaw  
Chairman, Financial Services & General Government Subcommittee  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable José E. Serrano  
Ranking Member, Financial Services & General Government Subcommittee  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairs and Ranking Members:

As members of the Opportunity Finance Network (OFN), the nation’s leading national network of community development financial institutions (CDFIs), we are writing to urge you to oppose the Duffy-Marino amendment to H.R. 5485, the FY 2017 Financial Services and General Government Appropriations Act.

We remain incredibly grateful for the $250 million appropriation for the CDFI Fund included in H.R. 5485. We recognize that Congress faces substantial constraints on domestic spending in this difficult fiscal environment. We appreciate the broad bipartisan support for CDFIs as efficient and effective facilitators of economic opportunity.

The amendment introduced by Rep. Sean Duffy (WI-07) and Rep. Tom Marino (PA-10) would reduce the appropriations for the CDFI Fund at the U.S. Department of the Treasury by $20.7 million for FY 2017 or an 8.3% cut across all line items included in the draft bill. It is our understanding that the amendment intends to reduce funding to the CDFI Fund to offset $20.7 million in payments to some CDFIs by large commercial banks as a result of settlements with the U.S. Department of Justice.

A fundamental problem with the Duffy-Marino amendment is that it presumes that federal funding is the primary or sole source of CDFI funds and that any commercial bank donations are mutually interchangeable with Treasury Department grants. CDFIs that receive funds through a Justice Department settlement are not “double-dipping” because they routinely receive funding via private sources such as large commercial banks as part of their diversified approach to raising investment capital.

By treating CDFI funding as zero-sum and reducing the CDFI Fund funding by an amount equivalent to the Justice Department settlements, the Duffy-Marino amendment will result
in less capital leveraged by CDFIs to finance community businesses and spark job growth in rural, urban, and Native communities. Every $1 dollar awarded by the CDFI Fund in Financial Assistance (FA)/Technical Assistance (TA) awards results in more than $12 dollars invested in communities. Therefore, the $15.3 million cut to FA/TA awards would significantly reduce the final amount of capital that could be leveraged and invested by CDFIs in under-resourced communities.

In addition, CDFI Fund programs are consistently and significantly oversubscribed: in FY 2015, 356 eligible CDFIs requested more than $435 million in FA and TA awards from the CDFI Fund, but they were only able to grant a little over $160 million to 152 organizations.

Smaller programs administered by the CDFI Fund, such as the Native American CDFI Assistance (NACA) Program, will bear an even larger burden. If the amendment is passed, it will receive less money than it did in each of the past three fiscal years (FY 2014 - FY 2016). Since its inception in 2001, the NACA Program has provided over $100 million in FA and TA awards to CDFIs serving Native communities, growing the number of certified Native CDFIs from nine to 70 in 2015.

Lastly, the CDFI Fund continues to work on addressing the unique conditions, challenges, and scale of non-metropolitan areas and rural areas. The funds for the research and innovation initiatives driving this progress come from the administrative expenses line item. A cut would hinder the CDFI Fund’s ability to continue their work in this area.

If passed, the Duffy-Marino amendment’s cut to FY 2017 CDFI Fund appropriations will lead to less capital available to be leveraged by CDFIs in under-resourced rural, urban, and Native communities. We urge you to oppose this amendment when the House debates H.R. 5485, FY 2017 Financial Services and General Government Appropriations Act.

Thank you for your consideration of this request.

Sincerely,

Access to Capital for Entrepreneurs, Inc.  Cleveland, GA
Accion Chicago  Chicago, IL
Accion East, Inc.  New York, NY
ANDP Loan Fund  Atlanta, GA
Appalachian Community Federal Credit Union  Gray, TN
Arcata Economic Development Corporation  Eureka, CA
Baltimore Community Lending  Baltimore, MD
BBIF Florida  Orlando, FL
BOC Capital Corporation  Brooklyn, NY
Brazos Valley CDC, Inc.  Bryan, TX
Bridgeway Capital  Pittsburgh, PA
Business Impact NW  Seattle, WA
| Capital for Change | New Haven, CT |
| Capital Impact Partners | Arlington, VA |
| CDC Small Business Finance | San Diego, CA |
| CEI | Brunswick, ME |
| Charter Schools Development Corporation | Columbia, MD |
| Chicago Community Loan Fund | Chicago, IL |
| Cincinnati Development Fund | Cincinnati, OH |
| Cinnaire | Chicago, IL |
| Citizen Potawatomi CDC | Shawnee, OK |
| City First Enterprises | Washington, DC |
| Colorado Enterprise Fund | Denver, CO |
| Communities Unlimited | Fayetteville, AR |
| Community and Shelter Assistance Corp. | Sherwood, OR |
| Community Assets for People, LLC | Stevens Point, WI |
| Community Capital New York | Hawthorne, NY |
| Community Capital of Vermont | Barre, VT |
| Community First Fund | Lancaster, PA |
| Community Health Center Capital Fund | Boston, MA |
| Community Reinvestment Fund, USA | Minneapolis, MN |
| Cooperative Fund of New England | Amherst, MA |
| Corporation for Supportive Housing | New York, NY |
| Craft3 | Ilwaco, WA |
| Dakota Resources | Renner, SD |
| Detroit Development Fund | Detroit, MI |
| Enterprise Community Loan Fund | Columbia, MD |
| Entrepreneur Fund | Duluth, MN |
| Entrepreneur Works Fund | Philadelphia, PA |
| Fahe | Berea, KY |
| Finance Fund Capital Corporation | Columbus, OH |
| FINANTA | Philadelphia, PA |
| First Nations Oweesta Corporation | Longmont, CO |
| First State Community Loan Fund | Wilmington, DE |
| Florida Community Loan Fund | Orlando, FL |
| Forward Community Investments | Madison, WI |
| Fresno CDFI | Fresno, CA |
| Genesis LA | Los Angeles, CA |
| Grow America Fund | New York, NY |
| Gulf Coast Renaissance Corporation | Gulfport, MS |
| Hawaii First FCU | Kamuela, HI |
| Homewise, Inc | Santa Fe, NM |
| Hope Enterprise Corporation | Jackson, MS |
| Housing Partnership Network | Boston, MA |
| Idaho-Nevada CDFI | Boise, ID |
| IFF | Chicago, IL |
Impact Seven
Initiative Capital
Kentucky Highlands Investment Corporation
Latino Economic Development Center
Legacy Redevelopment Corporation
Leviticus 25:23 Alternative Fund, Inc.
LiftFund
Local Enterprise Assistance Fund
Local Initiatives Support Corporation (LISC)
Low Income Investment Fund (LIIF)
Main Street Launch
Maryland Capital Enterprises, Inc.
Mercy Loan Fund
Metro Community Development, Inc.
Montana & Idaho CDC
NeighborWorks Montana
MACED
Natural Capital Investment Fund, Inc.
NCALL Loan Fund
NeighborWorks of Western Vermont
New Hampshire Community Loan Fund
New Jersey Community Capital
North Side Community Federal Credit Union
Northern California Community Loan Fund
Northern Economic Initiatives Corporation
Opportunity Finance Network
Pacific Community Ventures
Partners for the Common Good
Pathway Lending
People Incorporated Financial Services
PeopleFund
PIDC Community Capital
PPEP Microbusiness and Housing Development Corporation
Primary Care Development Corporation
Reinvestment Fund
Rising Tide Community Loan Fund
Rural Community Assistance Corporation
San Luis Obispo County Housing Trust Fund
Self-Help Credit Union
Shared Capital Cooperative
Solar and Energy Loan Fund of St. Lucie County, Inc.
South Carolina Community Loan Fund
Southern Mutual Financial Services, Inc.

Almena, WI
Raleigh, NC
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Nashville, TN
Abingdon, VA
Austin, TX
Philadelphia, PA
Tucson, AZ
New York, NY
Philadelphia, PA
Bethlehem, PA
West Sacramento, CA
San Luis Obispo, CA
Durham, NC
Minneapolis, MN
Fort Pierce, FL
Charleston, SC
New Iberia, LA
The Enterprise Center Capital Corporation
The Progress Fund
The Support Center
Vermont Community Loan Fund
Village Capital Corporation
Wisconsin Native Loan Fund, Inc.
Wisconsin Women's Business Initiative Corporation
Women Venture
Women's Opportunities Resource Center
Working Solutions

Philadelphia, PA
Greensburg, PA
Raleigh, NC
Montpelier, VT
Cleveland, OH
Lac du Flambeau, WI
Milwaukee, WI
Minneapolis, MN
Philadelphia, PA
San Francisco, CA

cc: Rep. Sean Duffy (WI-07)
    Rep. Tom Marino (PA-10)