

May 10, 2018

The Honorable Richard Shelby  
Chairman, Committee on  
Appropriations  
U.S. Senate  
Washington, DC 20510

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

The Honorable Patrick J. Leahy  
Vice Chairman, Committee on  
Appropriations  
U.S. Senate  
Washington, DC 20510

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

The Honorable James Lankford  
Chairman,  
Financial Services & General  
Government Subcommittee  
Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Tom Graves  
Chairman, Financial Services &  
General Government Subcommittee  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Christopher A. Coons  
Ranking Member,  
Financial Services & General  
Government Subcommittee  
Committee on Appropriations  
U.S. Senate Washington, DC 20510

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

Dear Chairs and Ranking Members of the Appropriations Committees and FSGG  
Subcommittees:

I write to you today to express Opportunity Finance Network's (OFN) opposition to the elimination of funding for the Department of Treasury's Bank Enterprise Award (BEA) program and the Capital Magnet Fund (CMF) as proposed by the rescissions package released earlier this week by the Trump Administration. OFN is a community development financial institution (CDFI) membership organization of more than 240 CDFIs. Many of our members utilize funds through the BEA program and CMF to provide access to financial services, capital, and affordable housing options in underinvested communities.

Both the BEA program and CMF were listed in the rescission package as programs from which funds were recommended to be rescinded. There are several reasons why rescinding funds from these two programs would be problematic.

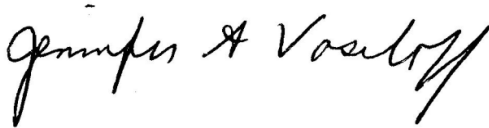
The rescissions package proposes eliminating \$23 million in funding for the BEA program which was appropriated by Congress for FY 2017. Under Public Law 115-31, this funding for the BEA program remains available through September 30, 2018. The BEA program plays a crucial role in encouraging FDIC-insured financial

institutions to invest in economically distressed communities. Awardees of the BEA program are awarded amounts based off the percentage of their increase in qualified activities—for example investing, lending, or providing financial services—in distressed communities for the previous annual reporting period. For the FY 2017 funding round, a total of 119 organizations applied to the BEA program and requested awards of more than \$131.7 million. This award request is almost 6 times more than the \$23 million allocated for the BEA program, and applicants were expecting an announcement soon of award recipients.

The Capital Magnet Fund program is not funded through annual congressional appropriations. Funding for CMF comes from a small fee on total new business purchases of the Government-Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac from the previous year. As stated in the President's rescission proposal, *these 2017 GSE allocations were only made available to Treasury by the GSEs on May 1, 2018, 7 days before the rescissions recommendation was made.*

Opportunity Finance Network respectfully urges you to reject the Administration's rescissions recommendations for these two valuable CDFI Fund programs

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer A. Vasiloff". The signature is fluid and cursive, with the first name being the most prominent.

Jennifer A. Vasiloff  
Chief External Affairs Officer  
Opportunity Finance Network