

March 7, 2013

The Honorable Hal Rogers
Chairman, House Committee on Appropriations
The Capitol, H-307
Washington, DC 20515

The Honorable Ander Crenshaw
Chair, House Appropriations Subcommittee on
Financial Services and General Government
B-300 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Rogers and Chairman Crenshaw:

As leaders of the nation's community development financial institutions (CDFI) industry, we are writing to urge you to include the CDFI Bond Guarantee Program in the appropriations legislation that determines the federal government's spending parameters for the balance of Fiscal Year 2013.

Congress enacted the CDFI Bond Guarantee Program as part of the Small Business Jobs Act of 2010. This program provides a new, and previously unavailable, source of long-term, patient capital for CDFIs to invest in underserved communities.

The Office of Management and Budget has determined that the program requires a zero credit subsidy appropriation, and as such adds NO cost to the federal government. A drafting error in the authorizing statute prevents the CDFI Fund from implementing the program unless Congress includes language in appropriations legislation to comply with the Federal Credit Reform Act. The necessary language is a simple, zero-cost technical fix that allows Treasury to move forward with program implementation.

Last month, an Interim Rule for the CDFI Bond Guarantee Program was published. The CDFI Fund is preparing application materials, sponsoring training sessions and gearing up to implement this program in FY 2013. The CDFI industry is eager to use this new source of long term capital to better serve low-wealth markets. To lose this potential over a legislative drafting error would be devastating.

Your continued leadership on behalf of the CDFI industry has never been more important or necessary. It is critically important that the transformational opportunity represented by the CDFI Bond Guarantee Program is not lost.

Sincerely,

Association for Enterprise Opportunity
Calvert Foundation
Carsey Institute
CASA of Oregon
CDFI Coalition
Coastal Enterprises, Inc. (CEI)
Community Development Bankers Association
Community Development Venture Capital Alliance
Community Ventures Corporation
Enterprise Community Partners
Federation of Appalachian Housing Enterprises
Federation of Community Development Credit Unions
Finance Fund
Hope Enterprise Corporation / Hope Credit Union
IFF
Institute for Community Economics
Kentucky Highlands Investment Corporation

Local Initiatives Support Corporation
Low Income Investment Fund
Mercy Loan Fund
Mile High Community Loan Fund
Montana CDC
National Community Investment Fund
National Housing Trust Community Development Fund
NCB Capital Impact
NeighborWorks Capital
Northern California Community Loan Fund
Opportunity Finance Network
Oweesta
Partners for the Common Good
Pathway Lending
Primary Care Development Corporation
Self-Help Ventures Fund
The Reinvestment Fund
Virginia Community Capital