



April 7, 2020

The Honorable Mitch McConnell
Majority Leaders
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington DC 20510

The Honorable John Thune
Majority Whip
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Dick Durbin
Minority Whip
United States Senate
711 Hart Senate Office Building
Washington DC 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Majority Whip Thune, and Minority Whip Durbin:

On behalf of the undersigned banking trade associations, we strongly urge you to fund \$1 billion for the Community Development Financial Institutions (CDFI) Fund of the U.S. Department of the Treasury as part of the next economic stimulus package.

During the Great Recession, CDFIs played a pivotal role in stabilizing the local economies and preserving and creating jobs in low- and moderate-income communities. Likewise, the 2020 recession is already taking a devastating toll on the most economically fragile households and the communities where they live. In 2009, Congress channeled \$100 million in stimulus funds into CDFIs through American Renewal and Recovery Act (ARRA). CDFIs were able to quickly and successfully mobilize and deploy funds to help businesses, consumers and others to survive the Great Recession.

Collectively our organizations represent thousands of FDIC-insured depository institutions across the United States. Since 1996, hundreds of banks have participated in the programs of the CDFI Fund and/or have partnered with CDFIs to serve low-and moderate-income communities. The programs of the CDFI Fund have a documented record of creating impact. They are invaluable in helping banks find ways to serve credit markets and communities that otherwise might not be served.

The \$1 billion request is modest relative to the size and scope of the CDFI industry. Currently, there are 1,131 CDFIs that collectively total \$211 billion in total assets with

total outstanding portfolios of \$158.7 billion. The \$1 billion request represents a modest 0.47% of total CDFI industry assets. This capital, however, is critically important at this time. The monies will leverage up to 12-times (\$12 billion) the \$1 billion in private capital that will be channeled to local businesses, nonprofits, and others to help recover the devastating effects of the recession and begin rebuilding.

The CDFI Fund and CDFIs are one of the Federal Government's best market-based strategies for leveraging and channeling needed resources to our most distressed communities.

In the interests of promoting economic stabilization, job preservation and creation, and addressing community needs in the hardest hit urban, rural and Native American communities, we strongly urge you to allocate \$1 billion in stimulus funding to the CDFI Fund.

Sincerely,

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National Association of Affordable Housing Lenders
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