



December 5, 2020

The Honorable Mitch McConnell  
Majority Leader  
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 members of the Community Development Bankers Association (CDBA) and the National Bankers Association (NBA), we strongly urge you to support the bipartisan \$908 billion package in the pending Senate Coronavirus relief and recovery bill. We specifically support \$12 billion for Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) as outlined in Section 5 (Neighborhood Capital Investment Program) and Section 6 (Emergency Funding for CDFI Fund) of the Jobs and Neighborhood Investment Act (S. 4255). Of these amounts, \$10 billion will go to the Neighborhood Capital Investment Program and \$2 billion will go to the CDFI Fund for emergency grants.

**S. 4255 has broad bipartisan support because it directs largely unused recovery resources to Low- and Moderate-Income (LMI) and minority communities hardest hit by COVID-19 and the recession, but which have been inadequately served by other Federal recovery initiatives.**

## **WHO WE ARE & WHO WE SERVE**

CDBA is the national trade association of banks and thrifts with a primary mission of promoting community development. There are 145 banks with the Department of the Treasury's CDFI designation – which means at least 60% of their total lending, services, and other activities are targeted to LMI communities. CDFI banks have a primary mission of community development and work in impoverished urban, rural, and Native American communities. Our members are on the front lines serving LMI and minority communities that are too often by-passed by traditional banks and financial service providers.

NBA is the leading trade association for the country's MDIs. NBA's mission is to serve as an advocate for the nation's MDIs on all legislative and regulatory matters concerning and affecting our member institutions and the communities they serve. Many of NBA's member institutions are also CDFIs, and like the CDBA, many of our member institutions are the only banks in their communities that serve consumers and businesses who are underserved by traditional banks and financial service providers.

## **PROMOTING ECONOMIC RECOVERY IN UNDERSERVED COMMUNITIES**

Voluminous economic and health economic data demonstrate that the COVID-19 virus and economic fall-out has had a disproportionate impact on LMI and minority communities across the United States. Likewise, we know that other stimulus initiatives – such as the Paycheck Protection Program (PPP) – largely missed these communities.

CDBA and NBA members are specifically focused on serving LMI and minority communities across the United States. Data from the PPP, however, demonstrates that CDFIs and MDIs were effective in reaching the smallest and most vulnerable borrowers in LMI and minority communities. Yet, we know from prior recessions, these communities will need far more than PPP to recover.

S. 4255 is based on highly successful recovery initiatives implemented during the Great Recession, including the 2009 American Renewal and Recovery Act (ARRA) and the 2010 Community Development Capital Initiative (CDCI). The S. 4255 provisions in the \$908 billion bipartisan package will provide CDFIs and MDIs with resources to help small businesses and others rebuild their local economies. Communities served by our members have a large portion of LMI and minority residents and have borne the brunt of business closures and job losses, which in turn, threaten housing, health and food security for residents. Our members provide affordable capital and assistance that give businesses and residents a “hand up” in rebuilding.

If you have questions, please contact CDBA CEO Jeannine Jacokes at [jacokesj@pcgloanfund.org](mailto:jacokesj@pcgloanfund.org) or (202) 207-8728, and/or NBA President and CEO Kim D. Saunders at [k Saunders@nationalbankers.org](mailto:k Saunders@nationalbankers.org) or (202) 588-5432.

Our collective memberships are uniquely positioned to quickly deploy resources to small businesses and others in the LMI communities that need support the most. Thank you for your consideration on this important matter.

Sincerely,



Jeannine Jacokes  
Chief Executive Officer



Kim D. Saunders  
President and Chief Executive Officer

cc:

Senator Richard Shelby, Chairman, U.S. Senate Committee on Appropriations  
Senator Patrick Leahy, Vice Chairman, U.S. Senate Committee on Appropriations  
Senator Mike Crapo, Chairman, U.S. Senate Committee on Banking, Housing and Urban Affairs  
Senator Sherrod Brown, Ranking Member, U.S. Senate Committee on Banking, Housing and Urban Affairs  
Senator Marco Rubio, Chairman, U.S. Senate Committee on Small Business and Entrepreneurship  
Senator Ben Cardin, Ranking Member, U.S. Senate Committee on Small Business and Entrepreneurship