



March 11, 2010

The Honorable Jose Serrano
Chairman
Subcommittee on Financial Services and
General Government Appropriations
U.S. House of Representatives
2227 Rayburn House Office Building
Washington DC 20515

The Honorable Jo Ann Emerson
Ranking Minority Member
Subcommittee on Financial Services and
General Government Appropriations
U.S. House of Representatives
2440 Rayburn House Office Building
Washington DC 20515

Dear Chairman Serrano and Ranking Member Emerson:

On behalf of the American Bankers Association, Community Development Bankers Association, Independent Community Bankers of America, and the National Bankers Association, we are writing to strongly urge you to support \$300 million in funding for the Community Development Financial Institutions (CDFI) Fund of the U.S. Department of the Treasury including restoring at least \$25 million for the Bank Enterprise Award (BEA) Program.

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. The programs of the CDFI Fund have a proven, documented track record of creating impact and have become invaluable in helping banks find ways to serve credit markets and communities that otherwise might not be served. It is truly one of the Federal government's best market-based strategies for leveraging and channeling needed resources to our most challenged communities.

We ask that you support \$300 million in funding for the CDFI Fund for FY 2011 with at least \$25 million allocated to the Bank Enterprise Awards (BEA) Program. The Obama Administration's proposed FY 2011 budget provides approximately the same levels of funding for the CDFI Fund as in FY 2010. But, it eliminates funding for the BEA Program. Over the past several years, we have seen a steady erosion of funding for the BEA Program. The CDFI Fund's authorizing statute

requires that one-third (33%) of all program monies be allocated to the BEA Program. Since the authorizing statute expired, appropriators have slowly eroded the amount of program monies allocated to the BEA. In FY 2010, the \$25 million appropriated for the BEA program represented approximately 10% of the CDFI Fund's total appropriation. BEA is the only program operated by the CDFI Fund that is open to all banks to: (1) support their lending in Low-and-Moderate Income (LMI) communities; and (2) promote provision of loans and investments in CDFIs. The program has been particularly important banks and thrifts that are certified CDFIs. In fact, over the past 6 years, nearly 77% of all BEA monies have supported CDFI banks and thrifts that are specialized in serving LMI communities.

In closing, we sincerely thank you for your past support of the CDFI Fund. We strongly urge you to continue your support by appropriating \$300 million for the CDFI Fund for FY 2011 with at least \$25 million allocated to the Bank Enterprise Awards (BEA) Program.

Sincerely,

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