



National Association
of Federal Credit Unions
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NAFCU | Your Direct Connection to Education, Advocacy & Advancement

May 5, 2016

Mr. Bill Luecht
Senior Advisor
Office of Legislative and External Affairs
CDFI Fund
1500 Pennsylvania Ave., NW
Washington, DC 20220

RE: Community Development Advisory Board Meeting on May 17, 2016

Dear Members of the Advisory Board:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you regarding the Community Development Advisory Board's discussion of the Community Development Financial Institutions (CDFI) Fund's FY 2016 priorities and five-year strategic plan. As the Board discusses the Fund's near- and long-term plans, NAFCU would like to take this opportunity to applaud the CDFI Fund's efforts to improve the lives of low-income Americans, and to remind the Board of credit unions' dedication to the success of the Fund.

As the Board may be aware, credit unions are not-for-profit, member-focused financial institutions, uniquely situated to meet the needs of low-income members. As of year-end 2015, there are approximately 250 CDFI certified credit unions, holding total assets of about \$50 billion, which represents almost half of assets held by all CDFIs.

CDFI credit unions are committed to helping low-income members and communities that have traditionally been ignored by large financial institutions. These credit unions develop innovative products that are tailored to meet the needs of un- and underbanked Americans. The CDFI designation and the Fund have been instrumental in providing the needed flexibility and grant opportunities for these credit unions to design these products and help low-income households build wealth and more secure financial futures.

As the industry looks for additional ways to meet the needs of low-income members, NAFCU believes that increasing awareness and access for credit unions to become eligible CDFIs is vital to the ongoing success of meeting the Fund's goals. By recognizing even more credit unions as CDFIs, the Fund can further help the approximate 90 million un- and

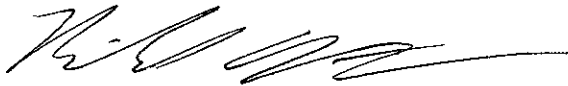
underbanked Americans. Therefore, NAFCU believes that the Advisory Board should consider additional ways to streamline existing CDFI certification and reporting requirements as one of the Fund's strategic goals.

NAFCU believes that improving and modernizing the certification and reporting requirements would make it more practicable for qualified credit unions to be recognized for the financial services they provide in low-income communities. As such, NAFCU applauds the CDFI Fund's recent partnership with the National Credit Union Administration (NCUA), and we would like to highlight how the partnership will lead to the financial empowerment of millions of un- and underbanked Americans.

In January 2016, the CDFI Fund entered into a Memorandum of Understanding (MOU) with NCUA, which is the prudential regulator of federal credit unions and the insurer of all federally-insured credit unions. Under the terms of the MOU, the CDFI Fund and NCUA are jointly working to streamline the application process for low-income credit unions (LICUs) to become certified as CDFIs. Under the terms, NCUA will use technology and its access to credit union data to facilitate a LICU's application to become a CDFI. This will potentially increase the number of CDFI credit unions and lay the foundation for greater access to affordable financial services and investment in local communities. The partnership's goal is to double the number of CDFI credit unions by year-end, to a total of 500 CDFI credit unions. If successful, hundreds of additional credit unions will be recognized for their commitment to community development, which means more opportunities for millions of low-income CDFI credit union members.

NAFCU applauds this partnership between the Fund and NCUA, and eagerly looks forward to all the additional opportunities that this partnership will create. Should you have any questions or would like to discuss these issues further, please contact me at (703) 842-2249 or memancipator@nafcu.org.

Sincerely,



Michael Emancipator
Senior Regulatory Affairs Counsel