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National Association of Federally-Insured Credit Unions

June 20, 2023

The Honorable Steve Daines
320 Hart Senate Office Building
United States Senate
Washington, DC 20510

Re: Amendment Requiring CDFI Fund Testimony

Dear Senator Daines:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to express our support for your amendment to require testimony from the Community Development Financial Institutions Fund (CDFI Fund) filed to the RECOUP Act in tomorrow's Senate Banking Committee markup. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 137 million consumers with personal and small business financial service products.

The CDFI Fund was established by Congress in 1994 to provide funding and technical assistance to financial institutions that operate in underserved areas. The Fund long enjoyed bipartisan support and was an effective use of federal funds. During the pandemic, the Fund stepped up and certified more institutions in order to get funding where it was needed most. However, in the last year, the Fund has lost sight of its mission and is no longer acting promptly to continue serving its partner institutions. The Fund has entered into a "blackout period" to update its application, which has been extended indefinitely. NAFCU has also heard from many of our CDFI certified members that they can no longer get prompt and accurate information from the Fund in response to questions they have.

NAFCU believes that this lack of progress on the Fund's part as it updates its application, as well as its lack of timely and clear communication, is harmful to underserved and low-income communities across the country. We believe that the Treasury Secretary or CDFI Fund Director should testify in front of Congress annually and give an account of the Fund's operations and answer questions. Your amendment would go a long way towards keeping the Fund accountable.

We thank you for the opportunity to share our thoughts and look forward to continuing to work with you to keep the CDFI Fund accountable. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Senior Associate Director of Legislative Affairs, at (703) 258-4981 or lplush@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs