

NCUA Chairman Debbie Matz
Remarks at Signing of NCUA-CDFI Fund Memorandum of Understanding
Alexandria, Virginia
January 21, 2016

Since it was established in 1994, the Community Development Financial Institutions Fund has invested more than \$2 Billion in grants, investments and loans to financial institutions serving underserved populations. Of this, \$157 million (about 8 percent) has been granted to the 265 credit unions certified as CDFIs.

Community Development Financial Institutions serve economically distressed communities by providing credit, capital and financial services that are often unavailable from mainstream financial institutions. CDFIs have loaned and invested billions of dollars in our nation's most distressed communities. Even better, their loans and investments have leveraged billions more dollars from the private sector for development activities in low-wealth communities across our nation.

Credit unions are using CDFI grants to pilot lending and product expansions to serve people who may not have access to traditional financial products. CDFI grants allow credit unions to innovate and develop unique products geared to meeting the needs of low-income members.

However, some credit unions that would qualify as CDFIs have chosen not to apply because they have found the CDFI certification process would be time-consuming and expensive for them to complete on their own.

So, as part of this MOU which we are signing today, NCUA will analyze the data we receive in our role as regulator to identify credit unions that would qualify as CDFIs. We will then share our results with the CDFI Fund. This streamlined process will greatly reduce the CDFI Fund's time devoted to analyzing certification data and allow more time to make funding decisions. It will also give significantly more low-income credit unions access to funding and technical assistance, available through the CDFI Fund.

This agreement has the potential to serve tens of millions more underserved members, and to expand financial products and services in thousands of communities. Everyone wins.

With this MOU, NCUA and the U.S. Treasury, through the CDFI Fund, have committed to double the number of credit unions certified as CDFIs over the next year to 530.

As we continue to work together into the future, I believe we can reach an even higher target. In fact, our analysis estimates the number of CDFI-eligible credit unions is 1,800. Our goal is to ultimately reach all eligible credit unions, just as we have done with low-income designations.

We're excited about this agreement, and we're eager to work with the Treasury and CDFI Fund to bring more affordable financial services to low-income consumers and communities across our nation.