



February 17, 2017

The Honorable Steven Mnuchin  
Secretary  
US Department of Treasury  
1500 Pennsylvania Ave N.W.  
Washington DC 20220

Dear Secretary Mnuchin:

The members of the National Federation of Community Development Credit Unions (the Federation) urge you to support \$250 million in FY 2018 funding for the U.S. Department of the Treasury's Community Development Financial Institutions.

The Federation promotes the financial independence and well-being of working families and communities by expanding access to safe, responsible financial products and services. We represent more than 280 credit unions that have been certified as CDFIs. Their purpose is to help low-income, rural and urban communities join the economic mainstream. Together these certified CDFI credit unions serve more than 7.4 million members with more than \$70 billion in combined assets in urban and rural communities across 46 states.

Despite serving the most economically distressed communities in the nation, these credit unions consistently *outperform* their peers in growth, earnings and services offered. Community development credit unions are growing at a faster rate because they are finding and building new markets of eligible and successful borrowers. As a result, they have an average loan deployment ratio considerably higher than mainstream financial institutions, consistently putting more money out in loans to communities not otherwise served.

This impressive financial performance is not achieved by accident. CDFI credit unions develop products and services tailored to the needs of all consumers especially those who may need a little extra support to be financially stable. They specialize in developing tailored loan products such as credit builder loans, alternatives to payday or auto title loans, and micro and small business loans. They also invest in capacity building services to make sure their borrowers not only access credit but succeed with it, including: financial coaching, homebuyer counseling, foreclosure prevention service and free tax preparation through the Voluntary Income Tax Assistance Program. These support services enable them to reach people that other financial institutions are simply unable to help.



The term CDFI encompasses community development credit unions, banks, venture funds, non-profit loan funds and microfinance institutions. CDFIs are the ideal mechanism to achieve the goal of rebuilding America's infrastructure, because they channel capital to stimulate growth and impact in local and regional economies.

The CDFI Fund is one of the Federal government's best market-based strategies for leveraging private dollars to restore economic vitality. CDFIs leverage \$12 of private capital for every \$1 of public investment. The investments generate billions of dollars annually in the form of loans to grow businesses, create jobs, increase job mobility, expand access to affordable healthcare and childcare, to build and improve homes and create greater financial capability to expand consumer purchasing power.

To further grow these institutions and increase the economic impact they are generating, the Federation seeks a robust and growing CDFI Fund.

In the interests of promoting job creation and economic vitality in neglected rural and urban communities, we urge you to fund the CDFI Fund at \$250 million in the 2018 budget. We look forward to working with you and your team to expand economic opportunity throughout the country.

Sincerely,

Cathleen A. Mahon  
President & CEO