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December 19, 2022

Interagency Community Investment Committee
c/o Viraj Parikh
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington D.C. 20220

RE: Opportunities and Challenges in Federal Community Investment Programs (Document Number 2022-21524)

Dear Interagency Community Investment Committee:

Thank you for the opportunity to provide information on improving the operations and execution of federal programs administered by the Department of the Treasury (Treasury), Small Business Administration (SBA), Department of Commerce (Commerce), Department of Transportation (DOT), Department of Housing and Urban Development (HUD), and Department of Agriculture (USDA), (collectively, the Agencies) that facilitate the flow of capital into historically underserved communities.

Inclusiv applauds the groundbreaking work of the Biden Harris Administration; making transformational investments in Community Development Financial Institutions (CDFIs) through the Emergency Capital Investment Program (ECIP), the Rapid Response Program (RRP) and the Equitable Recovery Program (ERP) to create equitable growth in historically redlined and underserved communities. The Administration's work to create the Economic Opportunity Coalition and enact the Inflation Reduction Act will catalyze critical long-term investments in community-based financial institutions like CDFI and Minority Depository Institution (MDI) credit unions. By establishing a coordinated approach to federal investments and mobilizing and holding accountable private sector investors, the Administration has created a unique opportunity to drive investment into locally owned and controlled financial institutions and empower formerly disinvested communities to determine their priorities and terms for investment and development.

Inclusiv is the national network of CDFI and MDI credit unions with a network of close to 500 members in 48 states, Washington DC, the U.S. Virgin Islands and Puerto Rico. CDFI and MDI credit unions are financial cooperatives owned and controlled by the communities and people they serve. Their mission of financial inclusion and equitable economic growth enables community residents to determine their greatest capital needs. Inclusiv is also the certified CDFI intermediary for community development credit unions, and as such we raise and deploy capital and provide technical and program support to increase the capacity of CDCUs to serve low-income people and communities.

As the Interagency Community Investment Committee (ICIC) considers approaches to equitable growth and unlocking the economic potential of communities of color, low-income communities, rural areas, and historically underserved communities, Inclusiv urges the committee to:

- Develop holistic approaches that prioritizes capital that builds capacity of residents, homeowners, businesses and community systems equally.

- Target resources and support to build individual and household financial stability across all programs.
- Recognize that the best opportunity for leverage is from mission driven community-based lenders directly serving people and make investments in those lenders in the form of equity, equity-like and long-term subordinated debt.
- Enable community-based, on-the-ground lenders to draw capital from multiple federal programs with streamlined, coordinated applications, reporting systems and metrics.

Prioritize Capital that Builds Capacity of Residents, Homeowners and Small Business

Many federal community investment programs have administratively complex application and reporting requirements that limit participation to well-resourced organizations that are disproportionately white-led and not deeply connected to the communities they serve. This, in turn, means that program benefits flow to the places and organizations that are already well connected and well served. Given the ICIC's goal of ensuring capital flows to historically underserved communities, it is important for federal community investment programs to prioritize investments in smaller institutions and include capacity building appropriately tailored based on the self-identified needs of potential program participants.

Programs targeted to individuals and households should include grant funding for financial coaching and other capacity building supports that help people traditionally shut out of the mainstream financial system participate meaningfully in programs. Similarly, small business programs should regularly include capacity building supports targeted to the needs identified by the businesses themselves. At the community level, federal programs should include capacity-building and administrative support funding for grassroots, community-based organizations. For example, the CDFI Fund offers Technical Assistance grants to support emerging CDFIs in building their capacity and becoming eligible for CDFI certification. Other federal community investment programs should follow suit to ensure that under-resourced organizations led by members of historically redlined and underserved communities receive the support they need to participate and ensure the benefits of federal programs reach their communities.

Focus on Building Individual and Household Financial Stability Across All Programs

The Inclusiv network of CDFI and MDI credit unions now serves nearly 20 million Americans with $262 billion of assets under management. These credit unions are deeply embedded in their communities and deliver the full range of banking products, from simple savings and checking accounts to CDs, and from small dollar loans to meet emergency liquidity needs to mortgage and business loans. More than 50% of these institutions are led and governed by people of color, and they do the vast majority of their lending to people and communities of color. Inclusiv analyzes and reports data to the U.S. Treasury CDFI Fund track lending patterns. This year we analyzed 1.2 million loans totaling $28.6 billion that were issued in 2021 by 158 CDFI credit unions. The median credit union in group:

- Issued 71% of loans and 67% of loan dollars in CDFI Target Markets
- Issued 42% of loans in High Poverty Areas

Over the past few years, we have seen tremendous volatility in the savings and borrowing patterns of low-income people. During the pandemic, people who had good relationships with local financial institutions were able to withstand initial shocks by building savings buffers from federal supports. But, as those supports evaporated and costs rose, those same people have come to need access to credit to help manage significant shifts in their household budgets.

The Interagency Community Investment Committee with its goals to facilitate ongoing collaboration and coordination of federal community investment and place-based economic development programs will need clear and consistent education across all agencies of the importance of consumer finance and household financial stability on all their community investment priorities. These efforts will not only ensure better coordination of federal dollars to maximize impact; they will facilitate greater private sector investment and support. For example, the CDFI Fund's Rapid Response Program provided flexible grant money to CDFIs that supported increasing lending at a time when that additional funding and flexibility was most needed.

Prioritize Flexible Equity and Long-Term Debt for CDFIs and MDIs

Community development credit unions and CDFIs are typically able to leverage public investment dollars as much as tenfold. Although this leverage often includes funding from private institutional investors, we urge all public funding programs to remember that the largest source of social impact investments come from low-income people themselves in the form of **deposits** in community development credit unions and banks. The greatest opportunity for leverage will be to ensure that as many dollars as possible pass unencumbered directly to these on-the-ground lenders that can leverage every $1 of equity into more than $10 in lending capital. This approach has the added benefit of ensuring that those closest to the problems the funding aims to address have the power to shape the solutions. Although leveraging private funding from investors increases the pool of financing for community development, the vast majority of institutional investors require terms that encumber and limit the impact of public dollars rather than expand and magnify them.

Long-term debt is a critical tool to support the growth and impact of community development credit unions. Congress recognized the need for these supports and created secondary capital, long-term debt available to low-income credit unions that they could include in their regulatory net worth. Secondary capital allowed low-income credit unions to accept additional deposits and expand their lending and services. In January 2022, the National Credit Union Administration (NCUA) created a new subordinated debt rule that replaced the previous secondary capital framework. The new rule limits small, MDI and low-income credit unions from accessing subordinated debt by significantly increasing the cost and complexity of securing long-term debt investments. This new regulatory complexity highlights how important regulatory coordination is in federal programs. Many existing and forthcoming community investment programs could effectively reach low-income communities and communities of color by providing long-term subordinated debt to credit unions. For this strategy to be effective in practice, agencies must coordinate with NCUA to ensure that credit unions will be eligible to participate and program deadlines and grant funding allow for the time and expense needed for credit unions to secure NCUA approval to issue subordinated debt.

Streamline and Coordinate Applications, Reporting Systems and Metrics Across Federal Programs

One of the most significant barriers to participation in federal community investment programs is the complexity of most program applications and reporting requirements. Community-based lenders, like community development credit unions, are experts at meeting the financial services and credit needs of their communities but are not expert grant writers and often have legacy systems that are not designed for federal programs data collection. If the ICIC were able to coordinate federal agencies to create a common application and reporting system and standardize key impact metrics, it would significantly increase the number of small CDFI and MDI credit unions able to participate in federal community investment programs.

Short and Clear Application Process

The application process to receive government funding can often be a barrier for small credit unions, especially Minority Depository Institutions (MDIs), that do not have the staff, time, or processes in place to submit a detailed application. This can lead to government programs over-investing in large financial institutions, that serve higher-income individuals and communities and have the resources required to complete an application. To ensure grant dollars are distributed equitably, it is important that federal programs employ clear, simple, and low-lift application processes. A great example of this is the Treasury's CDFI Rapid Response Program (CDFI RRP). This program rapidly deployed $1.25 billion to 863 Community Development Financial Institutions (CDFIs) to help lenders respond to the economic challenges created by the COVID-19 pandemic, particularly in underserved communities. The Fund achieved a streamlined application process and evaluation methodology by utilizing and leveraging its existing CDFI Certification and CDFI Program Financial Assistance and Technical Assistance application evaluation processes, as well as the Awards Management Information System (AMIS). The result of this streamlined application process was a more diverse applicant pool with a record number of MDIs applying and receiving funding.

The agencies should work together to design a common community investment program application that is largely consistent across federal programs. Of course, each program will need to collect certain specific information regarding applicants' ability to participate in the program successfully, but questions regarding organizational structure and leadership, lending track record, ability to reach low-income communities and communities of color, and impact metrics could all be standardized across programs and stored for re-use in subsequent applications.

Interagency Coordination: Leveraging Existing Systems and Uniform Reporting Requirements

The ICIC should encourage its member agencies and other agencies designing community investment programs to create transparent and clear reporting requirements that are consistent with what the federal government already asks regulated entities to track and report. Creating a new reporting system for each program limits the ability of many credit unions, particularly MDIs and those serving low-income communities, to participate as they do not have operational or administrative resources needed to track and report on different metrics for multiple government programs.

Agencies should leverage existing data systems that track regulated entities, like credit unions, that already provide reporting to multiple government agencies. This will help maximize federal funds by investing in systems that work across multiple programs, instead of creating new and redundant systems for each funding opportunity. Similarly, funding opportunities should factor in the administrative costs of tracking new impact data points and allow sufficient time to transition data collection needed to implement the required changes.

Key Questions

1. *Please describe examples of best practices and lessons learned from community investment projects that have layered a mix of public, private, and/or philanthropic capital. How could these projects have been more impactful or more cost effective to implement? In responding to this question, examples may address any of the four substantive areas of focus described in this RFI: (1) strengthening the capacity of community financial institutions; (2) supporting small businesses and entrepreneurship; (3) improving financial health and inclusion; and (4) investing in community facilities and infrastructure. In addition, a nonexhaustive list of example programs is provided in the appendix of this RFI as a reference.*

I.1 Strengthen Community-Based Financial Institutions by Investing in Capacity Building

Of the federal programs that currently seek to work with CDFIs or MDIs, the CDFI and MDI credit unions have very little participation. One could argue that's a failing of our field—we don't have the capacity to access these programs. But we would urge you to look instead at the collective balance sheets, capacity and reach of these institutions. We are the vast majority of the CDFI field. Why are we so unsuccessful in accessing federal programs? Because the people who design federal programs are often unfamiliar with a business model that is driven by millions of consumer transactions. Most federal programs are designed for niche lenders who finance complex deals, they are not designed to capitalize full-service financial institutions, especially not those, like community development credit unions, that are owned and controlled by the people they serve.

When we look at the list of federal programs – we ask ourselves how can these programs claim to serve CDFIs and MDIs when they have been so unsuccessful in investing in the largest sector of CDFIs and many have extremely low participation among MDIs? Indeed, the only programs credit unions have accessed successfully and consistently are the Treasury ECIP and CDFI Fund. Both of which are because Inclusiv delivered trainings, provided deep technical assistance and served as translator between government jargon and financial institution realities. We put in the time and hours to help credit unions get across the finish line of these programs. If federal investment programs aim to partner with CDFI and MDI credit unions, they must invest in building credit union capacity to participate by funding technical assistance, like that provided by Inclusiv, and by providing grant funding to cover administrative costs to ensure credit unions can afford to dedicate the needed staff time to participate in, and report on their participation in, these programs.

I.2 Support Small Businesses and Entrepreneurship

In a recent study by Prosperity Now, Black owned businesses were found to be valued 11 times lower than White owned businesses. Entrepreneurship is a powerful tool for enabling Black and Brown individuals and families to build wealth. However, decades of redlining and other discriminatory policies have put that goal out of reach for many Black and Latinx entrepreneurs. During the pandemic, the experience of large banks failing to get capital out to main street small businesses and entrepreneurs of color revealed how wide the capital gap was in lending to small businesses across the board and particularly in low-income, BIPOC and rural communities.

The Inclusiv Network of community development credit unions alone originated almost $5 billion in PPP loans to hundreds of thousands of businesses. The PPP loans provided by Inclusiv members were, on average, much smaller than those provided by mainstream banks, indicating that credit unions reached smaller businesses and sole proprietors. This focus on very small businesses was critical to ensuring credit unions reached Black entrepreneurs specifically as 90% of Black-owned businesses are sole proprietorships. SBA was responsive to PPP lender concerns and adjusted the program during implementation. One example is, after the initial omission sole proprietors and ITIN holders disproportionately blocked Black and immigrant business owners from accessing PPP, the SBA was responsive and made necessary changes.

Make SBA Programs More Accessible for Community Development Credit Unions
The ICIC can build on PPP successes and support community development credit unions to increase small business lending by coordinating with the Small Business Administration (SBA) to address barriers to participation in the 7(a) and other SBA Loan Programs. Inclusiv specifically recommends:

- Allowing CDFI credit unions, which are CDFI-certified, not-for-profit financial cooperatives, to participate in the Community Advantage Program. Limiting the Program to non-depository CDFIs unduly limits the reach of the Program and excludes hundreds of institutions with deep connections in low-income communities, immigrant communities and communities of color from offering this well-designed product to their members.
- Increasing the guarantee offered in the 7(a) Express Loan Program from 50% to 85% for loans of $150,000 or less to incentivize more lenders to use the program and increase access to capital for the smallest businesses that would otherwise struggle to secure responsible financing. The SBA should also offer more certainty to lenders regarding the guarantee as too often SBA denies guarantees for loans that lenders believe meet the 7(a) Express criteria.
- Investing in staffing the 7(a) Loan Program to reduce turnaround time for loans submitted. The current turnaround time of two to three months makes it difficult to offer loans on a timeframe that meet small businesses' needs. Focusing on speeding up guarantee approvals for loans under $150,000 would increase the participation of very small business in 7(a).
- Helping small lenders build capacity to participate in SBA Loan Programs by providing technical assistance grants for lenders. Lenders that serve very small businesses often do not generate enough interest income from small loans of $25,000 - $150,000 to cover the cost of administering an SBA-guaranteed lending program and helping members become loan-ready.
- Funding Robust Technical Assistance for Small Business Borrowers. Small businesses in historically redlined, low-income and disinvested communities face systemic barriers to accessing technical assistance (TA) and loans to grow. Small business TA must be directly linked to the financing of the business and include support and coordination of accountants, business planning resources, and other wrap around resources to ensure businesses have a sustained ecosystem of support, which McKinsey and Company considers necessary to close the racial wealth gap.[1] This ecosystem includes moving beyond a "one size fits all" approach to the provision of TA that prioritizes needs identified by small business owners themselves.

I.3 Improving financial health and inclusion
Improving the financial health and inclusion is critical to address the shameful history of redlining and exclusion in the financial system in the United States. Community development and MDI credit unions were born out of the collective organizing of excluded communities to organize financial cooperatives that helped to recycle capital within their communities that took local savings and deployed it in the

form of loans throughout the community. As we define financial inclusion, it extends far beyond providing access to an account to an "unbanked" individual or family but rather the provision of a full range of products and services to transact, save, borrow and invest to build assets and bridge the wealth gap.

Increasing the financial health of low-income communities requires not only access to affordable financial services but also the knowledge and guidance on how to utilize those services to advance personal financial goals. As mission driven lenders, credit unions pair financial coaching with the delivery of responsible financial products and services.

As noted by the Aspen Institute Financial Security Program, the "causes of financial exclusion are complex, rooted in multiple places throughout our financial system and the many other systems incorporated within it and related to it. It will require coordinated efforts between the public and private sectors to ensure solutions are systems-wide, not only led by individual institutions." This is why Inclusiv has embraced the Aspen FSP leadership in leading a call for a National Financial Inclusion Strategy, bringing together agency officials with private sector players and representatives of underserved communities, and nonprofit leaders. The Federal Government has the opportunity to establish a national financial inclusion strategy that mobilizes nonprofit organizations, academics, companies, and professionals who, collectively, comprise a robust "financial inclusion" field. **This moment provides a powerful opportunity to intentionally build the next generation of financial systems that are structurally inclusive and build financial resiliency as part of the coming economic recovery.**

The ICIC can work across multiple agencies to incorporate financial inclusion and health metrics into federal programs and ensure we intentionally integrate financial security of program participants into our expectations of outcomes. Inclusiv offers our experience and expertise to define metrics of success around financial inclusion that includes access to banking and credit, increased savings, improved credit profiles, reduced reliance on high-cost fringe providers and increased wealth and assets. All federal programs working with low-income and BIPOC consumers should be tracking and measuring their progress on the overall financial health and security of those household balance sheets.

2. *From the examples provided in response to question 1, what specific changes could agencies consider to facilitate the layering of federal funds to attract greater private follow-on funding, as they implement new community investment programs and contemplate modifications to others?*

As noted above, regulated depository institutions have a unique opportunity to leverage public investment dollars as much as tenfold. By making an equity or equity-like investment in a CDFI or MDI credit union or bank, the government is able to mobilize deposits from both local residents and local, state, regional and national impact investors. Moreover, this enables agencies to leverage the federal deposit insurance that for deposits up to $250,000. For every dollar of equity or equity-like investment, these CDFI and MDI credit unions and banks can mobilize safely up to $10 in deposits which serve as the loan capital. This loan capital continues to revolve many times over in communities. An Inclusiv analysis of the Treasury Department's CDCI Program under ARRA found that in the five-year period between

2010-2015 credit unions receiving investments were able to revolve that investment more than 60x in new loans made.

However, most federal programs either prioritize non-profit (501c3) applicants or present obstacles for mission-driven *regulated* financial institutions. To achieve the greatest leverage, we urge the Committee to include equity and equity-like or long-term subordinated debt into credit unions as valid use of funds. Furthermore, we encourage the Committee to review federal programs targeting investments to unlock economic potential in underserved communities to recognize and value metrics related to improving the financial access and opportunities of low-income and BIPOC people.

3. *As agencies are implementing new programs under recent CHIPS and IRA legislation, how can they best incorporate these lessons to streamline design and delivery, as well as ensure historically underserved communities benefit from federal funds?*

The IRA presents an important example of multiple opportunities and potential supports available to low-income people, people of color and community institutions serving LMI communities and communities of color, but also presents challenges in coordination. In just the example of the clean energy and emissions reductions supports, there are funds available to drive lending in communities of color and a tremendous array of credits and rebates available to consumers. Community development credit unions are uniquely positioned to coordinate the lending with the access to credits, rebates and other supports for consumers. However, additional funding for technical assistance, financial coaching and counseling are critical to unlock the potential for these resources on the ground.

As discussed above, streamlining applications, reporting and impact metrics across federal programs will also be key as many participants in the Greenhouse Gas Reduction Fund will be CDFIs, regulated depositories, SBA lenders, and ECIP investees, which each require their own reporting and compliance regimes. As the federal government seeks to expand investment programs, it is critical that it not over burden the institutions closest to the communities it wishes to serve with unnecessary reporting and compliance requirements. Instead, the ICIC should help agencies align their reporting and compliance requirements to ensure robust oversight and impact measurement while decreasing the administrative burden for community-based lenders participating in these programs.

Finally, the ICIC should invite the EPA to participate in the ICIC to ensure effective inter-agency coordination as the EPA works to implement the Greenhouse Gas Reduction Fund.

4. *Community financial institutions play a critical role in providing safe, affordable capital and financial services to historically underserved communities. How can federal agency coordination help build the capacity of these organizations to serve their communities?*

Community financial institutions, like credit unions, are strong and sustainable businesses. In order to serve their communities well, they need long-term, low-cost capital and the means for delivering technical assistance and capacity building to their borrowers. Investing in business models that meet the identified needs of the community is the most effective way that agencies can coordinate to build the capacity on the ground of the lenders and the capacity of the borrowers to use that financing well. Too often federal agencies believe they must define the challenges and prescribe solutions. Designing inter-agency programs that provide the space and resources for community financial institutions to define the challenges or needs and share the solutions that are most relevant to the people and communities they serve. Agency officials would be far more effective in doing what they do best; helping to find the funding and capital sources that correspond to both the needs and locally-identified solutions.

5. *What specific changes to federal credit or securitization programs could facilitate additional private investment in community financial institutions, and what are the most important existing limitations of these programs that may prohibit additional scale that could be achieved?*

The agencies should work with FHFA to ensure both Fannie Mae and Freddie Mac more effectively support community development credit unions and other community lenders to make homeownership accessible and affordable to potential homeowners who face the deepest discrimination in the housing market, particularly Black Americans. The Administration has done important work to increase access to homeownership for Black Americans with its groundbreaking work on appraisal bias, and that hard work should not be undone by the secondary market. The GSEs should expand the eligibility criteria for the loans they purchase by widening the range of acceptable credit scores and by purchasing loans made to homeowners who participate in multiple down payment assistance programs. In addition, Freddie Mac should ensure its bulk window is consistently available to CDFI and non-profit mortgage lenders, which would support the agency in advancing its affordable housing goals.

6. *How can the Agencies incentivize or structure data collection and reporting to promote increased private sector and philanthropic investment in community financial institutions?*

As detailed in the section above entitled "Streamline and Coordinate Applications, Reporting Systems and Impact Metrics Across Federal Programs," the ICIC should coordinate data collection and reporting across programs to democratize access to federal community investment programs. Developing a thoughtful set of shared impact metrics across programs based on standardized data collection could also facilitate private and philanthropic investment in community financial institutions if private investors agree to rely on the shared impact metrics rather than requiring bespoke data. This consistency will make it easier for community financial institutions to accept private funding, as this funding too often comes with significant costs in the form of data collection and administrative burden, not to mention the issue of many private investors requiring market rate returns on equity- and justice-focused investments.

7. *How can further alignment of and coordination between federal agencies in the four areas of substantive focus result in stronger outcomes with regards to reducing racial economic disparities, improving financial security and economic mobility, and generating broadly shared economic opportunity?*

The ICIC's substantive focus areas and commitment to racial equity in conjunction with the committee's commitment to improving coordination of and access to federal community investment programs has the potential to create meaningful progress in closing the racial wealth gap. In addition to important work needed to democratize access to these programs to ensure MDIs and other small, community-based financial institutions can participate ensure the benefits of the programs reach their communities, the ICIC should set clear targets for closing the racial wealth gap and building financial well-being, as discussed above particularly in our remarks on improving financial health and inclusion' above. Focusing on the financial health and well-being of people will improve outcomes across the board on job stability, housing, business development and economic stability of communities. Yet it is the one element most frequently overlooked. We applaud the ICIC for seeking input on successful efforts to build financial security and health in residents, consumers, employees and businesses served through diverse federal programs. We eagerly await the opportunity to share results and best practice on successfully integrating financial coaching into access to safe and responsible financial products.

8. What data should the Agencies consider collecting to better understand and report the impact of community investments in reducing racial, gender, and geographic, or other economic disparities?

The current landscape of compliance and impact reporting for federal community investment programs is rife with inconsistencies and duplicative requirements that are just different enough from each other to require separate data collection and reporting. The ICIC should create a national process to review existing data collection, consider how and when it is appropriate to request and track demographic data like race and ethnicity, map the current regulatory landscape regarding collection, storage and use of demographic data, and develop popular education materials to help people understand why demographic data collection is important as the federal government works to address historic inequities based on race and ethnicity.   Some of the issues that should be considered in this review process include:

- Recommendations to rationalize the landscape of demographic data collection. Most lenders are, or will soon be, required to collect and report mortgage and small business loan applicants' race, ethnicity, sex and other demographic information under the Home Mortgage Disclosure Act and Section 1071 of the Dodd-Frank Act. On the other hand, the Equal Credit Opportunity Act places significant limitations on depository lenders' ability to collect demographic and family income data from consumer loan applicants. Given that consumer lending accounts for about 90% of credit unions' lending, ECOA limits the scope of possible demographic data collection significantly. The ICIC should consider developing recommendations for an overarching data collection framework for federal programs that involve lending or the provision of financial services.
- Address trust and privacy issues regarding the collection of demographic data. Even when demographic data collection is permitted, loan applicants are often reluctant to share information about their race or ethnicity. This reluctance can stem from concerns about discrimination, insufficient explanation of how the data will be used, and/or concerns about privacy. Popular education materials developed and disseminated by ICIC members could help the public understand why financial institutions request demographic data and how it will be used to advance equity and hold institutions accountable. In addition, the ICIC should ensure its members adhere to strong data privacy standards in all of their data collection, storage and reporting efforts.
- Ensure transparency in the federal government's use of data. Any demographic data collected should support routine, and public, analyses of the extent to which community investment program resources are reaching people and communities of color as well as other historically disinvested communities. In addition, the federal government should adopt a consistent

methodology for tracking the racial wealth gap that relies on the standardized data collected by community investment programs, as well as other public and private data sources, to measure the programs' contributions to closing the racial wealth gap.

9. How can the Agencies collaborate on providing technical assistance, opportunities for peer-to-peer learning, and other non-financial resources to support the deployment of capital or implementation of community-serving projects in historically underserved communities?

Above, we note one example of where SBA should be more proactive in funding technical assistance more immediately relevant to getting borrowers credit worthy. This approach is generalizable across all federal agencies. For many agencies the funding of technical assistance is divorced from the delivery of financial services and capital for borrowers, it is therefore uneven and difficult to measure its effectiveness in growing and supporting financial security, business finances and homeownership. By better directing TA resources to be linked to financing agencies will better be able to measure effectiveness and impact.

10. Please describe best-in-class examples of how federal technical assistance has been best implemented through public-private partnerships.

CDFIs and CDFI Intermediaries have a strong track record of providing technical assistance that supports CDFIs in accessing federal programs. We have shared examples of Inclusiv's work to ensure credit unions can successfully participate in federal programs throughout this letter.

Thank you for the opportunity to comment on this critical effort and for the Agencies' commitment to improving the operations and increasing the impact of community investment programs. If you have any questions about this comment letter, please contact Alexis IwaniszIw, Senior Vice President of Policy and Communications, at aiwaniszIw@inclusiv.org.

Sincerely,

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President/CEO, Inclusiv