

Congress of the United States

Washington, DC 20515

October 10, 2022

The Honorable Jodie Harris
Director
Community Development Financial Institutions Fund
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Director Harris:

We are writing to request an update on several issues that have come to our attention with the Community Development Financial Institutions (CDFI) Fund. The CDFI Fund has long been an important tool in supporting community financial institutions that help underserved populations and support underserved areas.

Recently, we have been hearing concerns from community financial institutions about challenges they have been experiencing with the CDFI Fund. These include institutions waiting for certification decisions on their application for over 12 months, reports of CDFIs being decertified and losing access to awards without warning or a chance to “cure” the issues, and proposed changes to the certification process that could deny some institutions that serve underserved communities access to the CDFI Fund and awards. We are concerned that there has been a lack of clear communication from the CDFI Fund to financial institutions on these issues.

We urge you to consider ways to address these concerns, such as greater coordination with federal financial institution regulators, granting community financial institutions that would be decertified and lose awards a cure period and also shifting resources to clearing out the backlog of applications. Community financial institutions are an important part of the CDFI Fund and a key reason that the Fund enjoys bipartisan support.

To that end, we also ask that you respond within 30 days to our offices on the following questions:

1. How many certification applications from financial institutions are pending with the CDFI Fund? How long have these applications been pending? What is the reason for their backlog if any? What is the CDFI Fund doing to address the backlog?
2. Why is the CDFI Fund no longer accepting certification applications that rely on the Other Target Population verification process? Has the CDFI Fund clearly communicated its decision and rationale for no longer accepting certain verifications processes to current and potential CDFIs? How are institutions that have applied using this process being informed?
3. How does the CDFI Fund address when a CDFI financial institution is deemed to no longer meet the requirements for certification? How does that impact any awards or grants they have received or are due to receive? What guidance and steps does the CDFI Fund offer institutions to “cure” any issues to ensure that the funds can still get to the target populations? How much time are institutions given to “cure” certification issues before losing access to funds? How frequently does the CDFI Fund grant a discretionary “cure” period to institutions? How does the CDFI Fund determine when to grant a “cure” period and how long one should be?

4. Once the CDFI Fund has determined an institution will be decertified, does the institution have an opportunity to appeal that decision and what are the steps in that appeal process? How long does the CDFI Fund evaluate an appeal of a decertification decision?
5. What changes is the CDFI Fund planning to the certification process? Why are these changes being considered? How will this impact current certified community financial institutions? Will any changes increase burdens on them? Are these changes being coordinated with federal financial regulators who may supervise CDFI institutions?
6. What support and resources does the Fund plan to provide to help CDFIs meet the updated data collection requirements? Does the Fund expect to consider comments from the 2020 Request for Public Comment as well as the upcoming comment period to inform the type of support it provides to CDFIs?

We thank you for your prompt attention to these issues.

Sincerely,



Lisa Blunt Rochester
Member of Congress



Ashley Hinson
Member of Congress



Earl Blumenauer
Member of Congress



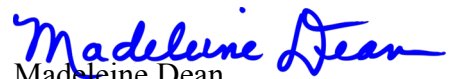
Mariannette Miller-Meeks, M.D.
Member of Congress



Kathy Castor
Member of Congress



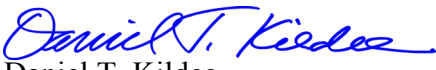
Dwight Evans
Member of Congress



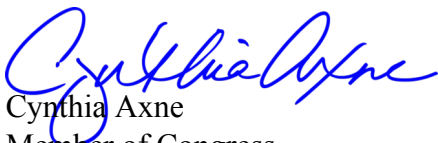
Madeleine Dean
Member of Congress



Brian Fitzpatrick
Member of Congress



Daniel T. Kildee
Member of Congress




Cynthia Axne
Member of Congress



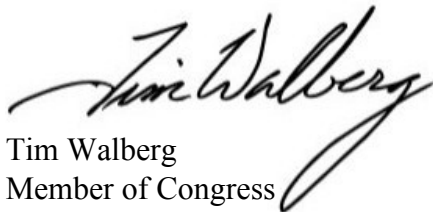
John R. Moolenaar
Member of Congress



Suzanne Bonamici
Member of Congress



Rashida Tlaib
Member of Congress



Tim Walberg
Member of Congress




André Carson
Member of Congress



Bill Huizenga
Member of Congress



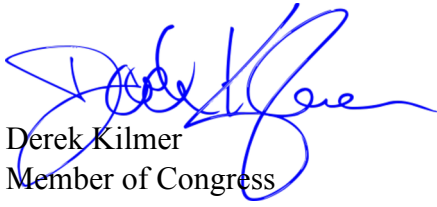
Al Lawson
Member of Congress



Brendan F. Boyle
Member of Congress



Vern Buchanan
Member of Congress



Derek Kilmer
Member of Congress