

January 7, 2014

The Honorable Tom Udall
Chairman
Subcommittee on Financial Services
Committee on Appropriations
Room S 128, The Capitol
Washington, DC 20510

The Honorable Mike Johanns
Ranking Member
Subcommittee on Financial Services
Committee on Appropriations
Room S 128, The Capitol
Washington, DC 20510

Dear Chairman Udall and Ranking Member Johanns:

On behalf of the Credit Union National Association (CUNA), I am writing to encourage you to restore funding to the Community Development Financial Institutions Fund (CDFIF) and the Community Development Revolving Loan Fund (CDRLF). CUNA is the largest credit union advocacy organization in the United States, representing America's 6,700 state and federally chartered credit unions and their 99 million members.

The CDRLF is administered by the National Credit Union Administration (NCUA) and is used to provide low-interest loans and technical assistance grants to low income designated credit unions. These small credit unions use this fund to offer a variety of services including free income tax preparation and financial literacy classes.

The CDRLF usually receives requests that greatly exceed available funds and we are concerned that a reduction in this fund, as part of the Subcommittee's draft legislation, will result in fewer low-income credit unions having access to the capital in the CDRLF, reducing critical services to low income credit union members.

The CDFIF makes capital grants, equity investments and awards for technical assistance to community development financial institutions (CDFIs). Examples of CDFIs include community development credit unions (CDCUs) and microenterprise loan funds. CDFIs finance community development initiatives such as small businesses, community facilities, and low-income housing. CDFI-funded credit unions offer alternatives to predatory payday lenders and check-cashing services. They also promote economic revitalization and community development in distressed communities.

The CDFIF uses small amounts of federal dollars to leverage significant amounts of private and non-federal dollars. Funded institutions supply low-income, distressed communities with traditional banking services such as savings accounts and personal loans, offering individuals the tools needed to become self-sufficient stakeholders in their own future.

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Page Two

H.J.Res. 59, the fiscal year 2014 Continuing Resolution, funded the CDRLF at an annualized rate of \$1,144,746 and the CDFIF at \$210 million. These figures include sequester adjustments mandated by the *Budget Control Act of 2011* (P.L. 112-25). H.J.Res. 59, as amended last month by the *Bipartisan Budget Act of 2013*, provides \$63 billion in sequester relief over two years.

I am requesting that you appropriate sums to restore funding to these two vital programs at levels proscribed in the *Consolidated Appropriations Act for Fiscal Year 2012* (P.L. 112-74). This would fund the Community Development Revolving Loan Fund (CDRLF) at \$1,247,000 and the Community Development Financial Institutions Fund (CDFIF) at \$221 million.

On behalf of America's credit unions and their members, I ask for your consideration and leadership in ensuring that both the CDRLF as well as CDFIF are appropriately funded so that these programs can continue to help credit unions provide credit, investment capital, and financial services distressed communities.

Best regards,

A handwritten signature in black ink, appearing to read 'Bill Cheney', with a long, sweeping tail extending to the right.

Bill Cheney
President and CEO