

United States Senate

WASHINGTON, DC 20510

January 19, 2023

The Honorable Janet Yellen
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Yellen,

We write to encourage the U.S. Department of Treasury to consider all comments received in response to the Community Development Financial Institution (CDFI) application and Annual Certification and Data Collection Report (ACR) released on October 4, 2022. The proposed changes by the CDFI Fund must preserve the ability of CDFIs to be creative and flexible with historically underserved borrowers.

The CDFI Fund maintains broad, bipartisan support in the U.S. Senate and we note its importance in meeting the needs of underserved communities in our home states. Certified entities should be aligned with the purposes of the CDFI Fund's authorizing statute. With the recent sizable investments in CDFIs, we support efforts by Treasury to ensure taxpayer dollars are reaching the intended recipients and used appropriately. However, adequate time to receive and consider comments on the proposed changes is critical to avoid any unintended consequences and is central to ensuring that the CDFI Fund programs reflect the perspectives, and meet the needs, in the low-income, underserved and rural communities the Fund was created to serve.

Stakeholders have expressed concern that the publishing of the new CDFI certification application and guidance by the Office of Management and Budget under the Paperwork Reduction Act (PRA) on November 4, 2022, may have been procedurally insufficient. Moreover, some within the CDFI community believe that industry input is not being considered. These concerns have caused stakeholders to request the CDFI application and ACR be published under the formal rulemaking process governed by the Administrative Procedures Act (APA).

Can you share more information about why Treasury decided that the APA process was not appropriate? Additionally, how does the CDFI Fund intend to review and consider comments submitted during the PRA process?

We share a dedication to our communities and hope we can work together to expand on the great work done by CDFIs. We look forward to your response.

Sincerely,



Mark R. Warner
U.S. Senator



Mike Crapo
U.S. Senator

cc: Ms. Jodie Harris
Director
Community Development Financial Institutions Fund