



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

February 15, 2011

The Honorable John Boehner  
Speaker, U.S. House of Representatives  
Office of the Speaker  
H-232, The Capitol  
Washington, DC 20515

The Honorable Eric Cantor  
Majority Leader, U.S. House of Representatives  
Office of the Majority Leader  
H-329, The Capitol  
Washington, DC 20515

Dear Speaker Boehner and Majority Leader Cantor:

We urge you to reconsider the \$200 million cut over President Obama's FY '11 request, to the Community Development Financial Institutions Fund currently reflected in H.R. 1, the Full-Year Continuing Appropriations Act of 2011 (CR), which funds the government through September 30<sup>th</sup>, 2011. In assuming office, you both promised to focus on finding solutions to the issue of unemployment. If this proposal is pursued, unemployment will rise as families and small businesses in underserved communities, rural and urban, will be unable to access affordable credit.

The Community Development Financial Institutions Fund, which has a current private to public dollar ratio of 10:1, does not provide direct funding to individuals or projects. Their primary function is to offer financing and support services that build the capacity of Community Development Financial Institutions (CDFIs); institutions that specialize in serving low-income communities and individuals. These CDFI's, which include community development banks, credit unions, and loan and venture capital funds, offer not only retail banking services and financing for small businesses and affordable housing projects, but also provide business planning, credit counseling and homebuyer education services.

The \$200 million reduction in the CDFI Fund represents an 81.8% cut in their current operating budget, essentially reducing the Fund to 1997 levels. In FY '97, the CDFI Fund made 32 awards totaling \$37 million; by comparison, in FY '10 the Fund made 179 awards totaling \$104.8 million. The funding level reflected in the CR, should it be allowed to go forward, is projected to cost over 19,000 jobs, limit affordable housing by over 14,000 units, affect almost 3,200 small businesses that would otherwise not have the funding necessary to invest in their communities, and reduce private sector investment by \$1.6 billion.

Economically disadvantaged communities already face a disproportionate challenge in obtaining access to credit and capital. Our economy will not fully recover until small businesses of all types are full participants in creating jobs and investing in their communities. This reduction of the CDFI Fund would put economically underserved communities at an even further disadvantage and potentially stymie our nation's economic recovery. At a time when the first priority of Congress is to promote job creation, severely cutting the CDFI Fund to the proposed levels would undercut the ability to create jobs and promote economic development.

We, the undersigned, urge you to consider the adverse economic impact on our country's economy during our fragile recovery and restore the CDFI Fund's funding to reflect President Obama's FY '11 budget request.



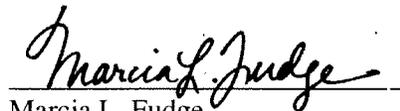
---

Yvette D. Clarke  
Member of Congress



---

Edolphus Towns  
Member of Congress



---

Marcia L. Fudge  
Member of Congress



---

Jesse L. Jackson, Jr.  
Member of Congress



---

Henry C. "Hank" Johnson  
Member of Congress



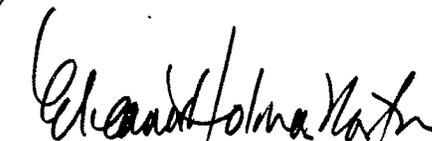
---

Luis V. Gutierrez  
Member of Congress



---

Andre Carson  
Member of Congress



---

Eleanor Holmes-Norton  
Member of Congress



---

Elijah E. Cummings  
Member of Congress



---

Hansen Clarke  
Member of Congress

Frederica S. Wilson

Frederica Wilson  
Member of Congress

Sam Farr

Sam Farr  
Member of Congress

Steve Cohen

Steve Cohen  
Member of Congress

Sheila Jackson Lee

Sheila Jackson Lee  
Member of Congress

Danny K. Davis

Danny K. Davis  
Member of Congress

Emanuel Cleaver

Emanuel Cleaver, II  
Member of Congress

Grace F. Napolitano

Grace F. Napolitano  
Member of Congress