March 23, 2020

The Honorable Mitch McConnell  The Honorable Steny Hoyer
Senate Majority Leader  House Majority Leader
US Senate  US House of Representatives
Room 317 Russell Senate Office Building  Room 1705 Longworth Housing Office Building
Washington, DC 20510  Washington, DC  20515

The Honorable Charles Schumer  The Honorable Kevin McCarthy
Senate Minority Leader  House Minority Leader
US Senate  US House of Representatives
Room 322 Hart Senate Office Building  Room 2468 Rayburn House Office Building
Washington, DC  20510  Washington, DC  20515

Dear Senate Majority Leader McConnell, House Majority Leader Hoyer, Senate Minority Leader Schumer, and House Minority Leader McCarthy:

As Congress takes dramatic steps to shore up the economy and keep Americans safe in the midst of the coronavirus pandemic, it is critical to pass measures that support the low-income families and households of color that are the most negatively affected by these crises. Even when the economy is stable, these families live paycheck-to-paycheck and are one medical bill or fender bender away from a financial disaster. Without action, many of these households will end up in a crushing cycle of debt that significantly drains finances and is extremely difficult to overcome.

**Given this reality, Prosperity Now is urging Congress to provide $1 billion in emergency appropriations to the U.S. Treasury Community Development Financial Institution (CDFI) Fund.**

We are a national, nonpartisan nonprofit organization based in Washington, D.C. that works to expand economic opportunity for all Americans by promoting and advocating for asset-building policies and programs. A part of our work focuses on access to credit and homeownership, which has long been the primary way for families to build wealth in the United States.

CDFI’s have a demonstrated track record of providing financial services, such as affordable credit, long-term capital, counseling to distressed borrowers, and banking services to communities and households that mainstream financial institutions cannot or will not serve. Because of their localized focus, they are also uniquely positioned to understand the economic and social conditions of their communities. Moreover, CDFI’s operate in all 50 states and have played a vital role in helping underserved communities during other national emergencies, including during the 2008 recession and in the aftermath of Hurricanes Katrina and Sandy.
In FY2019 alone, CDFI Fund award recipients provided more than $16 billion to finance over 814,000 small business, consumer, and home improvement or home purchase loans and bankrolled the construction of more than 50,000 affordable housing units. And data suggests $1 billion in appropriations could lead to $10 billion – or 10 times as much - additional capital from private and philanthropic sources. CDFI’s are making a significant difference in the lives of families who need it the most are in a position to continue this important work.

For these reasons, we are asking Congress to move swiftly to address this fast-moving crisis and take the security of working families seriously by providing $1 billion in emergency appropriations to the CDFI Fund.

Sincerely,

Gary Cunningham
President & CEO
Prosperity Now