



Credit Union National Association

cuna.org

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June 15, 2011

The Honorable Jo Ann Emerson
Chairwoman
Subcommittee on Financial Services
Committee on Appropriations
B-300 Rayburn House Office Building
Washington, DC 20515

The Honorable Jose Serrano
Ranking Member
Subcommittee on Financial Services
Committee on Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairwoman Emerson and Ranking Member Serrano,

On behalf of the Credit Union National Association (CUNA), I am writing regarding to encourage you to adopt funding levels for the Community Development Financial Institutions (CDFI) Fund and the Community Development Revolving Loan Fund (CDRLF) as proposed in the President's Proposed Budget for Fiscal Year 2012 (FY2012). CUNA is the largest credit union advocacy organization in the United States, representing nearly 90% of America's 7,700 state and federally chartered credit unions and their 93 million members.

Community Development Financial Institution Fund

The CDFI Fund 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 CDFI Fund 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, and offering individuals the tools needed to become self-sufficient stakeholders in their own future.

For FY2012, the President has requested \$227,259,000 to fund the CDFI Fund. We encourage the Subcommittee to fund the CDFI Fund at this level for FY2012.

Community Development Revolving Loan Fund

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.



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The Honorable Jo Ann Emerson
The Honorable Jose Serrano
June 16, 2011
Page Two

For FY2012, the President has requested \$2 million for the CDRLF. We encourage the Subcommittee to fund the CDRLF at this level for FY2012.

Conclusion

On behalf of America's credit unions and their 93 million members, I ask for your consideration and leadership in ensuring that both the CDRLF as well as CDFI Fund are appropriately funded for the remainder of the fiscal year 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 horizontal stroke extending to the right.

Bill Cheney
President & CEO