



March 20, 2025

Via Electronic Submission

The Honorable Scott Bessent
Secretary of the Treasury
United States Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220

Dear Secretary Bessent:

The Conference of State Bank Supervisors (“CSBS”)¹ and the National Association of State Credit Union Supervisors (“NASCUS”)² (collectively, “state regulators”) write to express our deep support for the Community Development Financial Institutions Fund (“CDFI Fund” or “Fund”) and share our concerns about the potential impact on CDFI Fund operations in light of the recent Executive Order “Continuing the Reduction of the Federal Bureaucracy.”³ The CDFI Fund’s operations are authorized by statute⁴ and represent a proven successful public-private partnership model for maximizing impact while minimizing government expense.

We appreciate your recent statement⁵ recognizing the important role of the CDFI Fund and ask that you coordinate with the Office of Management and Budget and the White House to ensure that the critical work of the CDFI Fund continues unabated. Moreover, we want to acknowledge the continued support by the CDFI Caucus for these critical investments supporting the nation’s rural and underserved communities.⁶

State regulators have a dual mandate to protect consumers and ensure a healthy economic environment, and we write to reinforce that CDFIs are an important driver of economic growth, particularly in rural and urban communities.⁷ An estimated 20% of CDFIs are in “persistent poverty

¹ CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories.

² NASCUS is the professional association of the nation’s 46 state credit union regulatory agencies that charter and supervise over 1,800 state-chartered credit unions. NASCUS membership includes state regulatory agencies, state- and federally chartered credit unions, and other important industry stakeholders. State regulator supervised credit unions hold nearly half of the \$3 trillion assets in the credit union system and represent nearly half of the system’s 142 million members. The remaining states lack state-chartered credit unions.

³ Executive Order, [Continuing the Reduction of the Federal Bureaucracy](#) (March 14, 2025).

⁴ P.L. 103-325 (1994).

⁵ America’s Credit Unions, [Bessent: ‘CDFIs are key component’ to support Main Street](#) (March 18, 2025).

⁶ [CDFI Caucus Co-Chairs Warner & Crapo Respond to Executive Order Targeting CDFI Fund](#) (March 16, 2025).

⁷ As of Sept. 30, 2024, there were 1,426 certified CDFIs serving urban, rural, and Native communities throughout the U.S. [CDFI Fund Annual Report Fiscal Year 2024](#).

counties”⁸ and are dedicated to helping residents in those counties start businesses, buy their first homes, or build community facilities.⁹ CDFIs are successful in providing funding that otherwise might not exist and creating durable economic activity in the areas that need it most. With bipartisan federal support, CDFIs provide critical funding in a way that serves as a model for public-private partnership. By one estimate, every dollar injected into a CDFI generates eight dollars in private-sector investment.¹⁰

State regulators also want to emphasize the strong statutory footing of the CDFI Fund. Authorized by the Riegle Community Development and Regulatory Improvement Act of 1994,¹¹ the CDFI Fund and its programs are fully authorized in statute. Further, its appropriated programs were reauthorized on March 14, 2025.¹²

State regulators appreciate the opportunity to provide information about this vital, statutorily mandated program and look forward to continued engagement to make our financial system stronger, more efficient and more resilient.

Sincerely,

/s/ Brandon Milhorn
President and CEO
CSBS

/s/ Brian Knight
President and CEO
NASCUS

cc: The Honorable Mark Warner, Co-Chair, CDFI Caucus
The Honorable Mike Crapo, Co-Chair, CDFI Caucus

⁸ PPCs are defined as counties where 20% or more of the population has lived in poverty over the past 30 years. [Persistent Poverty in Counties and Census Tracts](#), U.S. Census Bureau (May 9, 2023).

⁹ “Institutions with CDFI certification are eligible for competitive federal awards to finance activities including mortgages for first-time homebuyers, flexible underwriting for community facilities, and commercial loans for businesses in low-income areas.” Scott et al., Federal Reserve Bank of New York Report, [Sizing the CDFI Market: Understanding Industry Growth](#) (August 2023).

¹⁰ [Remarks by Secretary of the Treasury Janet L. Yellen on \\$1.25 Billion Award to CDFIs to Support Economic Relief in Underserved Communities Affected by COVID-19](#) (July 15, 2021).

¹¹ *Supra* note 4.

¹² [Full-Year Continuing Appropriations and Extensions Act, 2025, Title XIII\(8\)](#).