



June 15, 2022

**RE: In Support of H.R. 2543**

On behalf of Inclusiv and our member credit unions, I am writing in strong support of H. R. 2543 and the clear steps it outlines for directing new government resources to institutions serving low- and moderate-income minority communities. Community Development Financial Institutions (CDFIs) and Minority Lending Institutions (MLIs) serve as anchor institutions in their communities, providing access to affordable credit and financial education to some of the most vulnerable Americans, and providing the resources needed for communities underserved by mainstream lenders to make robust recoveries in the wake of crises. This legislation addresses some of the most critical challenges facing this our industry.

The Inclusiv network represents more than 460 credit unions serving over 17 million predominantly low-income urban, rural, and reservation-based communities across 47 states, DC and Puerto Rico. More than 46% of our members are governed by and predominantly serve people of color; and near 60% are also CDFI certified. Inclusiv channels capital and builds capacity of these institutions dedicated to expanding financial access with fair and responsible financial products and services and the supports to help consumers succeed with those services. We design, implement, and track numerous initiatives aimed at enabling members to use their credit unions to build wealth and assets.

The COVID-19 crisis offers just the most recent examples of the value CDFIs and MLIs provide for their communities in their roles as financial first responders. These institutions rapidly responded to the capital needs of the hardest hit communities in the nation, and provided the tools needed for individuals, organizations, and businesses to continue their work and build back stronger. CDFIs outperformed their mainstream lending peers in providing emergency loans through the Paycheck Protection Program, offering lifelines to small businesses, including many who had first been rejected by much larger financial institutions. And they are poised to actively participate in the state programs funded by SSBCI. While traditional lenders continue to retreat from low- and moderate-income communities, CDFIs and MLIs promote resources and sustainable investment in their communities, transforming banking deserts into fertile ground.

Many of the measures proposed in H.R. 2543 would build on the momentum CDFIs and MLIs already have, and direct much needed resources to financial institutions that are often overlooked by other funding sources. The bill's creation in section 341 of the Treasury Office of Diverse and Mission-Driven Community Financial Institutions, under the new Deputy Assistant Secretary for Diverse and Mission-Driven Community Financial Institutions, would create a centralized office to broadly support the work of CDFIs and MLIs and connect them with resources and assistance that will strengthen these institutions and the communities they serve. Quarterly meetings and reports from the Deputy Assistant Secretary and its designated senior official representatives from the Federal Reserve, FDIC, OCC, NCUA and CFPB will establish accountability for the Office's work in preserving, promoting, and strengthening CDFIs and MLIs.

Inclusiv also strongly endorses the proposed authorization in section 342 of \$4 billion in new funding to support CDFIs and Minority Depositories. By providing technology support grants and grants for the



establishment of new CDFIs and MLIs these funds address many of the key challenges facing CDFIs and MLIs in delivering their services.

The membership of Inclusiv appreciates the opportunity to share our strong support for H.R. 2543. If you have any questions, please contact Jules Epstein-Hebert at [jhebert@inclusiv.org](mailto:jhebert@inclusiv.org).

Thank you for your consideration of our perspective.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathleen A. Mahon". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Cathleen A. Mahon  
President and CEO