



July 1<sup>st</sup>, 2022

Ms. Jodie Harris  
Director  
Community Development Financial Institutions Fund  
U.S. Department of Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

**RE: Equitable Recovery Program -Extension Request**

Dear Director Harris:

On behalf of the Inclusiv Network, I urge the CDFI Fund to extend the application period by a minimum of 30 days.

The Equitable Recovery Program (ERP) is in essence a brand-new program. Its application is complex and requires five years of transaction-level loan analysis, business plans, and in-depth narratives. Applicants will need to devote significant resources and expertise to the project. This presents serious barriers for smaller CDFIs, and with most MDI CDFI credit unions operating with less than \$50 million in assets, ERP will inevitably leave out many of the leading financial institutions serving communities of color.

We estimate that applicant credit unions will have to devote at least 200 hours to complete the application. Just geocoding thousands or in some cases, hundreds of thousands of loans, will represent a huge burden. This challenge is compounded by the fact that for reporting purposes, regulated CDFIs keep track of loan performance and not necessarily loan origination. Furthermore, the data is often kept in multiple loan origination systems.

In addition, CDFIs and MDIs are facing -as many businesses are as well- staffing constraints. The great resignation has impacted their capacity and increased the need to rely on external consultants, which further limits the number of institutions that can participate.

ERP could prove transformational for our industry. For MDI CDFIs, this program builds on the momentum of the Paycheck Protection Program, the Emergency Capital Investment Program, and SSBCI, and facilitates the efficient expansion of available capital in deeply underserved communities.

The Inclusiv Network represents 465 community development credit unions and financial cooperatives throughout the United States and its territories. While our members are enthusiastic about this program, we reiterate our concerns summarized on the letter dated



June 16, 2022. Extending the application would be a first step in ensuring that more institutions of modest size can access these resources. We join our industry partners in requesting a 30-day extension to the August 24<sup>th</sup> application deadline.

We thank you in advance for your consideration of this request. We look forward to future discussions on this critical program. If you have any questions, please contact me at [pablo@inclusiv.org](mailto:pablo@inclusiv.org) or Chriselle Martinez ([cmartinez@inclusiv.org](mailto:cmartinez@inclusiv.org)).

Sincerely,

A handwritten signature in black ink, appearing to read "Pablo I. DeFilippi". The signature is stylized and somewhat abstract, with a large initial "P" and "D" and a series of loops and lines for the rest of the name.

Pablo I. DeFilippi  
EVP  
Inclusiv Network