June 16, 2020

Dear Ohio Congressional Delegation:

As Congress begins the FY 2021 appropriations process, the Ohio CDFI Network urges you to provide robust funding to the Community Development Financial Institutions (CDFI) Fund. Specifically, we seek your support for providing additional appropriations for the CDFI Fund. We call for $1 billion of additional appropriations to be awarded as formula grants to CDFIs. We also ask that Congress provide the CDFI Fund with a broad waiver authority with respect to awarding any new appropriated dollars or loan facilities and that Congress should provide the CDFI Fund with sufficient administrative resources to implement these programs.

The Ohio CDFI Network is comprised of nearly all active CDFI loan funds in the state. The eleven members use the Network to expand collaborative relationships among CDFIs, document the impact of CDFI lending in Ohio, and speak as one voice on CDFI-related issues in the state. As experienced non-profit financial lenders dedicated to supporting small businesses and non-profits and stabilizing communities, we adhere to rigorous financial standards, while remaining well-versed in getting unconventional deals done by being nimble, creative and responsive to the communities we serve.

All undersigned members of the Network have successfully competed for grants from the CDFI Fund, using past Technical Assistance awards to build internal capacity and Financial Assistance awards to build capacity to provide loans, investments, business counseling, basic banking services, and training to borrowers not served by conventional financial institutions. These awards are also testaments to our ability to partner with our communities to address economic and community development needs. The highly competitive grants are merit-based with a requirement that we deploy funds on locally-driven projects and needs.

CDFIs are proven “financial first responders” and CDFI Fund programs and the Bond Guarantee Program have helped us establish strong foundations as we pivot to address COVID-related impacts.

As Ohio’s leading CDFIs loan funds, we are already adapting to the COVID-19 crisis by:

- Offering Paycheck Protection Program (PPP) lending
- Providing Technical Assistance to businesses applying for PPP
- Providing business coaching and on-line learning for borrowers via video conferencing
- Providing forbearance to our borrowers, often deferring interest payments, while we continue to make interest payments to our own investors
- Offering loan restructuring for impacted borrowers
- Developing new loan products designed to help borrowers weather the storm
- Developing flexible tools and underwriting criteria to respond to borrower and community needs
- Working with new borrowers to address challenges brought on by the pandemic
- Developing new grants and forgivable loan products to help small businesses withstand the crisis
- Moving loan closings to a virtual format
• Partnering with neighborhood groups to administer funds for several small business rescue initiatives
• Providing working capital to non-profits

In Ohio, CDFIs provide critical capital for neighborhood revitalization, affordable housing development, and the establishment of other community assets, like grocery stores, health clinics, and day care centers. CDFIs also help individuals start businesses, create jobs, and build wealth. CDFIs in Ohio loaned over $800 million dollars between 2005-2017 and leveraged $4.3 billion dollars in private investment.

With the help of additional appropriations to the CDFI Fund, CDFIs will bring our experience and expertise to bear in helping people throughout Ohio weather the COVID crisis and will further extend capital to marginalized people and communities.

With a relatively small administrative budget, the CDFI Fund is a great deal for the American taxpayer.

Signed,

The Ohio CDFI Network (Affordable Housing Trust for Columbus and Franklin County, Appalachian Growth Capital, Cleveland Development Advisors, Cincinnati Development Fund, LISC – Greater Cincinnati, Dayton Region New Market Fund, ECDI, Greater Ohio Policy Center, IFF, Ohio Capital Finance Corporation, LISC – Toledo, Village Capital Corporation, Western Reserve Community Fund)

Cc: Senator Sherrod Brown, Senator Robert Portman, Representative Steve Chabot, Representative Brad Wenstrup, Representative Joyce Beatty, Representative Jim Jordan, Representative Robert Latta, Representative Bill Johnson, Representative Bob Gibbs, Representative Warren Davidson, Representative Marcy Kaptur, Representative Michael Turner, Representative Marcia Fudge, Representative Troy Balderson, Representative Tim Ryan, Representative David Joyce, Representative Steve Stivers, Representative Anthony Gonzalez