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December 18, 2023

Ms. Marcia Sigal
Acting Director
Community Development Financial Institutions Fund
1500 Pennsylvania Ave NW
Washington, DC 20220

RE: Request to Extend Matching Funds Window for 2023-2024 CDFI Program funding round

On behalf of the members of the Community Development Bankers Association (CDBA), I write to urge you to extend the matching funds window for the 2023-2024 CDFI Program funding round. Specifically, we urge you to amend the matching funds window to allow all CDFIs to use matching funds raised between January 1, 2021 and January 15, 2025, a period of 48 months.

The justification for the longer window is that the 2023-2024 funding round is a COMBINED funding round involving 24 months (two separate years) of appropriations – versus a 12 month (single year) appropriation. The CDFI Fund has historically allowed a 36 month matching funds window for a 12 month funding round; this represents a 3:1 ratio of matching funds window to the program funding period. We note the matching funds window published in the 2023-2024 NOFA is only 36 months despite the combined round reflecting 24 months of funding; this reduces the current matching funds period to program funds period ratio to 3:2. Given that 2023-2024 is a combined 24 month funding round, we believe that a longer window should be allowed, to bring the ratio closer to its historic level. Raising the current matching funds period window to 48 months would bring the current ratio to 2:1, which is still below the historic ratio of 3:1, but more workable.

The CDFI Fund was required to launch multiple new pandemic-related programs over 2021-2023 – an amazing accomplishment – while still managing its long standing programs. As a result, the FY 2023 CDFI Program round was significantly delayed. Had the FY 2023 round not been delayed, the matching funds window would have been January 1, 2021 to January 15, 2024 (estimated based on past years'). To get the program back on schedule and funds deployed, the CDFI Fund combined the 2023 and 2024 funding rounds. In the combined FY 2023-2024 NOFA, the matching funds window is limited to January 1, 2022 and January 15, 2025 (36 months). The delay in the FY 2023 round – combined with later matching funds window announced in the FY 2023-2024 NOFA – created a timing gap. The timing gap resulted in dollars raised between January 1, 2021 and December 30, 2021 being ineligible for use as matching funds.

All CDFIs work hard to raise eligible external funds and/or generate retained earnings that can be used for matching funds. As CDFIs were not responsible for the delay in the FY 2023 funding round, it is unfair to disallow the use of all matching funds raised during calendar year 2021 in the current round. This circumstance will particularly harm small and medium size CDFIs that have fewer resources that can be used for a match.

Thank you for consideration of our views on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeannine Jacokes". The signature is fluid and cursive, with the first name "Jeannine" being more prominent than the last name "Jacokes".

Jeannine Jacokes
Chief Executive Officer