



March 20, 2025

The Honorable Scott Bessent
Secretary, U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Subject: The Importance of the CDFI Fund

Dear Secretary Bessent:

I am writing to express deep concern regarding the recent executive order on “Continuing the Reduction of The Federal Bureaucracy” which seeks to eliminate the non-statutory components of the Community Development Financial Institutions (CDFI) Fund. The League of Credit Unions represents credit unions in Alabama, Florida, Georgia, and Virginia and advocates for policies that allow them to meet the needs of their members and the communities they serve.

While we recognize the need for fiscal responsibility and appreciate the Administration’s efforts to improve efficiency and reduce redundancies, this executive order threatens to undermine the transformative impact that CDFI credit unions have on underserved communities.

As mission-driven financial institutions, CDFI credit unions are uniquely positioned to provide affordable financial services and access to capital in communities that other financial institutions often overlook. CDFI grant dollars and programs serve as catalysts for economic growth, allowing credit unions to leverage these funds into community impact by providing financial services for small businesses, first-time homebuyers, and families striving for economic mobility.

As discussions regarding the future of the CDFI program continue, I wanted to share key data that highlights the measurable impact these credit unions have within our region.

- **52 CDFI credit unions** in Alabama, Florida, Georgia and Virginia
- Serve over **4.7 million members**
- Support **11,724 full-time jobs**
- Hold **\$68.7 billion in total assets** and manage **\$58.4 billion in deposits**
- Provide more than **\$50.6 billion in loans, including:**
 - \$17.6 billion in auto loans
 - \$19 billion in residential mortgages
 - \$6.3 billion in small business loans
- Provide **\$781 million in total financial benefits to members annually**

These credit unions deliver lower-cost loans, higher deposit returns, and more accessible financial services compared to other financial institutions, directly improving household stability, fostering small business growth, and contributing to local economies.

At the state level, the benefits are clear:

- **Alabama:** 10 CDFI credit unions serve over 300,000 members, supporting \$2.9 billion in loans and \$3.7 billion in deposits, while providing nearly \$18 million in total financial benefits.
- **Florida:** 29 CDFI credit unions serve 3.87 million members, delivering over \$631 million in member benefits, supporting \$41.6 billion in loans and \$47.6 billion in deposits.
- **Georgia:** 6 CDFI credit unions serve 152,000 members, with \$1.15 billion in loans and \$1.53 billion in deposits, generating \$33.5 million in total benefits.
- **Virginia:** 7 CDFI credit unions serve nearly 400,000 members, with \$4.8 billion in loans, \$5.6 billion in deposits, and nearly \$99 million in financial benefits.

CDFI credit unions are vital to fostering small business growth and economic opportunity across the region. Continued federal support ensures these institutions remain a cornerstone of community empowerment.

As the Administration seeks ways to improve efficiency and impact within the CDFI program, I encourage you to review recent changes to the CDFI application and recertification process. While well-intentioned, some of these changes have added significant complexity and barriers for mission-driven institutions, making it more difficult for them to qualify and continue serving underserved communities. Streamlining these requirements would help ensure that resources are focused on delivering capital where it's needed most, rather than on navigating burdensome administrative processes.

Our CDFI credit unions are appreciative of the support for CDFIs you have shown during your confirmation hearing and your tenure as Secretary of the Treasury. Your recognition of the critical role CDFIs play in expanding access to capital and fostering economic growth in underserved communities is deeply appreciated and valued.

Thank you for your time and consideration. I welcome the opportunity to discuss this further and provide additional insights into the invaluable role that CDFI credit unions play in strengthening our economy. Please do not hesitate to reach out should you require additional information.

Sincerely,

A handwritten signature in black ink, reading "JT Blau". The letters are stylized and cursive.

JT Blau
General Counsel
The League of Credit Unions