

March 30, 2020

Ms. Jodie Harris
Director
Community Development Financial Institutions (CDFI) Fund
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Re: Request to Consider Extensions and Program Adjustments in the Wake of the COVID-19 Crisis

Dear Jodie:

Our behalf of the members of the Community Development Bankers Association (CDBA), I am writing to request that CDFI Fund undertake considerable relief measures to support our members as they face unprecedented challenges through the course of the COVID-19 health and economic crisis.

The Office of Management and Budget (OMB) recently provided important information that relates to upcoming CDFI Fund deadlines in its memorandum, "Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID- 19) due to Loss of Operations." Specifically, point #10 in the memo states:

Extension of financial, performance, and other reporting. (2 CFR§ 200.327, 2 CFR§ 200.328). Awarding agencies may allow grantees to delay submission of financial, performance and other reports up to three (3) months beyond the normal due date. If an agency allows such a delay, grantees will continue to draw down Federal funds without the timely submission of these reports. However, these reports must be submitted at the end of the postponed period. In addition, awarding agencies may waive the requirement for recipients to notify the agency of problems, delays or adverse conditions related to COVID-19 on a grant by grant basis (200 CFR 200.328(d)(1)).

In light of the directives in this memorandum, we hope the CDFI Fund will undertake the following steps to provide relief to CDFIs:

CDFI and NACA Programs

Extend the deadline without adverse consequence for CDFI banks submitting reporting and performance requirement submissions. Due to the technology and infrastructure challenges faced by CDFI banks (particularly those located in and serving rural and native communities), CDFI banks have been forced to emphasize crisis management to prioritize the immediate needs of customers and employees. CDBA therefore requests the CDFI Fund extend the deadline for reporting and performance reports for up to three months beyond the normal due date, and waive penalties that would be applied under normal circumstances.

Extend the FY 2020 application deadline without adverse consequence by 30 to 45 days. Additional time will also allow CDFI banks to continue to prioritize the immediate needs of customers and employees while addressing the essential, but slightly less urgent, task of applying for grant dollars from the CDFI and NACA programs.

Eliminate the new minimum portfolio requirements for FY 2020 SECA applicants. Smaller CDFI banks face an additional burden in the form of minimum portfolio requirements for FY 2020 SECA applicants. Waiving these requirements will allow SECA applicants the flexibility to prioritize potential pressing issues as they emerge over the coming year.

Bank Enterprise Awards (BEA)

Extend the use of fund period for BEA Awardees. The ability of 2018 BEA awardees to deploy funds in distressed communities during the period of performance has been adversely impacted by COVID-19, with closing being deferred or cancelled for many new loans and investments during this time. Thus, an extension of 60 days from the period of performance end date deadline of March 31, 2020 is appropriate and necessary under these circumstances. In the event an extension of the performance period is granted especially in light of increased demands being placed on CDFI bankers as they engage with their communities for COVID-19 relief, an equivalent extension of 60 days of the 2018 BEA use of funds reporting deadline of June 30, 2020 should also be provided.

Capital Magnet Fund (CMF)

Extend the deadline without adverse consequence for reporting submissions. Similar to the recommendation highlighted in the “CDFI and NACA Programs” section, CDBA recommends that awardees who have been challenged to meet the March 31, 2020 reporting deadline face no penalty and are not deemed “non-compliant” for late submissions.

Allow greater flexibility in how funds are used and on what timeline. CDBA also recommends the CDFI Fund extend flexibility to CMF awardees to allow them to redeploy funds to provide relief to borrowers, e.g. restructuring, modifying or credit enhancing loans. Addressing the housing affordability crisis can only grow more pressing, and flexibility will help ensure that untold numbers of affordable projects do not become irretrievably delayed.

Thank you for your consideration.

Sincerely,



Jeannine Jacokes
Chief Executive Officer