



December 7, 2020

TRANSMITTED VIA ELECTRONIC MAIL

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Leader Schumer:

The National Bankers Association (NBA) represents the country's Minority Depository Institutions (MDIs). Our institutions bank the communities that are being hit the hardest by coronavirus pandemic – both physically and economically. While the National Bankers Association commends the Congress on its leadership to date in responding to the COVID-19 pandemic, we firmly believe much work remains to be done in supporting the MDI sector as we respond to the credit needs of the communities and small businesses that our member institutions serve that will disproportionately shoulder the burden of any economic downturn attributable to the COVID-19 pandemic.

On behalf of the members of the NBA, we strongly urge you to support \$12 billion for Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) as outlined in the Jobs and Neighborhood Investment Act (S. 4255). Of these amounts, \$10 billion will go to the Neighborhood Capital Investment Program and \$2 billion will go to the CDFI Fund for emergency grants.

S. 4255 has broad bipartisan support because it directs largely unused recovery resources to Low- and Moderate-Income (LMI) and minority communities hardest hit by COVID-19 and the recession, but which have been inadequately served by other Federal recovery initiatives.

Voluminous economic and health economic data demonstrate that the COVID-19 virus and economic fall-out has had a disproportionate impact on LMI and minority communities across the United States. Likewise, we know that other stimulus initiatives – such as the Paycheck Protection Program (PPP) – largely missed these communities.

NBA members are specifically focused on serving LMI and minority communities across the United States. Data from the PPP, however, demonstrates that CDFIs and MDIs were effective in reaching the smallest and most vulnerable borrowers in LMI and minority communities. Yet, we know from prior recessions, these communities will need far more than PPP to recover.

We have an opportunity to avert an economic collapse if Congress and the Administration take the necessary steps now to provide diverse small businesses, nonprofits, and LMI communities the emergency relief they need now. The steps taken through the previous three relief measures were

welcomed and necessary. However, a series of additional actions that will need to be taken by Congress to ensure that we not only contain the spread of COVID-19 but also limit the potential economic carnage to LMI communities and communities of color that are the hardest hit both by the pandemic itself as well as the economic consequences associated with our response to the pandemic. Providing relief to the nation's MDIs and CDFIs is vital if our efforts are to ensure that every community in the country can take part in our nation's post COVID-19 economic recovery. We appreciate the opportunity to share our views with you and look forward to serving as a resource to you to ensure both a robust and inclusive response to and recovery from the COVID-19 pandemic.

Respectfully,

A handwritten signature in black ink that reads "Kim Saunders". The signature is written in a cursive, flowing style.

Kim Saunders
President and Chief Executive Officer, National Bankers Association
ksaunders@nationalbankers.org

A handwritten signature in black ink that reads "Kenneth Kelly". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Kenneth Kelly
Chairman, Board of Directors, National Bankers Association
Chairman and Chief Executive Officer, First Independence Bank
kkelly@nationalbankers.org