



January 5, 2021

The Honorable Steven Mnuchin  
Secretary  
United States Department of the Treasury  
1500 Pennsylvania Avenue  
Washington, D.C. 20220

Re: CDFI and MDI Emergency Capital Investment Fund (ECIF)

Dear Secretary Mnuchin:

Since the NBA was founded in 1927, we have served as a voice for Black and other minority-owned banks (MDI Banks). Now, with membership that includes Hispanic-American, Asian-American, Native-American, and women-owned banks, our reach extends across the country. We believe strongly in advocating for not only our member banks, but also the communities they serve. Our members help low and moderate-income communities in twenty-two states, and they are committed to providing economic revitalization to families in those neighborhoods.

Many of our member institutions are also Community Development Financial Institutions (CDFIs), and doubly focused on consumers and businesses who are historically underserved by traditional banks and financial service providers. Both CDFI and MDI Bank designations carry with them certain ownership, management and community accountability criteria that make them the best positioned to carry out Congress' intent for the ECIF. To be designated as an MDI, banks must have ownership or a majority of management (executive and board level) that represents the minority communities they serve. Certified CDFIs must have primary missions of serving CDFI-eligible Target Markets, remain accountable to those Target Markets, and certify annually that they make a **minimum of 60%** of their loans to CDFI-eligible Target Markets—**twice the impact threshold** called for by the recently enacted relief bill.

Current law recognizes the unique ability of MDI Banks to reach underserved and underbanked individuals, businesses and communities, as well as the crucial role of Treasury and the regulatory agencies in supporting these banks. FIRREA Section 308 not only calls on Treasury to preserve, but also to **promote** MDIs. Maximizing ECIF capital will allow Treasury to tangibly address this statutory mandate. We believe the Treasury Department should maximize the amount of the ECIF invested in banks that have both CDFI & MDI status before turning to other qualifying institutions to place the remaining CIP capital.

The Emergency Capital Investment Fund (ECIF) has the potential to bring long-term, sustainable COVID-19 financial relief to millions of small businesses, underserved communities and underbanked individuals and increase the overall fairness of the relief programs. MDI Banks that are also CDFIs are a discreet group of institutions that have demonstrated decades'-long commitments to the very communities Congress is targeting with the ECIF. Prioritizing this unique group of banks will further amplify the impact of this capital on distressed communities and best achieve clear, bipartisan Congressional intent. These are the banks that can most effectively reach the underserved businesses and individuals, in urban and rural areas, who have been among the hardest hit by the COVID-19 crisis.

We have an opportunity to avert an economic collapse and allow communities to rebuild if the necessary steps are taken now to provide diverse small businesses, nonprofits, and LMI communities the emergency relief they need. Providing capital 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, thus benefiting the economy as a whole. 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.

Sincerely,

A handwritten signature in blue ink that reads "Robert James II". The signature is written in a cursive style with a double underline under the name.

Robert James II  
Carver State Bank  
Chairman, National Bankers Association