



August 2, 2022

The Honorable Chuck Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Schumer:

On behalf of the National Bankers Association, I write to express our concern about the exclusion of community-based financial institutions as eligible for direct investment from the proposed Greenhouse Gas Reduction Fund in the Inflation Reduction Act of 2022. The NBA is the leading trade association for the country's Minority Depository Institutions (MDIs). A critical part of our mission is to serve as an advocate for the nation's MDIs as well as the communities they serve.

We are extremely supportive of the climate change initiatives the Congress and Biden Administration are pursuing as the communities we serve are disproportionately impacted, physically and economically, by environmental change. While we applaud the steps the Congress and the Administration have taken to date to address the major climate challenges facing our country, we are concerned that the proposed Greenhouse Gas Reduction Fund excludes the participation of community-based financial institutions.

Many of our member institutions are Community Development Financial Institutions (CDFIs) and have become banks of last resort for consumers and businesses who are underserved by traditional banks and financial service providers. Members of our Association are on the front lines, trying to reduce the economic hardship in minority communities, which are historically the most vulnerable during any slowdown. We believe our banks are best positioned to help our communities recover and overcome many of the systemic issues that have placed them at an economic disadvantage.

By directly investing capital to community-based financial institutions, the Greenhouse Gas Reduction Fund would allow for flexibility and responsiveness to the specific needs that are identified on-the-ground, region-by-region. A top-down prescriptive approach that does not offer direct investment in community-based financial institutions will restrict capital flows to low-income communities and communities of color and prevent the scaling of greenhouse gas reduction projects.

We have an opportunity to avert an economic collapse if Congress and the Administration take the necessary steps now to provide LMI communities the climate relief they desperately need. While the steps taken to date are welcomed and necessary, as we move towards the next series of actions

to limit the potential economic carnage to LMI communities and communities of color it is critical that the nation's MDIs and CDFIs play a vital role in the effort to ensure that every community in the country can take part in our nation's post-climate crisis. We appreciate the opportunity to submit our views and look forward to being a resource to you and the Biden Administration to ensure both a robust and inclusive response to and recovery from our country's climate challenges.

Sincerely,

A handwritten signature in cursive script, appearing to read "N Elam".

Nicole A. Elam, Esq.
President & CEO
National Bankers Association