

Congress of the United States
Washington, DC 20515

April 13, 2023

The Honorable Janet Yellen
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Yellen:

We write to you regarding proposed changes to the Community Development Financial Institution's (CDFI) Certification Application and related guidance. The aggressive changes the Treasury Department is pursuing will result in the loss of CDFI status for banks across Arkansas.

According to a 2021 report by the National Community Investment Coalition, lending to low-and-moderate-income areas in rural counties is only 10% that of middle and upper-income lending. Many of these rural counties are underserved by traditional financial institutions and this lack of access to credit and financial services makes it difficult for rural residents to start businesses, buy homes, and pursue other economic opportunities. Yet, the Treasury Department is pursuing changes to the CDFI certification application that would result in many rural banks losing their CDFI status through stricter rules on interest rates, underwriting standards, risk management tools, disclosure requirements, and target markets.

Not only are these new rules harmful for rural communities, but the process for making these changes is inadequate. We ask that the Treasury Department pursue any changes in the CDFI Certification Application through the rulemaking process outlined in the Administrative Procedures Act (APA). These changes deserve to be carefully examined by our regulatory agencies and the affected financial institutions should be given time to consider and weigh in.

We ask you to rescind this guidance, which will do real harm to our rural communities, and approach changes to the CDFI fund through the proper rulemaking process.



Tom Cotton
United States Senator



French Hill
Member of Congress



Steve Womack
Member of Congress.



John Boozman
United States Senator



Bruce Westerman
Member of Congress



Eric A. "Rick" Crawford
Member of Congress