

Congress of the United States

Washington, DC 20515

April 21, 2025

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Dear Secretary Bessent:

We write to express our strong concerns with a recent Executive Order issued by President Trump to reduce “elements of the Federal bureaucracy that the President has determined are unnecessary,” requiring that the “non-statutory components and functions of the following governmental entities shall be eliminated to the maximum extent.”¹ One of the governmental entities listed is the Community Development Financial Institutions (CDFI) Fund, which is fully authorized and appropriated by Congress and administered by your Department. We, along with industry and community stakeholders,² reject the premise that anything about the CDFI Fund and the CDFIs it supports is “unnecessary,” and we request the Administration immediately exempt the CDFI Fund from this harmful order.

For more than 30 years, across Republican and Democratic Administrations, the CDFI Fund has been a bipartisan success, providing grants, technical assistance, and other support to community banks, credit unions, and loan funds across the country that are certified as CDFIs. These CDFIs leverage a relatively small amount of Federal funds to provide financial access to underserved communities that traditional financial institutions ignore. Currently, there are 1,440 CDFIs located in all 50 states, D.C., Guam, and Puerto Rico, and they offer a range of financial products and services to consumers and small businesses in rural, urban, native, and other communities.³ According to the latest data, CDFIs have over 19 million loans outstanding totaling more than \$300 billion.⁴ These CDFIs are relatively small, with banks and credit unions holding \$577 million and \$567 million in assets, respectively, and CDFI loan funds have \$67.8 million in total assets.⁵

During the pandemic and the Trump Administration’s first term, Democrats and Republicans worked with your predecessor, former Secretary Mnuchin, to provide historic support to CDFIs because they serve as lifelines for underserved communities and play a pivotal role in helping small businesses keep the lights on and to pay the workers they employ. We appreciate that you have characterized CDFIs as “very important,” and that the new Secretary of

¹ White House, [Continuing the Reduction of the Federal Bureaucracy](#) (Mar. 14, 2025).

² See [Letter](#) from CDFI Trades to Senate CDFI Caucus (Mar. 18, 2025); [Letter](#) from Depository Institution Trades to Senate CDFI Caucus (Mar. 18, 2025); NCRC, [Mistake To Attack The Bipartisan CDFI Fund](#) (Mar. 17, 2025)

³ See Treasury, [CDFI Certification](#) (accessed Apr. 16, 2025).

⁴ Treasury, [CDFI Annual Certification and Data Collection Report \(ACR\): A Snapshot for Fiscal Year 2023](#) (Dec. 2024).

⁵ *Id.*

Housing and Urban Development (HUD) claimed CDFIs had “value.”⁶ Moreover, we appreciate your recent clarification that, “This Administration recognizes the important role that the CDFI Fund and CDFIs play in expanding access to capital and providing technical assistance to communities across the United States.”⁷

Your words, however, are in direct conflict with the plain language of the President’s Executive Order characterizing the CDFI Fund as “unnecessary.” Further, there remain unaddressed concerns that the Administration could use the Executive Order as the basis to seek deep funding cuts or staff reductions at the CDFI Fund. In fact, a senior Treasury official did not rule out that possibility and the HUD Secretary made remarks that changes were indeed coming to the CDFI Fund, saying, “This is really a tightening and a streamlining.”⁸ More troublingly, staff at the CDFI Fund has been left with the impression that they would be engaging in “minimal operations,” while the staff was apparently relocated in January to a building outside of the main Treasury building that has no Internet connection, and that service has yet to be connected.⁹ Furthermore, after Treasury informed the Office of Management and Budget (OMB) that the CDFI Fund programs are legally required, the White House issued a statement saying “no final decisions have been made” and implied that Treasury could still take steps to consolidate aspects of the program.¹⁰

We ask that you immediately clear up this confusion. To the extent the President agrees with your recent statement and wants to support CDFIs, the appropriate thing to do would be to promptly update the Executive Order to exempt the CDFI Fund from its application, ensure that the staff has access to the Internet to do their jobs, and work with Congress to strengthen and expand the work of the CDFI Fund. It would be a shame if this becomes the first Administration to forsake the long bipartisan tradition of collaborating with Congress to support our CDFIs and the communities they serve. We look forward to your response and prompt attention to this important matter.

Sincerely,



Maxine Waters
Ranking Member, Committee
on Financial Services



Bill Foster
Member of Congress

⁶ Quotes from responses to Sen. Mark Warner during confirmation hearings. See Native CDFI Network, [Senator Mark Warner Champions CDFIs in Senate Confirmation Hearings](#) (Jan. 17, 2025).

⁷ Statement from Secretary Bessent emailed by Treasury Legislative Affairs to Congressional Staff (Mar. 17, 2025).

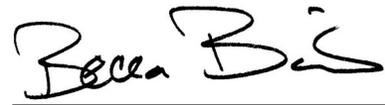
⁸ Punchbowl News, [Cabinet secretaries send mixed signals on CDFIs](#) (Mar. 19, 2025).

⁹ Bloomberg, [Bessent Resists DOGE Cuts That Put Low-Income Lending Program Under Fire](#) (Mar. 19, 2025).

¹⁰ American Banker, [All CDFI programs legally required, Treasury suggests](#) (Mar. 28, 2025).



Alma S. Adams, Ph.D.
Member of Congress



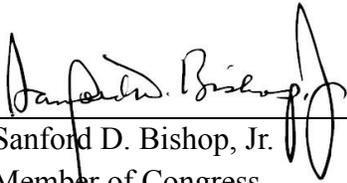
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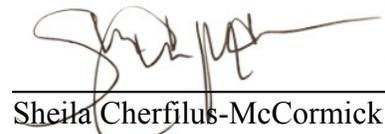
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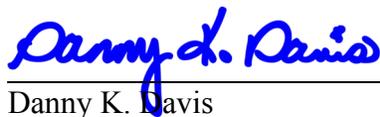
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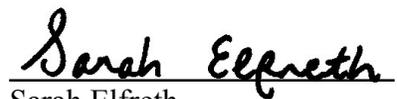
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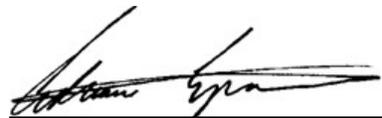
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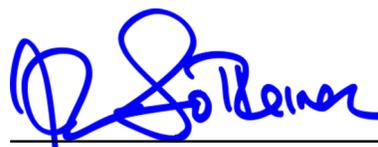
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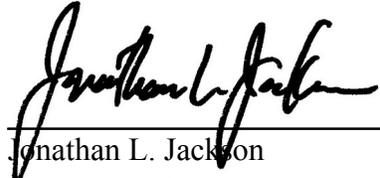
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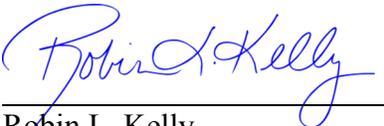
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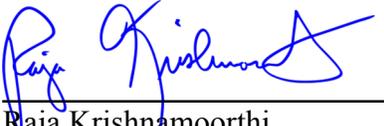
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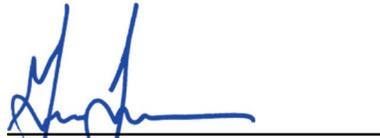
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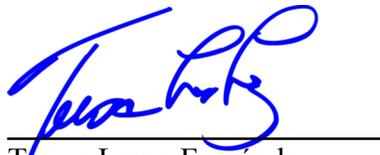
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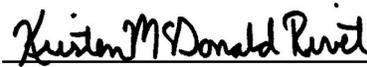
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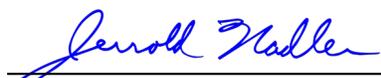
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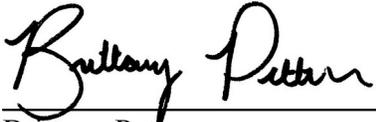
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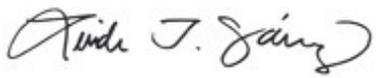
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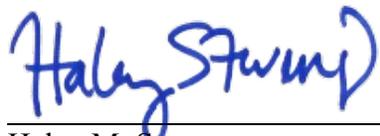
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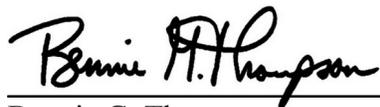
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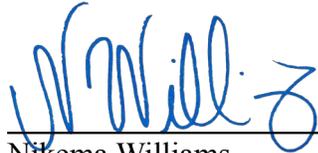
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Cc: The Honorable French Hill, Chairman, Committee on Financial Services