

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks of Secretary Jacob J. Lew at The Community Development Advisory Board Meeting

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As prepared for delivery

WASHINGTON - Thank you, Amias, for the kind introduction. Welcome, everyone, to the Treasury Department for today's meeting of the CDFI Fund's Community Development Advisory Board.

I want to thank all the members of the board for your hard work—and I know I speak for everyone here when I say your service is essential to the CDFI Fund's success.

Last September, the CDFI Fund reached a historic milestone: its 20th anniversary. And let me take a moment to once again congratulate everyone who made that milestone possible. Thank you for helping to make the CDFI Fund what it is today and for making a difference in so many communities and in so many lives across the country.

Now, when we talk about the CDFI Fund and everything it has achieved, we are talking about knocking down barriers so hard working Americans have a chance to get ahead. That means capital flowing to hard-hit communities; affordable housing for low-income Americans; health care centers for uninsured families; healthy, nutritious food for senior citizens; financing so small businesses in distressed neighborhoods can grow; affordable financial services for those getting paid the minimum wage; and, job training that gives down-sized workers new skills and a second chance.

Since the CDFI Fund was created, the number of community development financial institutions has grown fivefold, from less than 200 in 1994 to nearly 1,000 today. During that period, it has awarded more than \$2 billion to financial institutions all across the country. With the New Markets Tax Credit Program, \$40 billion in tax credit authority has been awarded, spurring even greater private-sector investments in low-income communities, more than 75 percent of which went to highly distressed communities.

Of course, President Obama has been committed to the CDFI Fund since Day One. In fact, when the President came into office, our nation was in the grips of the worst recession of our lifetimes. At that time, President Obama looked to the CDFI Fund—and the vast network of local community development financial institutions that the CDFI Fund works with—to help stabilize the economy from the grassroots up. During the crisis, the Obama Administration made substantial investments in the CDFI Fund so that the financial and technical assistance awards distributed under the CDFI Program more than doubled and the New Markets Tax Credit Program was expanded significantly.

In addition, under this Administration, two new programs were added to the CDFI Fund's arsenal: the CDFI Bond Guarantee Program and the Healthy Food Financing Initiative. The CDFI Bond Guarantee program is an innovative way to give community development financial institutions access to long-term, fixed-rate capital while the Healthy Food Financing Initiative is combating so-called "food deserts" and expanding the availability of healthy food in low-income communities by leveraging capital awards.

But we are not here only to focus on what the CDFI Fund has already achieved. We are also here to build on the foundation that has been laid. It is up to the Advisory Board, the CDFI Fund team, and all of us who are dedicated to this work to strengthen the CDFI Fund and make sure it continues to succeed.

As part of that effort, in a few moments, I will have the privilege of swearing in two new members of the Community Development Advisory Board: Brian E. Argrett, President and CEO of City First Bank of D.C., and Calvin L. Holmes, President of the Chicago Community Loan Fund. After that, you will take part in important strategic discussions and will hear from top researchers who have studied the effectiveness of CDFIs during the recent recession. Among the results that they will discuss is the finding that community development financial institutions, despite serving predominantly low-income markets and taking on supposedly higher risk customers, performed at virtually the same level as their mainstream financial institution counterparts throughout the financial crisis.

Before we proceed with the swearing in, I want to thank the members of the Advisory Board again for your hard work and dedication. Because of your commitment, the CDFI Fund is as critical to our nation as it ever has been, and it will continue to lift communities and change the course of people's lives for generations to come.

And now to the swearing in.

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