



Remarks by Secretary of the Treasury Janet L. Yellen on the 30th Anniversary of the Community Development Financial Institution Fund

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As Prepared for Delivery

Good afternoon. It's an honor to welcome President Clinton to Treasury today to mark the recent 30th anniversary of the establishment of the Community Development Financial Institutions Fund.

President Clinton and I have a long-standing shared belief that increasing access to economic opportunity for people and places that historically have been underserved is crucially important, both as a matter of fairness and because it bolsters our country's economic strength.

CDFIs play a key role in achieving this objective. They're better positioned than traditional banks to reach underserved communities and offer essential financial services, from home mortgages to small business loans. And over decades, we've seen them become an increasingly important part of the U.S. financial system. In 1997, there were fewer than 200 CDFIs nationwide. Now, there are more than 1,400, holding approximately \$450 billion in assets.

The CDFI Fund has been a key part of this story. Since its establishment and across both Democratic and Republican administrations, it has provided more than \$8 billion to CDFIs and mission-driven lenders and \$81 billion in tax credits to community development entities. In 2023, it awarded more assistance than in any other year in its history. And one analysis finds that every dollar the CDFI Fund invests catalyzes at least eight more dollars in private sector investment.

Behind these numbers are significant impacts on the lives of Americans across the country. That's been true for decades, but I'd like to focus today on what it has looked like under this Administration. Thanks to CDFI champions in Congress like Senator Warner, Senator Crapo,

and Congresswoman Waters, we have seen the largest ever single investment in CDFIs, and also many other actions.

When we came into office almost four years ago, we were in the depths of the COVID-19 pandemic. Thousands of Americans were dying each day, and the unemployment rate was 50 percent higher than it is now. Households faced the threat of evictions or foreclosures. Small businesses struggled to pay their bills.

In response, our Administration acted decisively to get workers and businesses the support they needed and to help communities begin investing for the long-term. We worked through programs like the Rapid Response Program and the Emergency Capital Investment Program to deploy capital quickly and broadly and to reach low- and moderate-income communities. A CDFI in Arkansas reported having supported purchasing a building to house a new family health clinic in a county with particularly poor health outcomes. A minority depository institution in Florida reported providing loans to a manufacturer in Puerto Rico, which became its municipality's largest employer. In Texas, a CDFI and MDI reported originating loans to consumers with no or limited credit history so they could avoid predatory lenders.

These efforts helped drive a recovery that was not only historically fast but was also historically inclusive. The record growth in new business applications included a surge in applications in Black and Hispanic communities. Black and Hispanic unemployment rates fell faster than in previous recessions and reached near historic lows. The gap between urban and rural unemployment rates narrowed significantly.

And CDFIs and the CDFI Fund did not just play a crucial role in the recovery. As we recovered, they also helped tackle longstanding challenges to help drive economic growth.

Last June, I announced that the CDFI Fund would provide an additional \$100 million over the next three years to increase the supply of affordable housing. This \$100 million will come from payments we're receiving from Emergency Capital Investment Program investments, so it's a creative way to make our dollars go further. And just last month, the CDFI Fund's Capital Magnet Fund awarded nearly \$250 million to 48 organizations for the development of affordable housing and community facilities. This will result in more than 26,000 affordable housing units. Also last month the CDFI Bond Guarantee Program made the largest issuance in its history. Funds will go toward owner-occupied homes in Mississippi and Alabama; rental housing in Minnesota; and commercial real estate in New Mexico, among many other uses.

And I'm very glad to share that today the CDFI Fund is awarding an additional \$76 million in Technical Assistance awards to more than 250 organizations to help them build capacity to become certified CDFIs and carry out their crucial work.

As we step back and reflect on today, it's undeniable that the CDFI Fund has played a key role since its establishment in 1994 and continued to do so in our economic recovery and now in our medium- and long-term economic agenda. It's also consistently benefitted from support from both parties, such as through the bipartisan Senate Community Development Finance Caucus, chaired by Senator Warner and Senator Crapo.

And CDFIs are recognized as a key tool to increase opportunity not only by many in both parties but also by the private sector. Over the last four years, many of America's largest companies have together committed over \$1 billion in cash deposits to CDFIs to increase their liquidity and ability to lend to underserved communities. Vice President Harris has been crucial in leading this work.

And there's no question why there's such widespread support: The CDFI Fund has helped revitalize and strengthen communities across this country, benefitting all of us.

President Clinton had the foresight to see this potential thirty years ago, with a powerful vision of driving economic revitalization and community development, including in rural communities across the country. And he had the determination to help set this all in motion. He began calling for the creation of the CDFI Fund as Governor of Arkansas and championed the legislation creating it shortly after becoming President. It passed with overwhelming bipartisan support. He said on that occasion: "We have got to find ways to reach into the isolated areas of America to bring the promise of America. Ultimately, that is what this whole idea of community development financial institutions are all about."

Just over two years later, I was fortunate to join President Clinton's White House as Chair of the Council of Economic Advisors and was honored to have the opportunity to help him advance this vision.

Now, thirty years later, I am proud that the Treasury Department is carrying forward that legacy and strengthening and expanding the CDFI Fund's work. And I strongly believe the CDFI Fund must be equipped to continue this crucial work.

President Clinton, thank you for your foresight and determination. We are glad to have you join us at Treasury today to mark this anniversary and affirm the CDFI Fund's tremendous importance for communities across America, now and in the years to come.

Let me now turn the floor over to President Clinton.

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