



September 4, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, DC 20510

The Honorable Roger F. Wicker
Chairman, Armed Services Committee
United States Senate
Washington, DC 20510

The Honorable Jack Reed
Ranking Member, Armed Services Committee
United States Senate
Washington, DC 20510

Letter of Support: Inclusion of NDAA Amendment 3732 to Further the Impact of the Community Development Financial Institution (CDFI) Industry

Dear Majority Leader Thune, Democratic Leader Schumer, Chairman Wicker, Ranking Member Reed,

As Congress considers the National Defense Authorization Act of Fiscal Year 2026, we write to encourage the inclusion of Amendment 3732 in the final legislation. The provisions in this amendment would further the impact of the Community Development Financial Institutions (CDFI) industry, increase transparency of CDFI Fund activities, and ensure taxpayer dollars are measurably supporting underserved communities. The Congressional Budget Office has confirmed that these provisions are budget neutral.

For decades, CDFIs have been on the front lines of strengthening local economies, serving as capital allocators and community partners that provide essential financial education and development services to help their borrowers succeed. CDFIs are mission-driven financial institutions—including banks, credit unions, loan funds, and venture capital funds—that deliver responsible, affordable investment to underserved rural, suburban, and urban communities that are often overlooked by mainstream investors. Across the nation, CDFIs are deploying capital solutions to unlock the investment needed to drive job creation through small businesses, increase affordable housing and homeownership opportunities, expand access to critical services providers like day care centers, grocery stores, and health care providers, and fortify economic resilience at the local and national level.

We encourage the enactment of provisions that would improve existing programs, such as the CDFI Bond Guarantee Program and the CDFI Liquidity Enhancement Pilot Program, to increase access to long-term stable funding and liquidity facilities for a broader base of CDFIs. Further, we support efforts to enhance the CDFI Fund's performance through annual reporting that would provide greater insight into award distribution, geographic reach, and recipient performance in a manner that is not overly burdensome to CDFIs and does not detract from CDFI core operations.

In general, we encourage continued federal investment in CDFIs. Every dollar of federal funding is leveraged with significant private sector investment—often at a ratio of 12:1—multiplying the impact of federal investment many times over. This public-private partnership is a responsible and highly effective

use of taxpayer dollars that yields incredible returns in the form of economic activity, increased tax revenue, and stronger, more resilient communities.

Together, the provisions in Amendment 3732 will strengthen the impact of the CDFI industry and ensure that taxpayers dollars are supporting the most effective solutions for driving increased investment in underserved communities. We look forward to seeing these provisions included in the National Defense Authorization Act of Fiscal Year 2026 and enacted in the final legislation.

Sincerely,
Michael Piwowar
Executive Vice President, Milken Institute Finance

Rachel Reilly
Senior Director, Milken Institute Finance