

2023 Hike the Hill – U.S. Department of Treasury Meeting Emergency Capital Investment Program

Wednesday, June 21

Time: 10:00 a.m. - 11:00 a.m.

Location: Main Treasury Building
1500 Pennsylvania Ave (entrance South Plaza Hamilton Statue)

On Wednesday, June 21, Hike the Hill attendees are welcome to join CDFI credit unions for a meeting at Main Treasury. Participants will be meeting with Noel Poyo, Deputy Assistant Secretary for Community and Economic Development along with his policy advisor Ana Esparza. Poyo is familiar with CDFI credit unions having previously served on the Board of the Center for Responsible Lending. Poyo will provide an update on the community development work taking place at Treasury which will be followed by a discussion on the Emergency Capital Investment Program.

Permanent Capital Investment Program

The Capital Investment Program has minimal cost to the taxpayers as all funds are paid back with interest. Because the funds count as capital, CDFIs with a demonstrated history of serving the underserved and vulnerable communities, are able to significantly expand lending. Not only is the capital leveraged 10-to-1 but the Treasury has the opportunity to direct lending to achieve desired outcomes.

- *Can you share any efforts by Treasury to create a permanent capital fund?*

Emergency Capital Second Round Funding

Numerous CDFI's invested significant resources in applying for the second round of ECIP awards. As you know, the debt legislation resulted in a rescission of the remaining ECIP funds which means that all second-round applicants were denied.

- *What steps is Treasury taking to ensure these funds are restored or that applicants are reimbursed for the costs related to the applications?*

Emergency Capital Reporting

We have some concerns that asking borrowers to self-report information that non-ECIP recipient lenders do not ask about, puts us at a disadvantage. Specifically, borrowers might feel it is an invasion of privacy or could be used as a determining factor in a lending decision.

- *Would the use of a data-append service (such as Claritas) that is address-specific be an acceptable alternative to borrower self-reporting for race and ethnicity data? This is not a geographic proxy since it is address-specific, and it seems to fit within the proposed reporting rules.*

Indirect lending – the exclusion of purchased loans (indirect auto lending specifically) was not specified in the qualification or ISR process. The final rules appear to exclude any purchased loans from reporting.

- *Could an ECIP recipient report indirect auto loans if it wanted to?*
- *If not could an ECIP recipient re-state ISR totals to exclude indirect loans if they are excluded from qualifying lending in the final rule?*

CDFI Fund Certification Process

The CDFI fund is working on significant changes to the current CDFI process. A number of CDFIs have expressed concerns that the CDFI Fund is moving the goal posts.

- *Can you share some of the reasons for the overhaul of the certification process and how those changes might result in improved outcomes?*