October 16, 2025

Via Electronic Submission

The Honorable Scott Bessent
Secretary of the Treasury
United States Department of Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Russell T. Vought
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Re: *Request to Rescind CDFI Fund Reduction-in-Force*

Dear Secretary Bessent and Director Vought:

The Conference of State Bank Supervisors ("CSBS")[1] and the National Association of State Credit Union Supervisors ("NASCUS")[2] (collectively, "state regulators") write to express our deep concern over the issuance of "Specific Notice of Reduction in Force" ("RIF") letters to all employees of the Community Development Financial Institutions Fund ("CDFI Fund" or "Fund") and encourage swift action to reverse course. The proposed RIF would prevent the CDFI Fund from executing its statutory mandate to support economic growth and opportunity in our nation's most distressed communities. It would also weaken hundreds of CDFI certified banks and credit unions that rely on their certified status to attract investment and secure training and technical assistance. CDFI Fund support is a vital resource for these community financial institutions, which provide critical financial services in the communities they serve.

The vast majority of CDFIs are credit unions or community banks.[3] As Secretary Bessent pointed out during a Federal Reserve Community Bank Conference last week, these institutions are essential to driving the President's vision for Main Street financial prosperity.[4] That is especially true of CDFIs, an estimated 20% of which operate in "persistent poverty counties"[5] and which are dedicated to helping residents in those counties start businesses, buy their first homes, or build community facilities.

With bipartisan federal support, CDFIs have a three-decade track record of being one of the most efficient and effective vehicles for catalyzing private capital and promoting growth through public-private partnerships. By one estimate, every dollar injected into a CDFI generates eight dollars in private-sector investment.[6] The loss of the CDFI Fund will undermine the Administration's vital efforts to encourage investment in Main Street communities across America.

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[1] CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories.

[2] NASCUS is the professional association of the nation's 46 state credit union regulatory agencies that charter and supervise over 1,800 state-chartered credit unions. NASCUS membership includes state regulatory agencies, state- and federally chartered credit unions, and other important industry stakeholders. State regulator supervised credit unions hold nearly half of the $3 trillion assets in the credit union system and represent nearly half of the system's 142 million members. The remaining states lack state-chartered credit unions.

[3] CDFI Fund, *List of Certified CDFIs* (as of Jan. 2024).

[4] Scott Bessent, Secretary of the Treasury, *Remarks Before the Fed Community Bank Conference* (Oct. 9, 2025).

[5] PPCs are defined as counties where 20% or more of the population has lived in poverty over the past 30 years. *Persistent Poverty in Counties and Census Tracts* , U.S. Census Bureau (May 9, 2023).

[6] Janet Yellen, Secretary of the Treasury, *Remarks on $1.25 Billion Award to CDFIs to Support Economic Relief in Underserved Communities Affected by COVID-19* (July 15, 2021).

State regulators emphasize that the CDFI Fund has both the statutory authority[7] and the necessary appropriated resources[8] to continue its functions, making the RIF of CDFI Fund employees both damaging and unnecessary.

Given the CDFI Fund's role in fostering economic development, we urge you to rescind the RIF directed at the employees of the CDFI Fund and continue your past support[9] for this unique and vital program.

Thank you for your prompt attention to this matter. We look forward to continued engagement to make our financial system stronger, more efficient, and more resilient.

Sincerely,

Brandon Milhorn
President and CEO
CSBS

Brian Knight
President and CEO
NASCUS

[7] An analysis submitted to the Office of Management and Budget by the U.S. Department of the Treasury on March 21, 2025, concluded that all of the CDFI Fund's programs and activities are mandated in statute.

[8] Congress has appropriated FY 2025 monies to pay administrative and program costs that are available until September 30, 2026. *See* U.S. Department of the Treasury, *Congressional Budget Justification and Annual Performance Plan and Report FY 2025* at 7, "Appropriations Language and Explanation of Changes…Salaries and Expenses."

[9] *See* Bessent: 'CDFIs are key component' to support Main Street, *America's Credit Unions* (March 19, 2025).