

February 25, 2010

The Honorable Christopher J. Dodd, Chairman
The Honorable Richard C. Shelby, Ranking Member
Members of the Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Dodd, Ranking Member Shelby, and Committee Members:

We, the undersigned civil rights, consumer, and housing counseling organizations, write to ask members of the Senate Committee on Banking, Housing, and Urban Affairs to expand the Community Development Financial Institution (CDFI) Fund's Financial Education and Counseling pilot program when they consider the "Restoring American Financial Stability Act." Each month, our organizations work with thousands of families who are struggling to get back on their feet. In tough economic times, hardworking families are being confronted with a new financial reality. Millions are watching their plans for the future dissolve due to unemployment, loss of income, depressed property values, foreclosure, or bankruptcy. To get back on the path to financial security, they need relevant, real-time advice from professionals who can offer objective guidance on a range of fiscal questions.

The expansion of the CDFI Fund's Financial Education and Counseling pilot program will help to support community-based organizations offering financial counseling, allowing them to hire staff and provide a much-needed service to areas that have been hit hard by the recession. This is especially helpful in communities of color that have been disproportionately affected by foreclosures and unemployment. Counselors will help families open bank accounts, build credit, identify an affordable car loan or credit card, and recover from a foreclosure or bankruptcy. Specifically, an amendment to expand the Fund should:

- **Provide a funding stream for one-on-one financial counseling.** Individual advice tailored to the family's circumstances is the best way to change how they make financial decisions.
- **Make financial counseling available to families at financial risk.** The recession has not only weakened household balance sheets, it has left families reliant on high-cost credit and vulnerable to financial scams and deceptive lenders. Rather than allowing history to repeat itself, families need access to sound financial guidance that sets people back on the path to a fiscally secure future.

- **Provide support to approved 501(c)(3) organizations experienced in dealing with persons at financial risk.** Community-based organizations are well known in the community and a trusted source of advice, with the ability to offer culturally competent and bilingual services where needed.

Our national economy will not recover until the balance sheets of families are stabilized. Rather than leave them in a position to be taken advantage of again, Congress must give them the tools to make sound financial decisions and avoid debt traps. Should you have any questions, please contact Janis Bowdler, Deputy Director, Wealth-Building Policy Project, National Council of La Raza (NCLR), at (202) 776-1748 or jbowdler@nclr.org. We look forward to working with you further on this crucial issue.

Sincerely,

National Organizations:

Accountable America
Americans for Democratic Action, Inc.
Americans for Financial Reform
Center for Responsible Lending
ClearPoint Credit Counseling Solutions
Consumer Action
Consumers Union
Hispanic Federation
HomeFree-USA
International Brotherhood of Teamsters
Lawyers' Committee for Civil Rights Under Law
Leadership Conference on Civil and Human Rights
League of United Latin American Citizens
Mission of Peace National Corporation
NAACP
National Association of Consumer Advocates
National Association of Hispanic Federal Executives
National Association of Real Estate Brokers-Investment Division, Inc.,
Housing Counseling Agency (NID-HCA)
National Coalition for Asian Pacific American Community Development
National Community Reinvestment Coalition
National Conference of Puerto Rican Women
National Consumer Law Center (on behalf of its low-income clients)
National Council of La Raza (NCLR)
National Fair Housing Alliance
National Federation of Community Development Credit Unions
National Foundation for Credit Counseling
National Hispanic Media Coalition

National NeighborWorks Association
National Puerto Rican Coalition
National Urban League
Rural Community Assistance Corporation
Sargent Shriver National Center on Poverty Law
Single Stop USA
Structured Employment Economic Development Corporation (Seedco)
Union Plus
U.S. Hispanic Chamber of Commerce

Local Organizations:

Advocates for Latino Student Advancement in Michigan Education (A.L.S.A.M.E.),
East Lansing, MI
Arizona State University, AZ
Atlanta Urban League, Inc., Atlanta, GA
Avenida Guadalupe Association, Inc., San Antonio, TX
Centro Campesino Farmworker Center, Inc., Florida City, FL
Center for Hispanic Policy & Advocacy, Providence, RI
Community Services of Nevada, Las Vegas, NV
Conexión Américas, Nashville, TN
Connecticut Puerto Rican Forum, Hartford, CT
Dalton-Whitfield Community Development Corporation, Dalton, GA
Dignity Housing, Philadelphia, PA
East Bay Asian Local Development Corporation, Oakland, CA
East LA Community Corporation, Los Angeles, CA
Economic Opportunity Agency of Washington County, Springdale, AR
El Centro, Inc., Kansas City, KS
El Concilio, Modesto, CA
Federation of Southern Cooperatives - Rural Training Center, Epes, AL
HBC Services, Inc., West Allis, WI
Hispanic Business Education and Training, Inc., Oakland, CA
Hispanic Employee Resource Organization with State Farm, Austin, TX
Homes on the Hill CDC, Columbus, OH
Homestead Solutions, Inc., Oshkosh, WI
Housing and Education Alliance, Tampa, FL
Housing Association Information Program, Philadelphia, PA
Housing For Nevada, Las Vegas, NV
Housing Our Communities, Mesa, AZ
Independence First, Milwaukee, WI
Institute of Popular Education of Southern California, Los Angeles, CA
La Casa de Esperanza, Inc., Waukesha, WI
La Fuerza Unida, Glen Cove, NY
Latin Business Institute, Garden Grove, CA

Lawrence Community Works, Lawrence, MA
Midland Community Development Corporation, Midland, TX
Ministerio Victoriosos en Cristo, Beaufort, SC
Mission Asset Fund, San Francisco, CA
National Faith Homebuyers Program, Detroit, MI
Neighborhood Housing Services, New Haven, CT
New Economics for Women, Los Angeles, CA
New Jersey Citizen Action, Newark, NJ
New York City Department of Consumer Affairs, Office of Financial Empowerment,
New York, NY
Pennsylvania Department of Banking, PA
Philadelphia Unemployment Project, Philadelphia, PA
Portland Housing Center, Portland, OR
Project Community, Inc., Richmond, VA
Rainbow Solutions, Medford, MA
Skills For Living, Inc., Houston, TX
Southwest Housing Solutions, Detroit, MI
Southwest Key Programs, Inc., Austin, TX
Spanish American Committee, Cleveland, OH
Spanish Coalition for Housing, Chicago, IL
St. Petersburg Neighborhood Housing Services, Inc., St. Petersburg, FL
The Resurrection Project, Chicago, IL
The West Angeles Community Development Corporation, Los Angeles, CA
Transportation Workers Union of America AFL-CIO, Local 504, Kearny, NJ
United Community Center, Inc., Milwaukee, WI
Villa Senior Network, Rocklin, CA
Watts Century Latino Organization, Los Angeles, CA
Women's Initiative for Self Employment, San Francisco, CA
YWCA El Paso del Norte Region, El Paso, TX