

August 21, 2020

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
United States House of Representatives  
Washington, D.C., 20510

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, D.C. 20510

Dear Chairwoman Waters and Ranking Member McHenry:


I write to you on behalf of the National Cooperative Business Association CLUSA International (NCBA CLUSA) to support the Promoting and Advancing Communities of Color Through Inclusive Lending Act (H.R.7993). NCBA CLUSA is the apex trade association for cooperative businesses in the United States across all sectors of the economy. One in every three Americans is a member of at least one of the more than 65,000 cooperatives in the country.

Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) provide critical financing for many cooperative businesses, particularly in low-income and traditionally under-served communities. For this reason, we strongly support increasing federal investments in the CDFI fund, as well as the other reforms included in H.R. 7993 that will provide both immediate resources and long-term tools to ensure these critical financial institutions can continue to provide affordable, safe financing options to small cooperative businesses.

Cooperatives are a particularly useful tool to create economic opportunity and build wealth. Operating on the basis of one member/ one vote, each person provides equal capital contributions, reducing barriers to entry. By sharing these investments, members also share the risk that any entrepreneur faces to ultimately strengthen the foundation of the business. Moreover, as democratically-governed businesses, co-ops provide member-owners with a voice in how the business operates and make decisions in the long term best interests of all stakeholders to ensure that essential goods and services remain available. Historically, the number of cooperatives has increased in the wake of an economic downturn, and it is imperative that CDFIs and MDIs have ample resources available to support this economic development.

The economic impacts of COVID-19, like the health impacts, have had a disproportionate impact on low income and minority communities. It is critical that the federal government invest in financial institutions like CDFIs and MDIs that reach these communities and help entrepreneurs get through this crisis. H.R.7993 will strengthen the tools available to CDFIs and MDIs to address critical need in low-income and minority communities and help small businesses, including cooperatives. I strongly urge you to swiftly pass this important legislation to help thousands of small businesses get the financial assistance that is greatly needed at this time. Thank you for your consideration of this request.

In cooperation,



Doug O'Brien  
President and CEO