

Ms. Annie Donovan  
Director  
Community Development Financial Institutions Fund  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

February 2, 2016

Dear Director Donovan,

The undersigned organizations are writing to urge you to release the Notice of Funding Availability (NOFA) for the 2016 funding round for the Capital Magnet Fund (CMF). As you know, the CMF was created in 2008 by the Housing and Economic Recovery Act (HERA) but has only received funding once in 2010. We have been eagerly awaiting the release of a NOFA for the next round of CMF awards ever since Federal Housing Finance Agency Director Mel Watt terminated the temporary suspension of contributions to the CMF and the Housing Trust Fund by Fannie Mae and Freddie Mac on December 11, 2014.

Initial reports of CMF's first round have been outstanding. The Community Development Financial Institutions (CDFI) Fund's own March 2014 *Interim Impact Assessment*<sup>1</sup> report showed that the initial \$80 million program investment was leveraged 12:1 in the first two years of the program. This investment created housing for seniors, veterans, and homeless people. It also supported homeownership, community service and economic development. Since the release of the *Interim Impact Assessment*, many of those first award dollars have been repaid and are now being used in other housing and community development projects.

Director Watt instructed Fannie Mae and Freddie Mac to transfer the 2015 money to the Department of the Treasury within 60 days of the end of the Fiscal Year (February 29, 2016) and we hope that the CDFI Fund will be able to move quickly upon receipt of those funds to distribute them to high performing CDFIs and qualified housing organizations across the country. We understand that you are planning to release the CDFI Fund Program and NACA Program Applications in mid- to late February which may cause some scheduling problems for the CDFI Fund and their applicants, but would like the CMF funding to be made available to our communities as soon as practical.

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<sup>1</sup> [https://www.cdfifund.gov/Documents/CMF\\_Impact\\_Assessment.pdf](https://www.cdfifund.gov/Documents/CMF_Impact_Assessment.pdf)

In an era of rising housing costs and shrinking government resources, the CMF provides an opportunity for the CDFI Fund to invest in strong CDFIs and housing organizations that can leverage the grants with other sources of capital to create safe, affordable housing and more vibrant communities across the country. We look forward to the launch of the next funding round of the CMF in the near future. If we can provide any assistance or you wish to discuss this matter further please contact Shannon Ross at [ross@housingpartnership.net](mailto:ross@housingpartnership.net).

Sincerely,

Enterprise Community Loan Fund  
Housing Partnership Network  
National Housing Conference  
National Housing Trust  
National Low Income Housing Coalition  
Opportunity Finance Network

cc: Shaun Donovan, Director, Office of Management and Budget  
Jessica Milano, Deputy Assistant Secretary for Small Business, Community Development and Housing, Department of the Treasury  
Marcia Sigal, Program Manager, Capital Magnet Fund