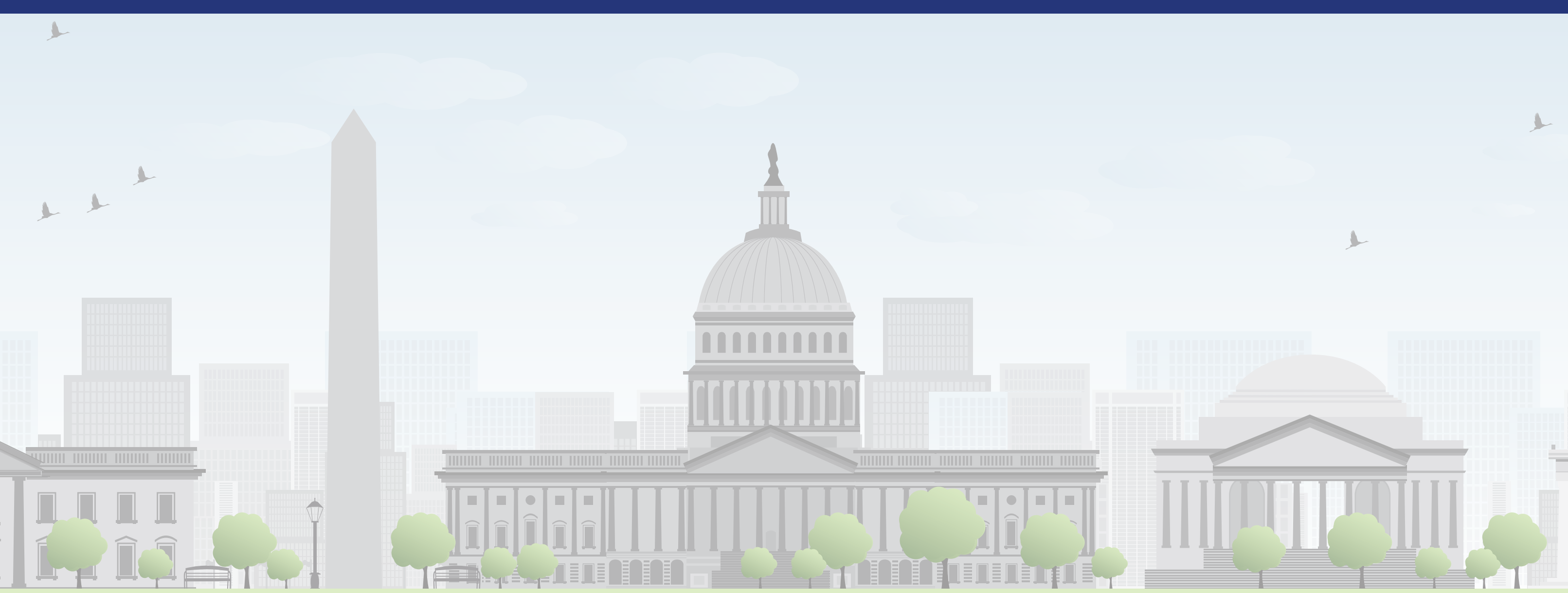
People & Places COLLABORATIVE

2024 ADVOCACY PRIORITIES



OVERVIEW

The People & Places Collaborative represents community development organizations across the nation. We are committed to creating conditions where residents can shape the destiny of their neighborhoods, securing their long-term stability, health, and prosperity.

The Collaborative is united in advancing policies and strengthening programs that boost the economic trajectory for the most underserved People and Places.

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HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

Utilizing Community Development Organizations for More Impactful Housing Investments

The underproduction of housing in the U.S. is driving up costs, a trend acutely impacting low and moderate income (LMI) people. Our nation's nearly 6,000 local community development organizations build and/or renovate nearly 100,000 affordable rental units annually, alongside approximately 80,000 ownership units tailored for first-time and LMI buyers. Increased support is needed from the Federal Government to ensure equal access to our housing market particularly for first-time homebuyers and people of color.

Our proposal to enhance the HOME Investment Partnerships Program (HOME) by bolstering the set-aside for Community Housing Development Organizations (CHDOs) is poised to supercharge the transformative influence these organizations wield in the nation's underserved communities at a time when the feeling and safety of home is out of reach for far too many.

Insights into the Housing Crisis

- **Homeownership Costs**: Median home prices have far outpaced median incomes over the past few decades. This means that for first-time and minority homebuyers, who often have lower incomes on average, homeownership is increasingly unattainable. Additionally, the lack of housing supply leads to fierce competition among buyers, driving prices even higher and making it even more difficult for these groups to enter the housing market.
- **Rental Burdens:** An unprecedented number of renters spend over half their income on housing. Over 21.6 million households are cost-burdened, emphasizing the dire need for affordable housing solutions (HFH).
- **Affordable Housing Deficit:** The U.S. faces a shortfall of 7.3 million affordable homes for extremely low-income renters, a key factor in escalating homelessness and housing insecurity (NLIHC).

Policy Proposal

- **Expand Eligibility:** Revise the eligibility guidelines to ease the administrative burdens of CHDO certification while ensuring access to HOME Program funding for smaller, community-based organizations with demonstrated accountability to low-income communities.
- **Enhance Nonprofit Support:** Increase funding and operational support to bolster nonprofit capacities, enabling scalable impact on housing challenges.

Anticipated Impact

- **Diverse Housing Solutions:** More nonprofits will introduce varied strategies to combat the housing crisis.
- **Holistic Community Development:** Encourages integrating housing efforts with socio-economic initiatives for sustainable community growth in underserved communities.
- **Strengthened National Strategy:** This amendment promises a more inclusive, effective response to housing challenges, aiming to reduce homelessness, improve housing security, and provide more homeownership opportunities in LMI communities.

Conclusion

By revising the CHDO certification requirements within the HOME Program, we seek a more inclusive, effective framework for affordable housing development. We call on lawmakers to support this vital policy change, empowering a diverse network of nonprofits to effectuate nationwide housing solutions. Together, we can lay the groundwork for equitable, accessible housing for all America.

AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) RULE

In 2023, the U.S. Department of Housing and Urban Development (HUD) released a proposed rule implementing Affirmatively Furthering Fair Housing" (AFFH), a provision of the Fair Housing Act (P.L. 88-352). This action provides a vital tool to eliminate housing discrimination and foster inclusive communities for low-income residents and communities of color nationwide.

Nearly 55 years after the Fair Housing Act became law, its requirement to combat discrimination and affirmatively further fair housing has yet to be fully implemented. While we await the final rule, we are encouraged that the proposal seeks to reinvigorate efforts to address deep-rooted inequities, requiring participants to develop Equity Plans that outline strategies for overcoming barriers to fair housing. HUD's proposal clarifies the process by which jurisdictions should collect data, plan, and implement AFFH, and how they will be held accountable.

Effective and timely implementation of AFFH that upholds its statutory intent to ensure that HUD and its program participants proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities is critical to strengthening marginalized communities.

Call to Action

We urge the Biden Administration to release the final AFFH rule promptly to increase the supply of quality affordable housing; improve educational, health, and environmental outcomes; increase economic opportunities; and benefit thousands of communities and millions of people in the places that need it most.

LOW INCOME HOUSING TAX CREDIT PROGRAM (LIHTC)

Since 1986, the Low-Income Housing Tax Credit (LIHTC) program has been a key tool of the federal government for encouraging the development and rehabilitation of affordable rental housing. The program awards developers federal tax credits to offset construction costs in exchange for agreeing to reserve a certain fraction of units for lower-income households. However, the program is notoriously complex and changes are needed to expand LIHTC's reach and impact, especially among smaller community-based non profit organizations serving traditionally underinvested areas.

Policy Proposal

Broaden access to enable more community-based nonprofit developers to participate and facilitate broader housing development. Deepen affordability thresholds and tenant protections, and expand the affordability timeline to help make affordable housing more accessible especially for communities traditionally left behind. Specifically, we ask for the LIHTC program to:

- **Lower the bond guarantee from 50%:** Under current law, to receive LIHTC a building must either receive a credit allocation from the state housing finance authority or be bond financed. To be bond-financed, 50% or more of the aggregate basis of the building and land must be financed with bonds that are subject to a state's private activity bond volume cap. Lower the bond-financing threshold for projects financed by bonds with an issue date before 2026.
- **Increase the ceiling to 12.5%,** allowing states to allocate more credits for affordable housing projects for calendar years 2023 through 2025.

These changes are estimated to result in the production and preservation of over 200,000 additional rental homes for low-income households.

FEDERAL HOME LOAN BANK (FHLB) SYSTEM REFORM

Recent reports from the Federal Housing Finance Agency (FHFA) and the Congressional Budget Office document that $7.3 billion in federal subsidies have gone to the Federal Home Loan Bank (FHLB) System without a commensurate public benefit. This imbalance underscores the need for pivotal reforms to the FHLB System. These reforms aim to enhance its role in affordable housing and community development, ensuring it meets contemporary challenges and effectively maintains its foundational role in the housing finance system.

FHLB Mission Implementation Act Highlights:

- **Enhanced Liquidity Management:** Coordinating with regulatory bodies to ensure FHLBanks serve their traditional role effectively, distinct from emergency financial facilities.
- **Expanded Housing and Community Support:** This includes mission-oriented collateral programs to address the CBO's concerns about the use of subsidies.
- **Strengthened Affordable Housing Program and Community Engagement:** Increasing the FHLBanks' contribution to Affordable Housing Programs, which aligns with the CBO's suggestion for better-utilizing subsidies for public benefit. Increase funding to community development organizations engaged in economic development.
- **Update the FHLB's mission statement:** Modifying the mission statement to accurately reflect its objectives and responsibilities and be in line with the proposed reforms.
- **Facilitate partnerships with Community Development Financial Institutions (CDFIs):** Amplify the impact of affordable housing and community development initiatives, leveraging CDFI expertise and networks to reach underserved communities.

Call to Action

We ask Congress to pass comprehensive reforms that reinforce FHLBanks' commitment to liquidity and housing/community development and ensure the substantial subsidies they receive translate into tangible public benefits. By backing these changes, Congress can ensure the FHLBanks continue to serve as a crucial part of the nation's housing finance system and do so in a way that directly benefits the public and addresses the national affordable housing crisis.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Background/Overview

The Community Development Block Grant (CDBG) program is celebrating its 50th Anniversary in 2024. Managed by the U.S. Department of Housing and Urban Development (HUD), it offers robust and flexible funding to states and localities, targeting low- and moderate-income (LMI) communities. CDBG helps address diverse community needs, from housing and infrastructure to public services. Recent allocations, mainly through the CARES Act, have supported communities during the pandemic, emphasizing public services and economic relief. Continued support and strategically allocating CDBG funds are essential for sustained recovery and community development.

The CDBG program, overseen by HUD, empowers states and localities to address community development needs. Funding focuses on aiding LMI individuals, eliminating blight, and responding to urgent health and safety concerns. Thousands of local community development organizations use the funds to meet the needs of underserved communities. With flexible allocations, CDBG funds cover various areas, including public improvements, housing, administration, and public services. Additionally, the CDBG-DR program supplements recovery efforts post-disaster, operating separately from the traditional CDBG program.

Call to Action

CDBG is critical to the development of underserved communities. Over 40% of community development organizations receive money to advance their mission through the program. CDBG funding levels must rise to meet the growing needs of our field and our communities. We support the CDBG Coalition's request for $4.2 billion for the CDBG program in Fiscal Year 2025.

Conclusion

The CDBG program promotes inclusive economic growth and addresses critical community needs. Recent allocations, especially amid the COVID-19 pandemic, underscore the importance of continued federal investment in community development. By supporting and enhancing the CDBG program, Congress can empower communities to build resilience, improve infrastructure, and enhance the quality of life for all residents.

U.S. SMALL BUSINESS ADMINISTRATION (SBA) MICROLOAN PROGRAM

A Call to Expand Horizons: Geographic Flexibility for Organizations With Special/Unique Skills

To empower small businesses and entrepreneurs of color, we must address the issues that limit the reach of the U.S. Small Business Administration's (SBA) Microloan Program. The Microloan Program makes funds available to nonprofit, community-based lenders who in turn make small loans to eligible borrowers — mainly higher-risk, underserved entrepreneurs, whose businesses serve their local communities.

While the program offers loans up to $50,000 the average loan size in 2020 was $14,500. Large, mainstream banks and financial institutions are less willing to provide loans of this size and to these borrowers because of costs and low profit margins, highlighting a gap in our financial services marketplace.

Importantly, SBA Microlenders are only permitted to serve clients who live within a defined geographic footprint, creating hardships for business owners who have unique needs such as limited English proficient entrepreneurs whose local SBA mMicrolender offers no culturally-competent, in-language services. We advocate for a shift in program rules, allowing community-based lenders with unique skills like in-language services and/or cultural competencies to extend their services beyond SBA-determined boundaries. By delivering essential technical assistance and capital to underserved individuals and businesses, we pave the way for inclusive economic growth.

Policy Proposal

- **Expand Lender Eligibility:** Permit intermediaries with unique skills, in-language services, and cultural competencies to operate beyond geographical boundaries.
- **Enhance Business Support:** Tailor assistance to meet the diverse needs of business owners.
- **Strengthen Community Impact:** Open avenues for more entrepreneurs to get ahead, as well as stimulating local economies and fostering growth.

Anticipated Impact

Revising program rules to broaden lender eligibility and operational flexibility will empower lenders to deliver targeted assistance and capital to a wider audience, including those who may be unable to access the type of support they need more locally/closer to their business.

Aligning with Policy Objectives: Leveraging GAO Insights for Program Enhancement

Our proposal aligns with the U.S. General Accountability Office (GAO)'s vision of inclusivity and accessibility. To enable community-based lenders to serve individuals and businesses beyond predefined boundaries, we uphold the GAO's advocacy for equitable access to technical assistance and capital.

Conclusion

The SBA Microloan Program needs to be reshaped to foster equity, diversity, and economic empowerment. This transformation will empower specialized lenders to navigate and support underserved communities, promoting an environment conducive to business growth.

SBA COMMUNITY ADVANTAGE PILOT PROGRAM

Access to capital is one of the greatest barriers to success for minority entrepreneurs and those aspiring to start a small business. Since it became operational in 2011, the U.S. Small Business Administration’s (SBA) Community Advantage Pilot Program (CA) has successfully expanded access to capital for small businesses located in underserved communities through Community Development Financial Institutions (CDFIs) and other mission-driven lenders. The CA Pilot Program was launched with the goal of increasing lending to underbanked businesses and communities by partnering with experienced mission driven nonprofit lenders.

Due in large part to the participation of CA lenders, there has been an increase in SBA lending to underserved communities and to minority-owned businesses. In FY 2023, these mission-based lenders provided 791 loans valued at $139.7 million through the CA program. Over 56% of all CA program loans are made to startups and new businesses, compared with only 38% of 7(a) loans. Over the years, the CA Pilot Program has been extended several times and undergone modifications to enhance its effectiveness. The program's sunset date was October 31, 2023.

Policy Proposal

Codify the CA program and build on the success and lessons learned from the pilot program. Making the program permanent will bolster SBA-backed lending to underserved small businesses through partnering with community-based lenders with deep roots in underinvested communities.

TRACK IMPLEMENTATION AND IMPACT OF THE SBA SMALL BUSINESS NAVIGATOR PILOT PROGRAM

The People & Places Collaborative is committed to championing the success of the SBA's Community Navigator Pilot Program, introduced under the American Rescue Plan Act of 2021 by the Biden-Harris Administration. The Collaborative believes in the power of this program's Hub and Spoke model to provide crucial support to small businesses, particularly those owned by veterans, women, and socially and economically disadvantaged individuals. Our mission is to ensure that the program's strategic, centralized management and localized, tailored assistance continue to foster essential community development, drive equitable economic growth, and facilitate impactful networking and partnerships.

Recognizing the transformative potential of the Community Navigator Pilot Program, the Collaborative advocates for the diligent tracking of its outcomes and data. We believe comprehensive monitoring is fundamental to evaluating the program's effectiveness, identifying areas that need improvement, and advocating for reviving the program. By demonstrating the tangible benefits and success stories achieved through the program, we aim to secure its future, ensuring it remains a cornerstone for fostering community resilience, stimulating local economies, and empowering the most underserved sectors of our society. Our dedication to this cause reflects our commitment to promoting sustained community development and economic empowerment.

By formally recognizing the Community Navigator Pilot Program through legislation and expanding its scope, Congress would demonstrate a strong commitment to supporting the small business sector, particularly the most vulnerable and traditionally underserved businesses. This would contribute to the immediate recovery and stabilization of these businesses and promote long-term economic growth and community development across the country.

U.S. DEPARTMENT OF TREASURY STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

Background/Overview

The American Rescue Plan Act reauthorized and expanded the State Small Business Credit Initiative (SSBCI) to provide $10 billion to support small businesses and empower them to access the capital needed to invest in job-creating opportunities as the country emerges from the pandemic. SSBCI provides funds to states, the District of Columbia, territories, and Tribal governments to promote American entrepreneurship, support small business ownership, and democratize access to capital across the country, including in underserved communities. States should collaborate with Community-Based Development Organizations (CBDOs) and Community Development Financial Institutions (CDFIs) to ensure the effective utilization of funds. There should also be deliberate efforts to bring CBDOs and CDFIs that work with socially and economically disadvantaged (SEDI) businesses to the table to play an essential role in providing technical support and allocating program funds for these businesses. Challenges persist in securing federal-state funding, which impacts program implementation, and evaluating its effectiveness is necessary as the program approaches sunset, laying the groundwork for informed decisions regarding its future reauthorization.

How Congressional Members Can Support

- **Allocate Resources for Evaluation:** Congress can allocate resources for comprehensive evaluations of SSBCI's impact on small business development, job creation, and economic growth. This includes conducting performance audits and impact assessments to gauge the program's effectiveness, including the impact of the program on SEDI businesses.
- **Facilitate Stakeholder Dialogue:** Congressional members can facilitate dialogue between federal agencies, state governments, CBDOs, and CDFIs to gather diverse perspectives on SSBCI. This collaborative approach fosters transparency, enhances communication, and identifies best practices for program improvement.
- **Advocate for Reauthorization:** Based on the evaluation outcomes, congressional members can advocate for the reauthorization of SSBCI, either with modifications to address existing challenges or as a permanent program. This entails leveraging legislative influence to garner bipartisan support and enact necessary reforms.

Call to Action

Congressional members are urged to prioritize oversight and evaluation efforts to track the implementation and impact of SSBCI, including how effective the program is in reaching SEDI businesses and the CBDOs that support them. Ensuring accountability, promoting transparency, and fostering collaboration, policymakers can make informed decisions regarding the program's future, ultimately supporting small businesses and driving economic growth.

Conclusion

The SSBCI program invests in and supports small business growth and community development initiatives nationwide. With strategic oversight, evaluation, and stakeholder engagement, congressional members can play a pivotal role in maximizing the SSBCI's effectiveness and advocating for its continued success in empowering entrepreneurs and fostering economic resilience.

ENHANCE TECHNICAL ASSISTANCE IN THE SBA MICROLOAN PROGRAM

Concentrated support for micro-entrepreneurs is needed for more businesses to thrive. This is particularly true for new entrepreneurs with less understanding of the financial marketplace. Helping aspiring entrepreneurs start businesses or existing owners grow businesses by assisting with business plans, legal advice, capacity building, and other forms of support, increases the likelihood that businesses will succeed, which is good for business owners and the economy as a whole. Data and reports from organizations such as the Aspen Institute and the Small Business Administration (SBA) highlight the pressing need for adequate funding for technical assistance (TA) within the SBA Microloan Program. To address this issue, we advocate for a substantial increase of TA funding, focusing on channeling resources to community-based organizations poised to champion and uplift micro-entrepreneurs nationwide, and particularly those that serve under-resourced populations.

Policy Proposal

- **Increase TA Funding:** Drawing on insights from the Aspen Institute's findings, we recommend increasing funding for technical assistance in the SBA Microloan Program to $50 million in Fiscal Year 2025..
- **Empower Community-Based Organizations:** Recognizing the pivotal role community-based development organizations play in fortifying micro-entrepreneurs, particularly those organizations that work with socially and economically distressed communities, we advocate for enhanced funding for these entities to ensure TA services are tailored, impactful, and culturally resonant.
- **Facilitate Entrepreneurial Success:** Through the reinforcement of TA funding, we aim to furnish micro-entrepreneurs with the requisite support and resources indispensable for surmounting obstacles, seizing opportunities, and ultimately flourishing in their entrepreneurial pursuits.

Anticipated Impact

Our mission is to empower micro-entrepreneurs through a robust infusion of TA funding within the SBA Microloan Program. By boosting funding allocations for TA and directing resources towards community-based development organizations, we want to increase the accessibility and efficacy of TA services for micro-entrepreneurs to nurture their growth, foster their achievements, and invest in their businesses.

Conclusion

Increasing TA funding within the SBA Microloan Program will create more opportunities for micro-entrepreneurs nationwide. Strategic investment in their success will be a catalyst for economic growth and innovation as well as upholding the ethos of entrepreneurship as a pathway to prosperity. Let us unite in our commitment to ensure every micro-entrepreneur is equipped with the support and resources needed to transform their dreams into reality.

ADDRESS RISING INSURANCE COSTS

Rapidly rising insurance costs are hitting local community development organizations hard, particularly those who develop and manage affordable housing. Some organizations are laying off staff, cutting back on services, or finding other cost cutting measures to keep up.

In a recent Shelterforce article, Erich Nakano, Executive Director at Los Angeles-based community developer Little Tokyo Service Center was quoted, "There's going to have to be policy and other solutions developed within the next two years, otherwise we're going to see a lot of buildings start to go under."

Insights Into the Insurance Crisis

CDOs develop almost 100,000 affordable rental units annually but are being hit by an insurance cataclysm that hampers their mission. They are unable to raise rents in their buildings to cover cost increases, because they are organizations with a mission to keep housing affordable, and their properties are often funded with public subsidy programs that do not allow for the rent increases necessary to address rising costs.

This trend threatens the viability of affordable housing projects and the financial stability of developers dedicated to this cause. In Texas, the cost of property insurance for developers has risen two- to three-fold over the last five years, putting immense pressure on the feasibility of new affordable housing projects. Developers are either forced to pass these costs onto tenants, contravening the mission of affordable housing, or halt projects altogether, exacerbating the housing shortage.

Rapidly rising insurance premiums are forcing affordable housing developers to cut back on programming, lay off staff, and even sell. Addressing the insurance crisis for CBDOs is crucial for maintaining the momentum of affordable housing development. Our proposals aim to stabilize insurance costs, make affordable housing projects feasible once more, and ensure CBDOs can persist in their mission despite the changing climate and market dynamics.

COMMUNITY REINVESTMENT ACT (CRA) FINAL RULE IMPLEMENTATION

The Community Reinvestment Act (CRA) of 1977, a pivotal piece of legislation to fight credit access inequities, underwent its last comprehensive update over 28 years ago, in 1995. Recognizing the transformative shifts in banking, the Federal Reserve, FDIC, and OCC issued a final rule in 2024 to modernize the CRA. This update seeks to adapt CRA regulations to today's digital banking environment, enhance financial inclusion, and provide a more transparent, consistent application process. However, a lawsuit filed by banking associations challenges the amendments, citing concerns over regulatory overreach and the potential impact on lending to low- and moderate-income (LMI) communities.

The Legal Challenge

A lawsuit was brought forward in early 2024 by the American Bankers Association and others claiming the final rule exceeds statutory authority, potentially disincentivizing banks from lending in non-traditional areas and imposing undue burdens that could restrict credit access in LMI communities.

Collaborative Goals

- **Continue to fight for CRA to explicitly consider race in bank examinations.** The explicit consideration of race was not part of the final CRA rule. We ask regulators to reconsider that decision.
- **Work with regulators and banks** on training and feedback during the new rule's implementation. Ensure community development organizations understand the new rule, and how and where banks are being examined.
- **Advocate to the banking industry, calling on them to drop the lawsuit.**

Congressional Action Points

- **Review and Oversight:** Initiate hearings to examine the CRA amendments and the lawsuit, focusing on regulatory authority, the amendment process, and the implications for LMI community lending.
- **Facilitate Stakeholder Dialogue:** Engage regulators, banks, CDOs, and consumer advocates to identify solutions that balance regulatory goals with banking operational realities.
- **Support Complementary Initiatives:** Advocate for programs that strengthen the CRA's objectives, like supporting Minority Depository Institutions and addressing needs in high-poverty areas.
- **Monitor Impacts:** Mandate a review of the amendments' effects on community lending and inclusion, particularly assessing the new evaluation methods and digital banking adaptations.
- **Clarify Legislative Intent:** Provide legislative clarifications, if necessary, to define the scope of regulatory authority in line with the evolving banking landscape.

Conclusion

The CRA's evolution reflects ongoing efforts to ensure equitable access to banking services and community development financing. Congress and the regulators have a pivotal role in overseeing the implementation of CRA.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND (CDFI FUND)

The Community Development Financial Institutions Fund (CDFI Fund) fosters economic growth and opportunity in underserved communities nationwide. Since its establishment in 1994, the CDFI Fund has provided over $2 billion in financial and technical assistance, significant tax credit allocations, and bond guarantees, empowering mission-driven financial institutions to catalyze economic success. Nearly 1,000 financial institutions located throughout all 50 states and the District of Columbia are eligible for the Fund's programs to provide financial and technical assistance to meet the needs of businesses, homebuyers, community developers, and investors in distressed communities. However, changes need to be made to ensure equity of opportunity and expand access to these important resources for smaller community based organizations in underserved areas.

Policy Proposal

- **Increase Outreach:** The CDFI Fund needs to expand its outreach and enlist the support of non profit community based organizations in underserved communities to help uplift the resources available at the agency.
- **Robust Funding:** The President's FY2025 budget proposal recommends $325 million for the CDFI Fund – $16 million less than the President proposed in FY 2024. The Fund needs more resources, not fewer, to partner with and help strengthen mission driven organizations.
- **Grow the CDFI Industry:** The CDFI Fund must maintain strong certification standards that ensure CDFIs are truly focused on producing a positive social and economic impact for populations that have been traditionally underserved by our nation's financial services system. However, this can be achieved without unnecessarily complex requirements and lack of support mechanisms that exclude smaller mission based organizations in high needs areas. Further, an effective certification process must create a realistic "on ramp" for emerging mission lenders that are seeking certification.

Conclusion

By advocating for adequate funding for relevant CDFI Fund programs through the appropriations process and a fairer funding distribution, especially to smaller nonprofit organizations and those led by people of color, we can boost economic revitalization in underserved communities.

ENHANCE COMMUNITY REPRESENTATION IN FEDERAL ADVISORY COMMITTEES AND BOARDS

Securing diverse representation within government agencies, federal regulatory bodies, and boards is essential for effectively serving nonprofit community development organizations. Appointing diverse candidates in leadership roles promotes an array of perspectives, leading to more inclusive and equitable decision-making. Inclusivity is fundamental for addressing the unique needs and challenges faced by community development organizations, which often operate in diverse communities. By prioritizing diversity, these federal agencies and boards can develop policies and strategies that reflect and meet the needs of the populations served, enhancing community engagement and fostering more sustainable outcomes.

Congressional support for initiatives to enhance diversity and community representation on these committees is crucial for creating policies and programs that serve the entire nation equitably. We call on members of Congress to champion efforts to ensure advisory committees reflect the diversity of the American people, supporting policies and actions that promote inclusive representation. We can strengthen the advisory system better to serve our nation's varied communities and interests.

STRENGTHEN RACE/ETHNICITY DATA GATHERING AS MANDATED BY SECTION 1071 OF THE DODD-FRANK ACT

Section 1071 of the Dodd-Frank Act mandates that financial institutions collect and report data regarding credit applications from women-owned, minority-owned, and small businesses. In 2023, The Consumer Financial Protection Bureau (CFPB) finalized rules for Section 1071, seeking to create a comprehensive database on small business lending. The intent is to improve transparency, support fair lending practices, and address disparities in access to credit for underserved communities.However, challenges remain in ensuring effective implementation and maximizing the benefits of enhanced data collection.

In the 118th Congress there have been repeated attempts to nullify and overturn the rule implementing Section 1071 and we expect those efforts to continue. It is critical that we engage with stakeholders and policy makers to raise awareness about the importance of accurate and comprehensive data on small business lending and how essential effective and timely implementation of Section 1071 is. Improving data collection and disaggregation is crucial for promoting fair lending practices and addressing disparities in access to credit.

PROTECT THE CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

The People & Places Collaborative is dedicated to preserving the integrity and significance of the Consumer Financial Protection Bureau (CFPB), established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 in the aftermath of the financial crisis. The Collaborative recognizes the indispensable role of the CFPB in enforcing consumer financial laws, promoting transparency, and preventing unfair practices, which are essential for equitable community development and economic health. Our collaborative advocates for the continued funding of the CFPB through the Federal Reserve's earnings, ensuring its operational independence and ability to act free from political pressures. We believe safeguarding the CFPB's financial autonomy is essential for maintaining its strong consumer protection mandate and fostering trust in the financial marketplace. The Collaborative is firm in supporting the CFPB's mission to create a fair financial environment that benefits consumers, communities, and the economy at large.

People & Places COLLABORATIVE

Representing Community Development Organizations Nationwide

We're committed to fostering strong connections and ongoing collaboration. To ensure you always have the right contact, here are the key individuals and their roles within our coalition.

KEEP IN TOUCH

PEOPLE & PLACES COLLABORATIVE

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Community Opportunity Alliance   CommOppAll   Community Opportunity Alliance

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National Coalition for Asian Pacific American Community Development (National CAPACD)

CAPACD   National CAPACD

NATIONAL ASSOCIATION FOR LATINO COMMUNITY ASSET BUILDERS (NALCAB)

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National Association for Latino Asset Builders   NALCAB

National Association for Latino Asset Builders (NALCAB)

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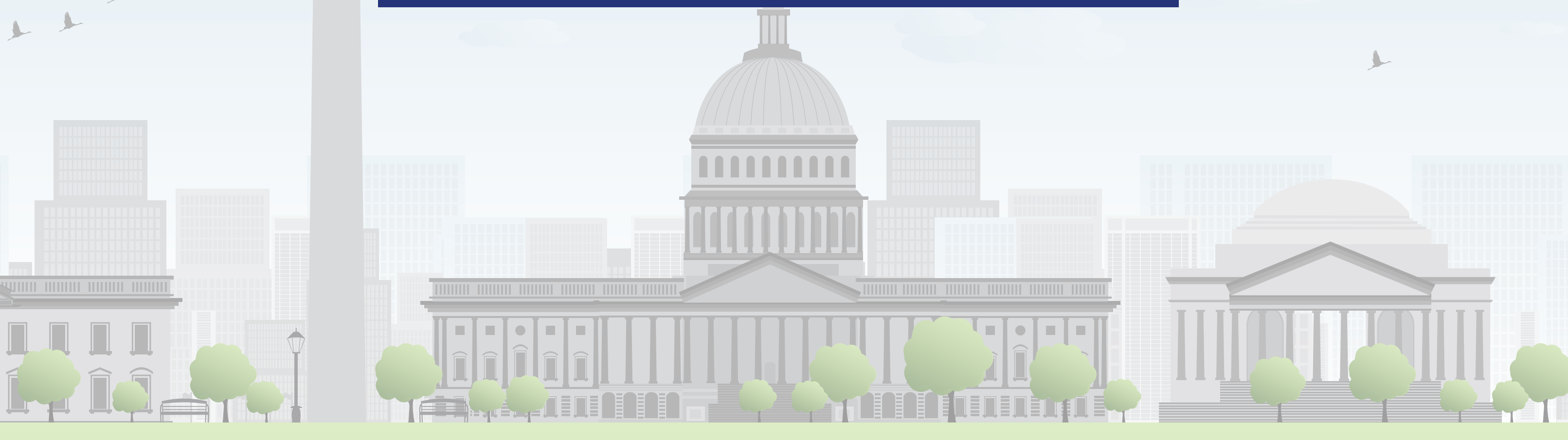

Community Opportunity Alliance

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National Coalition for Asian Pacific American Community Development (National CAPACD)

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National Association for Latino Community Asset Builders (NALCAB)

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