

May 5, 2009

Deputy Director of Policy and Programs
CDFI Fund
U.S. Department of the Treasury
601 13th Street, NW
Suite 200 South
Washington, DC 20005

RE: Request for Comment on Capital Magnet Fund Program

Dear Mr. Josephs,

The undersigned organizations representing the nation's CDFIs, nonprofit affordable housing developers, and affiliated national organizations appreciate the opportunity to advise the CDFI Fund on its Request for Comments published in the *Federal Register* on March 6, 2009 regarding the Capital Magnet Fund Program.

Your request for comments is quite extensive. Opportunity Finance Network (OFN) addressed all questions posed by the CDFI Fund regarding the Capital Magnet Fund Program and I encourage you to follow the guidance provided by OFN.

In general, I strongly urge the CDFI Fund to use definitions and criteria from existing programs and regulations, such as its own CDFI Program (financial assistance and technical assistance), when possible. Where no program, regulation, or statute is referenced, OFN's comments draw on the understanding of organizations that have decades of experience providing services to low-income communities.

OFN along with Members of Congress created the concept for this program based on the experience of the various subsidy programs at the U.S. Department of Housing and Urban Development (HUD) and the CDFI Program. Congress decided to house the Capital Magnet Fund Program at the CDFI Fund rather than HUD because of the CDFI Fund's approach to providing institutional-based rather than project-based funding. The core concept underlying the Capital Magnet Fund Program is to provide capital at the institutional level rather than directly into real estate projects. This successful approach allows federal grants to be deployed more effectively and flexibly to leverage private capital and to achieve larger-scale impact.

The Capital Magnet Fund Program is not a block grant or project-based program. The Capital Magnet Fund Program capitalizes on what CDFIs and nonprofit affordable housing developers do best, which is to leverage a small federal investment with other funding. This is essential to the success of the Capital Magnet Fund Program. Again, we stress that the concept for the Capital Magnet Fund Program was based on the CDFI Program and regulations should closely follow the guidance of this program where ever possible. I would also like to emphasize the following points that Opportunity Finance Network made in its comment letter:

- For the purpose of leverage and leverage reporting, non-Capital Magnet Fund financing sources should include both federal and non-federal sources of capital.
- Capital Magnet Fund grants should not be limited to areas of economic distress since the priorities of the program are extremely low-, very low-, and low-income *families*.
- Achieving leverage is not a requirement of awarding a grant, but rather a reporting function.

The Capital Magnet Fund Program, which provides enough flexible funding to support a wide variety of housing and community revitalization options and encourages significant leveraging of federal dollars, is likely to be one of the best tools available to help our lowest-income people and neighborhoods survive our current economic crisis. We encourage you to finalize regulations for this program as soon as possible.

Thank you for the opportunity to comment.

Sincerely,

- Aleutian Financial, Inc.
Anchorage, AK
- Community Resource Group
Fayetteville, AR
- Community Development Financial
Institution of the Tohono O'odham
Nation
Sells, AZ
- Neighborhood Economic Development
Corporation
Mesa, AZ
- ACCION San Diego
San Diego, CA
- California Economic Development
Lending Initiative
Oakland, CA
- Clearinghouse CDFI
Lake Forest, CA
- Nehemiah Community Reinvestment
Fund
Sacramento, CA
- Neighborhood Housing Services Silicon
Valley
San Jose, CA
- Northern California Community Loan
Fund
San Francisco, CA
- Opportunity Fund
San Jose, CA
- Rural Community Assistance
Corporation
West Sacramento, CA
- TELACU Community Capital
Los Angeles, CA
- Funding Partners for Housing Solutions
Ft Collins, CO
- Mile High Community Loan Fund
Denver, CO
- Community Capital Fund
Bridgeport, CT
- Greater New Haven Community Loan
Fund
New Haven, CT
- Hartford Community Loan Fund
Hartford, CT
- Housing Development Fund, Inc.
Stamford, CT
- Corporation for Supportive Housing
Washington, DC
- National Housing Trust Community
Development Fund
Washington, DC
- National Trust for Historic Preservation
Washington, DC
- NCB Capital Impact
Washington, DC
- NeighborWorks Capital
Washington, DC
- Partners for the Common Good
Washington, DC
- Florida Community Loan Fund
Orlando, FL

- Neighborhood Housing Services of South Florida, Inc.
Miami, FL
- Appalachian Community Enterprises
Cleveland, GA
- Atlanta Micro Fund Inc
Atlanta, GA
- Maui Economic Opportunity Business Development Corporation
Wailuka, HI
- Siouxland Economic Development Corporation
Sioux City, IA
- Idaho Nevada CDFI
Pocatello, ID
- IFF
Chicago, IL
- Chicago Community Loan Fund
Chicago, IL
- Federation of Appalachian Housing Enterprises, Inc.
Berea, KY
- Kentucky Highlands Investment Corporation
London, KY
- Fitness and Praise Youth Development, Inc
Baton Rouge, LA
- Boston Community Capital
Boston, MA
- Community Capital of Maryland
Baltimore, MD
- Enterprise Community Loan Fund
Columbia, MD
- OpenDoor Housing Fund
Silver Spring, MD
- Coastal Enterprises, Inc.
Wiscasset, ME
- Community Concepts, Inc.
South Paris, ME
- Genesis Fund
Damariscotta, ME
- MaineStream Finance
Bangor, ME
- Michigan Interfaith Trust Fund
Lansing, MI
- Northeast Entrepreneur Fund
Virginia, MN
- Delta Foundation, Inc.
Greenville, MS
- Enterprise Corp. of the Delta/HOPE
Jackson, MS
- Montana Community Development Corporation
Missoula, MT
- Mountain BizWorks
Asheville, NC
- North Carolina Minority Support
Durham, NC
- Self-Help
Durham, NC
- New Hampshire Community Loan Fund
Concord, NH
- La Casa Federal Credit Union
Newark, NJ
- New Jersey Community Capital
Trenton, NJ
- New Mexico Community Capital
Bernalillo, NM
- The Loan Fund
Albuquerque, NM
- Capital District Community Loan Fund
Albany, NY
- Leviticus 25:23 Alternative Fund
Elmsford, NY

- Nonprofit Finance Fund
New York, NY
- Primary Care Development Corporation
New York, NY
- Common Wealth Revolving Loan Fund
Kent, OH
- Northwest Ohio Development Agency
Toledo, OH
- Ohio Capital Finance Corporation
Columbus, OH
- Ohio Community Development Finance
Fund, The
Columbus, OH
- Citizen Potawatomi CDC
Shawnee, OK
- Warm Springs Progress
Warm Springs, OR
- Northside Community Development
Fund
Pittsburgh, PA
- Opportunity Finance Network
Philadelphia, PA
- The Reinvestment Fund
Philadelphia, PA
- Women's Opportunities Resource
Center
Philadelphia, PA
- Corporacion de Desarrollo Economico
de Ceiba
Ceiba, PR
- Glamour Community FCU
Quebradillas, PR
- Northeast South Dakota Economic
Corporation
Sisseton, SD
- Rural Electric Economic Development,
Inc.
Madison, SD
- South Dakota Rural Enterprise, Inc.
Sioux Falls, SD
- The Housing Fund
Nashville, TN
- National Alliance of Community
Economic Development Associations
Arlington, VA
- Vermont Community Loan Fund
Montpelier, VT
- Washington CASH
Seattle, WA
- Forward Community Investments
Madison, WI
- NiiJii Small Business Loan Fund, Inc.
Keshena, WI
- Wigamig Owners Loan Fund, Inc.
Lac du Flambeau, WI