

## **2020 SUMMER IN THE STATES CAMPAIGN: FY2021 CONGRESSIONAL FUNDING PRIORITIES**

**We urge Congress to provide robust FY 2021 funding for community and economic development programs that are essential to the economic mobility of Latino communities including:**

### **US Department of Housing and Urban Development (HUD)**

#### ***Community Development Block Grant (CDBG)***

Bill: Transportation, HUD and Urban Development (THUD)

Ask: Support at least \$3.8 billion in FY2021 funds

- CDBG is the principal source of federal revenue for states and localities to use in responding to community needs and grow local economies.
- Funds are used for a range of activities including affordable housing, neighborhood revitalization, infrastructure improvements and small business development.
- CDBG funds are targeted at expanding economic opportunities for low- and moderate-income (LMI) people. Since 2005 CDBG has helped over 1.4 million LMI people.
- The President's budget request proposed eliminating this program.

#### ***HOME Investments Partnership Program (HOME)***

Bill: Financial Services and General Government

Ask: Support at least \$1.7 billion in FY2021 funds

- Funds a range of activities including building, buying, and/or rehabilitating affordable housing for rent; homeownership; and providing rental assistance to low-income people.
- It is the largest Federal block grant awarded to state and local governments exclusively to create affordable housing for low-income households.
- Since 1992 HOME has helped build and preserve 1.3 million units of affordable homes and provided rental assistance to more than 356,000 low-income families.

#### ***Self-Help Home Ownership Opportunity (SHOP)***

Bill: Transportation Housing and Urban Development (THUD)

Ask: Support at least \$55 million in FY2021 funds

- SHOP funds are awarded to non-profit organizations to encourage innovative homeownership opportunities.
- Homebuyers must be willing to contribute sweat equity toward the construction or rehabilitation of their homes.
- SHOP supports community development organizations in providing targeted resources and affordable housing activities to assist low-income communities.

## *Housing Counseling*

Bill: Transportation Housing and Urban Development (THUD)

Ask: Support at least \$100 million for Housing Counseling

- According to the Aspen Institute between 19-23 million households are at risk of eviction by September 2020.
- Studies show that housing counseling improves outcomes for families struggling with their mortgage payments. Counseling significantly increases a borrower's likelihood of receiving a loan modification or coming to some workout, while avoiding foreclosure.
- Rental counseling services prevent homelessness and eviction by helping renters re-locate, secure, and retain affordable rental housing.

## The US Department of Agriculture (USDA)

### *Rural Housing and Development Programs*

Bill: Agriculture, Rural Development

Ask: Support at least \$4.2 billion in FY2021 funds for rural housing and development programs

- USDA Rural Housing programs provide a lifeline to low-income, rural families through low-cost loans, rental assistance and other support to improve the quality of life in rural America.
- The Section 502 Direct Loan Program has helped more than 2.1 million families build their wealth by more than \$40 billion. Section 502 is the only federal homeownership program that exclusively targets low- and very-low income rural families.
- USDA's rural development programs foster economic growth by providing business and housing opportunities and building sustainable rural infrastructure including expanded broadband service

## The US Small Business Administration (SBA)

### *Microloan Program*

Bill: Financial Services and General Government

Ask: Provide at least \$55 million in FY2021 funds

- The Microloan program assists low-income individuals and minority entrepreneurs by providing small-scale loans of up to \$50,000.
- The program provides direct loans to qualified nonprofit intermediaries, who in turn lend to small businesses that may not otherwise qualify for loans from conventional lenders.
- In FY2018, Microloan provided 5,459 microloans totaling \$76.8 million. The average Microloan was \$14,071 and had a 7.6% interest rate.
- Microloan intermediaries provided counseling to 19,600 small businesses in 2017 alone.
- Microloan is unique because it assists small dollar borrowers through intermediaries with the expertise to foster the success of minority and low-income entrepreneurs.

## *Program for Investment in Micro-Entrepreneurs (PRIME)*

Bill: Financial Services and General Government

Ask: Support at least \$7 million in FY2021 funds.

- The PRIME provides technical assistance to low-income entrepreneurs.
- Through intermediaries PRIME helps low-income entrepreneurs who lack sufficient training and education to gain access to capital to establish and expand their small businesses.

## The US Department of Treasury

### *Community Development Financial Institution (CDFI) Fund*

Bill: Financial Services and General Government

Ask: Provide at least \$273.5 for the CDFI Fund in the FY2021

- The CDFI Fund promotes community and economic development in distressed urban and rural communities by investing in CDFIs across the country.
- CDFIs are mission-driven financial institutions specialized in delivering affordable credit, development services, capital, and financial services to residents underserved communities.
- CDFIs have financed over 33,000 affordable housing units throughout the country.
- In FY2016 alone, CDFIs made over 39,000 loans or investments totaling over \$3.6 billion and, financed over 11,000 small businesses with an average loan size of \$91,700.



NALCAB - National Association for Latino Community Asset Builders - is the hub of a national network of more than 120 mission-driven organizations in 40 states, DC and Puerto Rico that serve ethnically diverse Latino communities across the US. Members of the NALCAB Network invest in their communities by building affordable housing, addressing gentrification, supporting small business growth, and providing financial counseling on issues such as credit building and home ownership. Our mission is to strengthen the economy by advancing economic mobility in Latino communities. The NALCAB Network serves hundreds of thousands of low- and moderate-income people, the vast majority of whom are immigrants or the children of immigrants.