



Social Investment Forum

November 14, 2008

The Honorable Neel Kashkari
Assistant Secretary for Financial Stability
Office of Financial Stability
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable David Nason
Assistant Secretary for Financial Institutions
Office of Domestic Finance – Financial Institutions
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Donna Gambrell, Director
Community Development Financial Institutions Fund
U.S. Department of Treasury
601 Thirteenth Street, NW, Suite 200 South
Washington, D.C. 20005

Dear Assistant Secretary Kashkari, Assistant Secretary Nason, and Director Gambrell:

On behalf of the 500 members of the Social Investment Forum (SIF), we commend the U.S. Department of Treasury for its efforts to bolster the stability of the U.S. and global financial markets. In this context, we urge you to ensure that the credit needs of low- and moderate-income communities are not left behind.

We strongly urge you to create a Capital for Communities Recovery Program targeted to U.S. Treasury Department certified Community Development Financial Institutions (CDFIs). We recommend that the initiative contain three parts:

1. A \$1 billion set aside from the \$700 billion Emergency Economic Recovery Act, administered by the CDFI Fund, for equity capital to all types of CDFIs to support lending to and investing in low- and moderate-income communities and people.
2. An affirmative obligation on institutions that receive funding under the \$250 billion Capital Purchase Program (CPP) to provide 1 percent of their total equity injection to support CDFIs. Such support may be in the form of equity, grants, loans, credit union shares, and other financial instruments deemed suitable by the Office of Financial Stability.



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3. Permission for CPP eligible banks, thrifts and their holding companies that are certified CDFIs to receive their proportionate share of CPP equity injections using investment vehicles that are compatible with their largely privately held structure and at affordable rates and terms that enable them to actively help low- and moderate-income communities begin the path to economic recovery.

We further strongly support and encourage you to accept the recommendations made by: (1) the Community Development Bankers Association (CDBA) in their letter dated October 30, 2008; and (2) the Coalition of Community Development Financial Institutions in their letter dated November 12, 2008, on the proposed Capital for Communities Recovery Program.

What is the Social Investment Forum?

The Social Investment Forum (SIF) is the national membership association dedicated to advancing the concept, practice, and growth of socially and environmentally responsible investing (SRI). Our members integrate economic, environmental, social and governance factors into their investment decisions, and SIF provides programs and resources to advance this work. Our membership includes approximately 500 social investment practitioners and institutions including financial professionals, analysts, portfolio managers, banks, mutual funds, researchers, foundations, community development organizations, and public educators.

Community investing is one of the core strategies of SRI. A major component of our work has been the "1% or More in Community" campaign which has challenged our members to invest in Community Development Financial Institutions. Primarily targeting individual, professional, and institutional investors in the socially responsible investing field, Social Investment Forum members have invested more than \$3.7 billion into CDFIs.

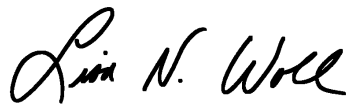
We believe that CDFIs have a critical role to play in responding to the mortgage crisis and the resulting recession. Unlike the predatory sub-prime lending that has occurred, CDFIs are unique examples of the right way to engage in the business of lending to underserved, low-income communities. These institutions provide appropriate lending and investment products and services to borrowers. These services can include foreclosure prevention counseling, financial training programs that educate borrowers on abusive lending practices and legal advice. In turn, CDFIs channel much needed capital to people denied the opportunity to borrow, save and invest in their own communities. Not only do CDFIs provide borrowers with important tools to prevent them from getting into abusive loans, but they have also reached out to people facing foreclosure with innovative products and services.

Large and small CDFIs across the country are on the front lines fighting predatory lending and the fallout of the economic downturn on the most vulnerable neighborhoods and people in our society. Creation of the Capital for Communities Recovery Program will help equip the CDFI industry with a range of tools and resources that will enable them to increase lending for housing, small businesses, and consumers in the low- and moderate-income communities that have suffered from the current crisis.

Additionally, we would like to take this opportunity to also strongly urge that the mandated independent oversight mechanisms included in the bailout legislation be put in place immediately, including appointment of the special inspector general. Socially responsible investors take good governance and transparency very seriously; it is a core component of our approach to investing. Continuing to release the funds without these oversight mechanisms in place subverts this legislation as well as good practice.

We appreciate your consideration of this request. Please do not hesitate to contact me with any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Lisa N. Woll". The signature is written in a cursive, flowing style.

Lisa Woll
Chief Executive Officer
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