



June 17, 2010

The Honorable Barney Frank
United States House of Representatives
2252 Rayburn Building
Washington, DC 20515

The Honorable Christopher J. Dodd
United States Senate
448 Russell Building
Washington, D.C. 20510

Dear Chairman Dodd and Chairman Frank:

On behalf of the Corporation for Enterprise Development (CFED), I would like to thank you for your support of Title XII of the Restoring American Financial Stability Act of 2010. This legislation represents a strong step towards allowing under banked and unbanked Americans to enter the financial mainstream and have access to affordable financial products and services.

CFED is a national economic development nonprofit organization dedicated to expanding economic opportunity to low-income Americans. CFED works with financial institutions, local practitioners and community programs to help Americans participate in the mainstream economy. We have found that many of the programs we advocate run into problems largely because individuals and families have little access to the financial institutions in their communities and few incentives to join them.

Title XII of this legislation would help our partnerships on the ground as well as low-income households in several ways:

- It would authorize the Treasury Secretary to create a program of grants and agreements with financial agencies to provide low and moderate-income households to establish accounts in a federally-insured deposit institution, to increase access to small-value loans and financial education.
- It authorizes the Secretary to provide grants and support for the establishment of demonstration programs to provide low-cost, small loans with reasonable terms and conditions as an alternative to payday loans.
- Title XII also will create a third grant program to subsidize the losses suffered by community development financial institutions on such small dollar loans made to consumers.

CFED looks forward to the passage of the Restoring American Financial Stability Act of 2010 by Congress. Thank you for your leadership on this very important issue, and your continued efforts to address the financial needs of American families.

Sincerely,

Carol Wayman
Federal Policy Director

