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REGISTERED LOBBYIST CONTACT DISCLOSURE FORM

This form is to be completed by Executive Branch employees who are contacted by registered lobbyists regarding **EESA**. This report includes a written description of each contact, the date and time of the contact, and the names of the registered lobbyist(s) and the employee(s) with whom the contact took place. Written materials prepared by registered lobbyists should be attached to this form for posting on the website. The information on this form will be available to the public on Treasury's website.

To be completed by the employee contacted

Date and time of contact:	Name of the Employee(s) Contacted (Name and Title)	Brief description of the communication: (attach separate sheet if necessary)
June 20, 2010 3:32 pm	Jeffrey Goldstein, Under Secretary for Domestic Finance	Contact regarding implementation of Community Development Capital Initiative.

Name of the Employee(s) who prepared this form:	Date
Michael Scherzer	6/21/10

Registered Lobbyist Name:	Title:	Firm or Organization:, if applicable	Client
Jan Piercy (not a lobbyist, but contacted Mr. Goldstein in capacity as representative of ShoreBank)		ShoreBank	

----- Original Message -----
From: Glenn Piercy [redacted]
To: Goldstein, Jeffrey; Johnson, Rhonda
Sent: Sun Jun 20 15:32:16 2010
Subject: Follow-up to my 6/17 email and 6/18 call

Dear Jeffrey:

Thanks to a very helpful call this morning with Rhonda, I understand that you are more than entirely booked today. I'll withdraw my request for a call. I attach a letter I received this morning that the Community Development Bankers Association sent Secretary Geitner Monday. The letter outlines well the issue I wanted to bring to your attention and should suffice to flag the problem.

I applaud the wisdom of designing a program insulated from politics by a stipulated process. However, the program requires clarity -- and, most important --the judgment to stand with viable though stressed institutions that are willing to stay in hard-hit communities. Institutions that have successfully raised additional private capital to withstand losses and that are devising business plans that can work in protracted high unemployment conditions warrent support.

Thank you and your team for taking into account the needs and capability of U.S. community development financial institutions.

Best regards, and very best wishes for your challenging work in these demanding times.

Jan

Jan Piercy
ShoreBank Corporation

CDBA Community Development Bankers Association
1801 K Street NW - Suite M-100 - Washington, DC 20006 - (202) 689-8935 - (202) 689-8938 fax

June 14, 2010

The Honorable Timothy Geithner
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue NW
Washington DC 20220

Dear Mr. Secretary:

On behalf of the members of the Community Development Bankers Association (CDBA), we are writing to express our deep concern about implementation of the Community Development Capital Initiative (CDCI). Based on the experiences of our member banks to date, we fear the CDCI review process will result—like the old Capital Purchase Program (CPP) it was meant to replace—in only a small portion of CDFI banks and thrifts being able to participate. This outcome for CDCI would be a tragedy for low income communities across the United States that would be at heightened risk of losing critical mission-focused financial institutions that provide quality financial services in places others do not serve.

We strongly urge the Department to revisit and restructure the review process to increase the likelihood of success of the initiative. This is a Treasury Department program, designed by the Treasury specifically to support mission-oriented institutions in low income communities so they can lend where others will not. It explicitly includes a provision for banks that "might not otherwise be approved by their regulator." Yet the current review process severely undermines the ability of CDFI banks to participate in the program as envisioned by Treasury. Unless Treasury takes full ownership of the program, it is not likely to meet its goals.

At the core of our concern are: (1) the lack of ownership by the regulatory agencies for the public policy objectives articulated by the Treasury Department when CDCI was created; and (2) an overly cumbersome, multi-layer review process is preventing the vast majority of applicants from even being considered for investment by the Treasury Department. Even though the CDCI program was initially announced in November 2009, and officially started in February 2010, more than four months later, not a single CDCI dollar has been invested in any CDFI bank or credit union.

Treasury has the authority to approve or reject CDFI applications. Yet, it has essentially delegated this authority to the regulatory agencies. Applicants must be approved by the regional office of their banks' primary regulator -- and later by the agency headquarters in Washington DC. In many regional offices, agency personal have so many completing priorities that some CDCI applicants have received scant attention. Other regional offices have stated to CDCI applicants they have been given insufficient guidance on implementation of the program. Still others explicitly state their agencies will generally review and make recommendations on CDCI using the same "viability" review standards as used for the CPP despite the vastly different programmatic objectives of CDCI.

Moreover, after review by their primary regulatory agencies, many banks with holding companies are being further reviewed by the Federal Reserve Banks and Board. Finally, based on communications from the regulatory agencies, it appears that the regulators intend most CDCI applications to be reviewed by an Interagency Regulatory Council before being forwarded to Treasury.

Regulator communications with our member banks indicates that each of these bodies appears to have different standards and expectations for performance, and that the standards are incompatible with the purposes of CDCI. Some applicants are being given contradictory guidance on issues related to performance, and applications are being delayed in a manner that puts the institutions at significant risk of not receiving critically needed investments before the expiration of the funding deadline this fall. This process leaves many applications at risk of "withering on the vine" within the regulatory agencies or Interagency Regulator Council, severely limiting the pool of CDCI applicants the Treasury Investment Committee will likely have an opportunity to review. This undermines Treasury's purposes in creating CDCI, which was to prevent the demise of institutions uniquely serving distressed communities.

We believe the current review process is flawed. The process needs to be streamlined, with the Treasury Department actively engaged early on. The Treasury Department should be fully knowledgeable of all CDCI applications filed at each of the regulatory agencies and the status of each application in the process. The opinions of the regulatory agencies should only be advisory in nature. Furthermore, the recommendations, opinions, or inactions of the agencies or Interagency Regulatory Council should not prevent any applicant from being considered by the Treasury Investment Committee.

In closing, we strongly urge the Treasury Department to revisit the current review process and take a lead and proactive role in the review of CDCI applications. This is essential to implementation of the CDCI and to the program's success.

We also thank you for your commitment to low income communities. Your efforts to empower CDFIs will help restore economic vitality to low income and minority communities across the nation.

Sincerely,

William Dana
Board Chairperson

Jeannine Jacokes
Chief Executive and Policy Officer

cc:
The Honorable Herbert Allison, Assistant Secretary for Financial Stability
The Honorable Michael Barr, Assistant Secretary for Financial Institutions
The Honorable Gene Sperling, Senior Advisor to the Secretary
The Honorable Donna Gambrell, Director, Community Development Financial Institutions Fund