

**Opening Remarks**  
**Sen. Reverend Raphael Warnock (D-GA)**  
Subcommittee on Financial Institutions and Consumer Protection  
The Role that Community Development Financial Institutions and Minority  
Depository Institutions Serve in Supporting Communities  
Wednesday, February 9, 2022

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**Opening Statement**

I'm honored to Chair this Subcommittee and to work with Ranking Member Tillis to ensure stability in our banks, credit unions, and other financial institutions that serve families, small businesses, and communities in Georgia and around our country, and to ensure that our communities have equal access to the financial resources that build an economy that works for all Americans.

Now that brings me to the topic of our hearing today, which will examine Community Development Financial Institutions, or CDFIs, and Minority Depository Institutions, or MDIs, and the role that they play in supporting communities, creating jobs, boosting our economy, and helping small businesses to thrive. We will also examine the roles they play to help communities build resiliency against the crisis, like the pandemic, overcome crisis, and, importantly, recover from the crisis, so that our communities do not simply survive, but thrive.

Finally, I hope that our witnesses will discuss ways that Congress can better support the work they do every day to grow our economy from the bottom-up.

The economic turbulence of the COVID-19 pandemic has pushed working families to the brink, often forcing them to choose between their health and their livelihoods. Thanks in part to the aid passed by Congress to combat the pandemic, our nation is experiencing one of the quickest job market recoveries ever seen.

Last month, the Georgia Department of Labor reported that the state's unemployment rate is now 2.6 percent, with 97 percent of jobs lost during the height of the pandemic now recovered. Last week, the jobs report showed that jobs rose by 467,000, defying the expectations of many experts.

Critical in facilitating this recovery has been the work by CDFIs and MDIs. I appreciate that we have two before us here today, to talk about the work that they are doing even now, in their respective communities.

Let me say that this is also personal for me: this is not theoretical. In addition to serving as a Senator for Georgia, I'm also the Senior Pastor of the historic Ebenezer Baptist Church, spiritual home of Martin Luther King Jr. and John Lewis.

The bank our church uses, Citizens Trust Bank, is in fact one of the many CDFIs and MDIs in Georgia that have been helping families and institutions in our community to thrive. I know this firsthand. And as a pastor and as a Senator, I see my work as grounded in serving others and my community—and that's what CDFIs and MDIs are doing: they are serving others and the community.

Whether it has been acting as our nation's fiscal first responders, immediately there to assist families and small businesses facing the financial unknown during the first weeks of the pandemic or facilitating the flow of federal aid to communities, CDFIs and MDIs provided economic stability and certainty to millions of Americans, allowing them to focus on the health and safety of themselves and their children.

In Georgia, the Atlanta-based CDFI Access to Capital for Entrepreneurs, or ACE, immediately sprung to action early in the pandemic to help small businesses. In the first months of the pandemic, they worked with their clients to offer emergency funds, including Paycheck Protection Program loans, and they worked with local development authorities and investment partners to give flexibility for small business borrowers as

the economy recovered. These actions by just one CDFI saved hundreds of jobs in my home state of Georgia.

The Federal Reserve Bank of San Francisco has rightly referred to CDFIs as “economy shock absorbers for...communities in the worst of the downturn.” These institutions make sustainable investments within our communities. They are members of our community. They know the folks in the community. They understand these communities. And they have the correct incentives to help communities prepare, work through, and recover from the crisis.

CDFIs are also helping communities protect themselves against climate disasters. In Georgia, CDFIs have collaborated to begin offering Green Loans, which is capital provided to small businesses in the state to help them have a business that is more eco-friendly, such as funding energy-efficiency improvements. These investments help to create green jobs and they push Georgia and our nation towards a sustainable future.

Even with the work done by CDFIs and MDIs to help communities, the data show that we still have more work to do. In the crisis we are currently living through, there’s no doubt that the jobs recovery, as strong as it is, is uneven. Men have entirely recovered their job losses since the pandemic began, while there are 1 million fewer women in the labor force than in February 2020.

Unemployment among Black Americans remains elevated, and if history is any indicator, rural communities, like those in my home state of Georgia, will lose resources and these same communities will struggle to bounce back, as they see resources leave their communities. The number of minority depository institutions fell by 31 percent from 2008 to 2018, even as the need for these institutions remains higher than ever, and there are even those who wish to defund the CDFI Fund program permanently.

I think that is wrong-headed, and I believe Congress, and this subcommittee, in particular, has an important role to play to ensure that the financial institutions that support underserved communities, small businesses, and working families traditionally overlooked by larger banks have the resources, tools, and support to continue their important work. That is to ensure that ours is an economy, and a capitalism, that gives all of our communities a chance to thrive.

This hearing is about helping people, it's about helping communities, and helping small businesses. Hardworking American families are on the frontline when a crisis strikes a community, whether it is a natural disaster made worse by global climate change, economic recession caused by greedy corporate business practices, or a public health crisis such as the ongoing COVID-19 pandemic. As families, small businesses, and communities recover, we must ensure they have the resources they need not only to survive but to thrive.

Thank you, and I will now turn to Ranking Member Tillis for his opening statement.