



You matter more.

August 1, 2011

Jodie Harris, Policy Specialist
CDFI Fund, U.S. Department of the Treasury
601 13th Street NW
Suite 200 South
Washington, DC 20005

Re: CDFI Bond Guarantee Program Public Comments

Dear CDFI Fund,

I am writing to offer public comment on the proposed CDFI Bond Guarantee Program and to advocate that the CDFI Bond Guarantee Program incorporate features which:

1. Facilitate the flow of CDFI Bond funds in amounts of \$1-5 million to smaller CDFI's serving small rural communities and Native American populations
2. Support and build on Community Reinvestment Act provisions that encourage community development lending, investments, and service activities by community banks in support of CDFI's

Bangor Savings Bank, a mutual savings bank founded in 1852, is Maine's largest locally owned and managed community bank with more than \$2.4 billion in assets and operating from 55 branch locations statewide and on the web at www.bangor.com. In its two most recent FDIC Community Reinvestment Act Public Performance Evaluations, the Bank received the highest possible "Outstanding" rating. The Bank has also received Bank Enterprise Awards from the CDFI Fund twice for its lending, investment and service activities in support of Community Development Finance Institutions in its CRA assessment area of the state of Maine.

The Bank has developed innovative and comprehensive relationships with every active CDFI in Maine. It has made direct investments, venture capital fund investments, direct loans in support revolving loan fund programs including collateralized, "pooled loan" funding agreements, and performed loan servicing functions for CDFI's. It has partnered with CDFI's in the delivery of New Markets Tax Credit program including the, first in the nation, Small and Medium Enterprise and Community Facilities NMTC Loan Fund designed to fund smaller projects in rural underserved areas of Maine. The Bank's senior officers have also provided technical assistance by serving as CDFI board members for three CDFI's including serving as a founding board member and sponsor of Maine's only Native American CDFI.

Based on this institutional experience in support of CDFI's, we are concerned in reading the proposed rules for the CDFI Bond Guarantee program that there seems to be insufficient consideration of the important role that smaller CDFI's play in rural areas and little leverage of best practices developed under the Community Reinvestment Act that encourage relationships between community banks and CDFI's. In our view, the proposed Program ought not to benefit only large CDFI's, large financial institutions, and large metropolitan communities. We also believe that the Program should be designed to support rather than supplant the existing infrastructure developed under the Community Reinvestment Act that encourages the flow of private sector capital and financial expertise through local community banks to CDFI's.

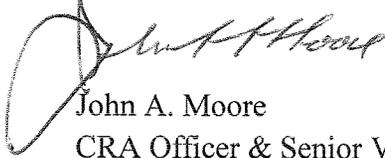
The apparent assumptions in the proposed rules that "national" financial markets will find efficient and responsive ways to move capital in \$100 million tranches, that "regional" servicers will effectively monitor large pools of aggregated community development, affordable housing, and small business loans, and that diverse communities and underserved populations throughout the country will see timely and equitable benefits from the Program without somehow utilizing the existing "local" financial support systems of CDFI's are, in our view, doubtful. Community Development Financial Institutions across the nation have been powerful and effective community development resources that are helping families and local communities build a more prosperous future. They are effective because they have deep roots in the local community including relationships with multiple local stakeholders, particularly community bank partners, who have taken their CRA obligations to heart and helped to build and sustain the CDFI's working in their service areas.

Based on our experience in support of CDFI's, we would encourage you to add the following elements to the proposed CDFI Bond Guarantee Program:

1. Facilitate the flow of CDFI Bond funds in amounts of \$1-5 million to smaller CDFI's serving small rural communities and Native American populations:
 - Carve out at least \$100 million annually as a Small Rural CDFI set aside. Permit advances of Bond funds in amounts of \$1-5 million to small rural CDFI's
 - Carve out at least \$100 million annually as a Native American CDFI set aside. Permit advances of Bond funds in amounts of \$1-5 million to Native American CDFI's
2. Support and build on Community Reinvestment Act provisions that encourage community development lending, investments, and service activities by community banks in support of CDFI's:
 - Allow for local community banks to serve as loan pool servicers and intermediary agents for CDFI Bond fund advances to Small Rural and Native American CDFI's
 - Allow for local community banks to purchase, as CRA qualified investments, guaranteed CDFI Bonds benefiting Small Rural and Native American CDFI's in amounts between \$1-5 million by subscription to the U.S. Treasury

We believe that the CDFI Bond Guarantee Program can help to promote economic revitalization and community development through investment and assistance to CDFI's. We are also convinced that the Program would have a faster, deeper, and more meaningful impact on distressed communities and underserved populations if it is structured to support practices and programs encouraged under the Community Reinvestment Act, leverage the vital connections between local community banks and CDFI's, and equitably benefit Small Rural and Native American CDFI's.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Moore". The signature is written in a cursive style and is positioned to the left of the typed name.

John A. Moore
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