

THE LENDERS COALITION
FOR COMMUNITY
HEALTH CENTERS

BlueHub Capital
Calvert Foundation
Capital Impact Partners
Capital Link
Community Reinvestment Fund, USA
CSH (Corporation for Supportive Housing)
Enterprise Community Loan Fund, Inc.
Florida Community Loan Fund
Forward Community Investment
Hope Enterprise Corporation
IFF
Leviticus Fund
Local Initiatives Support Corporation
Low Income Investment Fund
Mercy Loan Fund
Nonprofit Finance Fund
National Development Council
Northern California Community Loan Fund
Opportunity Finance Network
Partners for the Common Good
Primary Care Development Corporation (PCDC)
Reinvestment Fund
Rural Community Assistance Corporation
South Carolina Community Loan Fund
Vital Healthcare Capital

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September 9, 2019

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Room H-232, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Room S-230, The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Room H-204, The Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Room S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell,
and Leader Schumer:

We write to you as a coalition of 25 Community Development Financial Institutions (CDFIs) dedicated to financing the construction and renovation of federally qualified health centers (FQHCs). We are deeply concerned about how the impending funding cliff for health centers will once again affect future investment in this sector and health care overall. The sole solution: Congress must pass a long-term extension of the Community Health Center Fund which provides a robust increase for these important health care providers.

CDFIs, mission-driven lenders with strong ties and commitment to low-income and underserved communities, have played a critical role in the development and expansion of FQHCs. Collectively since 1992, the members of our coalition have provided \$2.5 billion in investments to FQHCs in approximately 40 states through over 1,000 loans and New Markets Tax Credit financing. Using flexible capital to address the unique needs of these critical safety net providers and leveraging public funds, we are working to build healthy communities and increase access to care.

In turn, FQHCs provide comprehensive, high-quality primary care and services to more than 28 million low-income Americans in distressed urban and rural communities. FQHCs address medical, dental, behavioral, pharmacy, and other needs regardless of a patient's ability to pay, and they do so in a cost-effective manner that saves an estimated \$28.6 billion in taxpayer dollars annually.

The benefits of FQHCs transcend health. New and expanded health centers drive economic momentum by creating new jobs — construction jobs as well as permanent quality employment — for community residents. In 2018, health centers employed more than 236,000 people, many of whom come from the low-income communities served by these centers. To

provide care to both the newly insured and those who are still without coverage over the next several years, FQHCs require financing to expand services, build facilities, and invest in critical infrastructure. Achieving this investment objective will require FQHCs' access to low-cost, patient capital provided by CDFIs as well as additional investments by traditional lenders, whose support and resources are essential for these projects.

With the Community Health Centers Fund slated to lapse once more on September 30, health centers, patients, lenders, and providers are again questioning whether long-term funding will be available to support the operations of health centers to enable uninterrupted service. Coming out of the most recent lapse of the Community Health Center Fund in 2017-2018, 76 percent of health centers reported lingering impacts on operations, 60 percent reported challenges recruiting or retaining staff, 36 percent reported challenges expanding services, and 29 percent reported challenges accessing capital to renovate or expand their sites. **In addition, among the Lender's Coalition for Community Health Centers membership, there was a marked decline in investment in FQHCs, with more than a 30% decline from prior years.** If funding for the Community Health Center Fund lapses, we risk once again stunting economic growth and sacrificing quality care in all communities.

Specializing in health center financing means that we are frequently required to "predict" the future of federal funding streams which provide critical sources of revenue to these safety net providers. In the past, knowing that the Community Health Center Fund was secure for five years allowed us to confidently make loans for as long as seven to 10 years. The confidence among CDFIs in the stability of federal reimbursement has allowed us to offer affordable interest rates and terms, attracting the partnership of larger traditional mainstream financial institutions. Though often more risk-averse, these institutions value CDFIs' knowledge and expertise in the sector and enable limited public funds to be leveraged multiple times over with private investment. While there was a continued appetite to lend to FQHCs once the last crisis was averted, continued lapses in funding may destabilize the market and deter funders from returning.

For these reasons, it is critical that Congress pass a bipartisan, extension of the Community Health Center Fund for a minimum of four years that includes a substantial increase in funding. We are optimistic to see proposals in both chambers meeting this minimum standard and believe that Congress can do even more to secure additional long-term funding for these critical health care providers.

A robust, long-term extension before September 30 is the most powerful investment Congress can make in health centers. Continued unpredictability will prove corrosive, undermining the stability of the sector, provoking partners and investors to reduce capital investment, and eroding the health center landscape when it is needed most. The time to act is now.

Sincerely,

Anne Dyjak
Chair, Lenders Coalition for Community Health Centers
(212) 437-3920, adyjak@pcdc.org

Members of the Lenders Coalition for Community Health Centers

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About the Lenders Coalition for Community Health Centers

Launched in 2013, the Lenders Coalition for Community Health Centers (LCCHC) is a coalition of 25 community development financial institutions (CDFIs) involved in community health center lending whose main goal is to advocate for resources and policies that will strengthen health centers' access to capital and CDFIs' ability to finance community health center growth. Since 1992, the members of our coalition have provided \$2.5 billion in investments to FQHCs in approximately 40 states through over 1,000 loans and New Markets Tax Credit financing. LCCHC member-financed projects serve more than 3.7 million patients annually. Using tools including flexible capital to address the unique needs of these critical safety net providers, filling gaps in the capital stack, and leveraging public funds, we are working to build healthy communities and increase access to high quality health care.