CDFIs Making History Interview

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Mark Pinsky, President & CEO of OFN, conducted this interview on August 13, 2014.

Mark: You played a key role—you’re one of the many people who played a key role—in making the CDFI industry what it is. You came from a background that’s different than most people who’ve been involved in the CDFI world.

The question really is, is there a key memory, a key moment, a key achievement, something that really stands out to you, in your time, working in and around CDFIs that's important and that people would benefit from knowing about?

Cyrus: When I think back on my tenure at Treasury and my relationship with not only the CDFI Fund, but also the CDFI community more generally, there are just so many moments, personal and otherwise, that stand out for me.

From one perspective, obviously, getting a significant piece of work like the Bond Guarantee Program, standing that up. I’d be remiss if I didn’t mention that as something that was memorable in oh so many ways. It was a lot of hard work by a lot of very good people, both in the government and outside, and just seeing that effort come together, I think, was gratifying. I think a lot of work remains to be done on programs like the Bond Guarantee Program, but, yeah, I’d be remiss if I didn’t mention that.

But I also wouldn’t want people just to focus on one program. I think as significant as these milestones are, to me, the more significant piece of it was just how many good people are working on community development every day. Just to take an example, you and I spent half a day in Philadelphia visiting different sites and talking to different people, who were not only beneficiaries of the work. To me, single achievements and different milestones are important, but I think they should not take away from the very critical work that’s done every day in an unglamorous way.

To me, not only the heart and soul and the nuts and bolts, but without all of that work, either implementing the big ideas or creating the
experience bank that teaches us what needs to be done in the future to make CDFIs work better. I think that the great number of people who actually do the everyday hard work, I think that's what I came away with from my years of experience at Treasury as the most memorable. So there wasn't really one particular thing that I can point to, but it was the entire community and how dedicated they are and how well they work. If something doesn't work, you'll go figure out something else. That's what I took away and that's what's the most important to me personally.

Mark: So, talking a little bit because you came from a world that didn’t revolve around CDFIs—not that your job at Treasury really revolved around CDFIs. What was that reaction like? What are these things CDFIs? I'm just curious what that first point of contact felt like?

Cyrus: Yeah, you're right about that. I came from a world of securities, and anti-trust litigation, corporate litigation, generally, and the financial crisis, and markets regulation and, as a practicing lawyer, you get engrossed in all of the things that you do on a day-to-day basis. But throughout my years of practicing law, I had always done a lot of pro bono work and so, yes, my pro bono took the form of immigration cases, or death penalty cases or things like that. But I think somewhere in my just broader perspective on what the purpose is for what I do generally, I've always had in mind issues of not only economic development, but social justice.

So, when I came to Treasury and I found out that my portfolio included the CDFI [Fund], first of all, someone had to tell me what CDFI was, what it stood for. Once I started to learn more about it, I said, wow, this is great. Not only in terms of a social purpose, it's something just extremely significant and critical for our society. So many of our deeply-held and critically important values, as I said, of social justice, of economic opportunity, of just progress generally for all, I just felt it was just personally satisfying to contribute to something of this nature.

But also meeting the people, just so many great people doing great things every day, it was just exciting to be a part of it. And so it was, I think, natural for me to try to—given my view of the Treasury mission generally, but also my own personal disposition in trying to do something to further these kinds of issues—I felt it was important for me to spend a lot of time to learn and to contribute whatever I could. I look back at my Treasury days and I think I’ve said this many times, publicly and privately, and I'll just repeat it here, is that there was
nothing more satisfying for me than being able to work on CDFI issues for all the reasons that I mentioned.

Mark: That's remarkable.

Let me turn to the future a little bit. You and I had a series of conversations while you were at Treasury—that I hope we can get to continue to have—about what the future might look like, or what might move us forward, what would move the CDFI industry and its partners forward in policy and perhaps another ways, in capital and other ways. I just wonder if you'd thought a little bit, or could share a little bit your thoughts about the future. What seems most critical? What seems important? What seems promising? What seems worth doing?

Cyrus: I think it's important to have these conversations with many, many different people, and I'm always game for that.

I think as we look to the future, we talked about the new version of community development with a refocus on financing and methods of financing to projects that we think we should support for community development purposes. I think if I were just to look at this a little broadly, I would say the following and one of the points I made publicly a short while before I left was I sometimes feel that the larger population doesn't really appreciate the kind of work that has already been done, the kind of successes that the CDFI community has already garnered. When we're talking about an era in which just focusing on whether it's financing that's backed by government or whether it's financing that's backed by the private sector, I think people are interested in results and in understanding, well, if I'm lending or if I'm otherwise supporting a particular project, what am I getting for it?

I think the CDFI community has a great story to tell of a lot of very significant successes. Not only in terms of—there's so many metrics—jobs created, jobs preserved, but just quality of life. If there's a way that we can capture all of these successes and develop a narrative around them so that people understand that the supporting community development of the kind that you've been working in and that I had the great fortune of working on for the past three years, I think that would go a long way toward allowing people to understand that this is not some act of charity, or this is not some obligation that should be imposed by someone. This is not a question of government at large. This is really an intelligent position to expand the economic tie and to expand productivity and positive contribution by a lot of people who are not only ready to do it, but very capable of doing it
and just that different areas just need different financial stimulus to be able to develop the kinds of institutions, local and regional, to contribute to economic development.

So I think one of the things that I would focus on is just this putting the message together and the information that's necessary to sustain the message. Once that's done, I think coordination with that or as a complement to that, thinking about what investors are interested in and to try to tailor different financing packages and financing approaches that would be interesting to investors, so greater level of sophistication. I think the CDFI community is already displaying a lot of sophistication, but I think there's always room to improve, it's true for Wall Street it's true for the CDFI community, and so that would be another area where I would focus.

Then a final area that I would think about is that—and I've spoken about this before and you and I have talked about it—is that there's so many institutions and so many groups need to come together to make economic planning successful.

If there are coordinating bodies who can at least look into the question of is there an efficient way for us to apply for financing to build institutions that will make it a more compelling case for us to bring in financing, I think those are kinds of efforts that would make a lot of sense because I do believe that it's true that institutions have to be built individually. But I think it's always good to have a broader perspective as to where you're heading regionally and I think the kinds of conferences, the kinds of activities that you all sponsor are critical to that and I'd like [to see] more of that happen.

Mark: Thank you, Cyrus. That was really wonderful. That was great and very concise and terrific.

But before we go off recording, I just want to see, was there anything else you think we should hear, anything you wanted to say?

Cyrus: I've always said that folks in the CDFI community do great work. They should be congratulated for all the great work that they've done on a day-to-day basis. We really appreciate their work and so much is owed to them that will never be paid to them, but that the appreciation is indeed very deep.

Mark: That's wonderful. Thank you.