

# **Testimony in Support of LD 1500: An Act to Establish the Maine Community Development Financial Institution Fund**

Submitted by Lee Umphrey, President, Eastern Maine Development Corporation

Date: May 2, 2025

Chair, Senator Curry and Chair, Representative Gere and Members of the Joint Standing Committee on Labor and Housing, thank you for considering this integrated economic approach that invests in Maine.

My name is Lee Umphrey, President & CEO of Eastern Maine Development Corporation (EMDC) and I am expressing our strong support for LD 1500, which proposes the establishment of the Maine Community Development Financial Institution (CDFI) Fund.

The strength of Maine's economy has always been the innovative spirit and grit of Maine people whose success is further boosted by leveraging resources in partnership with organizations like ours. EMDC, in its role as a CDFI, provides financial products and services to people, supports businesses and communities while creating jobs to keep moving the economy forward. The creation of a state-level CDFI Fund through LD 1500 would amplify this work. By aligning state resources with the extensive community and local expertise and network of Maine's CDFIs, this fund would boost our ability to better serve underserved populations, deploy more capital, and drive inclusive economic growth. In a time of national economic and federal government uncertainty, this endeavor positions Maine as a national leader in strengthening local economies through community-based financial solutions.

EMDC, headquartered in Bangor, is an Economic Development District (EDD), a Certified Development Company (CDC), a certified SBA Lender, and a Community Development Financial Institute (CDFI) and WIOA administrator for the Department of Labor. Besides helping communities of all sizes, EMDC guides communities transitioning former mill sites into properties with promising redevelopment opportunities, supporting businesses withstanding negative events, and pursuing economic prospects. EMDC's regional Comprehensive Economic Development Strategy (CEDs) plan provides a roadmap identifying opportunities and barriers to economic growth. Services include workforce development (provided in 10 Maine counties), and Community Impact Lending for SBA and USDA, Disadvantaged Business Enterprise (DBE) and APEX (government contracting) services statewide. Other services include planning (comprehensive and land use), brownfields assessment and revolving loan funds, broadband, climate resiliency and transportation planning.

EMDC has been a Certified CDFI lender since 2018 providing loans at flexible terms. Our target service area includes Hancock, Knox, Penobscot, Piscataquis, Waldo and Washington counties of Eastern Maine. Many of our businesses are in small rural communities, with Bangor being our largest city with 31,000 residents. Like other CDFIs, we provide access to loan funds for those businesses who typically are unable to borrow from traditional banking institutions. Generally, our loans provide for start-up costs, working capital, and equipment and inventory. Recently, through the CDFI Rapid Response program, we awarded sixteen loans for \$336,475. then able to revolve those funds to new borrowers.

The establishment of the Maine Community Development Financial Institution (CDFI) Fund is a commonsense approach that aims to solidify and sustain our impact and amplify our work. By aligning state resources with regional CDFIs with local connections and community understanding coupled with the deep expertise of Maine's CDFIs, this fund would greatly enhance our ability to serve more underserved populations, deploy capital effectively, and drive inclusive economic growth. This is essential now as the federal support for the national CDFI Fund and all programs face increased uncertainty.

We urge you to support LD 1500 giving Maine communities financial tools with trusted partners to thrive. EMDC and other statewide CDFI organizations are the engine of economic growth, and the creation of a statewide funding mechanisms would ensure momentum keeping Maine on the path to prosperity.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Lee Umphrey". The signature is written in a cursive, flowing style.

Lee Umphrey, President & CEO  
Eastern Maine Development Corporation.