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**Re: Margin and Capital Requirements for Covered Swap Entities, RIN 7100 AD74**

Dear Ms. Johnson:

This letter constitutes comments on the Notice of Proposed Rulemaking<sup>1</sup> issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Farm Credit Administration and the Federal Housing Finance Agency (collectively, “prudential regulators” or “Agencies”) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>2</sup> (the “Dodd-Frank Act”). These comments are submitted by Professor Michael Greenberger of the University of Maryland School of Law on behalf of Americans for Financial Reform. Americans for Financial Reform is an unprecedented coalition of over 250 national, state and local groups who have come together

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<sup>1</sup> Margin and Capital Requirements for Covered Swap Entities, 76 Fed. Reg. 27564 (proposed May 11, 2011) [hereinafter “Proposed Rules”].

<sup>2</sup> Dodd-Frank Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

to reform the financial industry. Members of our coalition include consumer, civil rights, investor, retiree, community, labor, religious and business groups as well as prominent economists and other experts.

As part of the new regulatory framework, sections 731 and 764 of Dodd-Frank require the registration and regulation of swap dealers and major swap participants and security-based swap dealers and major security-based swap participants (collectively, “swap entities”).<sup>3</sup> For certain types of swap entities that are prudentially regulated by one of the Agencies (“covered swap entities”), sections 731 and 764 of Dodd-Frank require the prudential regulators adopt rules jointly for swap entities imposing (i) capital requirements and (ii) initial and variation margin requirements on all non-cleared swaps and non-cleared security-based swaps (collectively, “uncleared swaps”).<sup>4</sup>

During the financial crisis, the overly leveraged, undercapitalized, under collateralized and opaque nature of unregulated swaps transactions among dealer banks and their counterparties led to defaults, threatened defaults and grave uncertainty in our financial markets. This was an important cause of the worst financial crisis since the Great Depression. (Indeed, as of the writing of this comment letter, potential sovereign defaults raise the specter of a new and more dangerous crisis related to this still unregulated multi-trillion dollar market.)

The prime, but by no means exclusive, example of these capital adequacy and opaqueness problems arises from the many financial institutions, which entered into credit derivatives transactions with AIG. When AIG could not meet its obligations because there was neither sufficient capital nor collateral, the U.S. taxpayers were asked to bail out AIG at the initial cost of \$182.5 billion to make AIG and its big financial entity counterparties whole.

In her recent written testimony before the House Committee on Financial Services, FDIC Chairman Sheila Bair stated: “The exchange of initial margin would have placed some check on AIG’s ability to present itself as a guarantor of an impossibly large volume of subprime collateralized debt obligations and would have discouraged institutions from relying unquestioningly on the AIG guarantee.”<sup>5</sup> As Chairman Bair aptly noted, adequate margin requirements support a healthy and stable financial system as they limit unreasonable risk taking and provide a necessary cushion that can absorb losses in the event of default.

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<sup>3</sup> See 7 U.S.C. 6s; 15 U.S.C. 78o-8.

<sup>4</sup> See 7 U.S.C. 6s(e)(2)(A); 15 U.S.C. 78o-8(e)(2)(A).

<sup>5</sup> Written Testimony of Sheila Bair, Chairman, Federal Deposit Insurance Corporation, *Financial Regulatory Reform: The International Context before the U.S. House Committee on Financial Services*, June 16, 2011.

Furthermore, the recent global financial crisis revealed that OTC derivative positions were not supported by sufficient capital, constituting a major risk for participants. Manmohan Singh, an economist at the International Monetary Fund, calculated, for example: “[I]f market participants posted sufficient collateral to cover all OTC deals properly, they would need an extra \$2,000bn (or about \$100bn per big dealer).”<sup>6</sup> Therefore, the proposed capital rules for SDs and MSPs are not only necessary, but must be designed to help protect the swaps dealers from their own poor assessment of risk, as well as end-users, other market participants and, ultimately, the U.S. taxpayer by requiring that counterparties have sufficient high quality capital to satisfy their obligations.

In light of that, the prudential regulators’ proposed rules on capital and margin requirements warrant general support. Specifically, the following proposed rules are worth noting:

i) *Section \_\_\_\_ .2: Definitions*

**Brief Comments:** Under the proposed rules, hedge funds are correctly defined as “financial end users” and are, therefore, subject to margin and capital requirements. The rules define “financial end user” as a private fund as defined in section 202(a) of the Investment Advisers Act of 1940.<sup>7</sup> Prior to the passage of Dodd-Frank, hedge funds utilized two exemptions (sections 3(c)(1) and 3(c)(7)) in the Investment Company Act of 1940<sup>8</sup> in order to avoid regulation. However, Section 403 of Dodd-Frank amends the Investment Company Act of 1940 to include a definition of “private fund” as any entity, which would be categorized as an investment company but for its use of the exemptions in section 3(c)(1) or 3(c)(7).<sup>9</sup> It is critical that large market participants, such as hedge funds, be subject to the necessary regulatory oversight.

ii) *Section \_\_\_\_ .6: Eligible Collateral*

**Brief Comments:** The proposed rules would establish minimum quality standards for collateral that is acceptable as a margin. All collateral is not equal in its liquidity or marketability. During a period of financial stress, it is imperative that collected collateral be marketable and able to provide liquidity. As Dodd-Frank specifically “permit[s] the

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<sup>6</sup> Yves Smith, *More Evidence of Undercapitalization/Insolvency of Major Banks*, NAKED CAPITALISM (January 21, 2011), available at <http://www.nakedcapitalism.com/2011/01/more-evidence-of-undercapitalizationinsolvency-of-major-banks.html> (citing Manmohan Singh, *Collateral, Netting and Systemic Risk in the OTC Derivatives Market*, IMF Working Paper (April 2010), available at <http://www.imf.org/external/pubs/ft/wp/2010/wp1099.pdf>).

<sup>7</sup> See Proposed Rules at 27587, *supra* note 1.

<sup>8</sup> 15 U.S.C. 80a-3.

<sup>9</sup> See §403 of the Dodd-Frank Act, *supra* note 2.

use of noncash collateral, so long as they would preserve financial integrity of markets and the stability of the financial system,”<sup>10</sup> the proposed rules appropriately allow noncash collateral including, *inter alia*, any obligation which is a direct obligation of the United States and any senior debt obligations of the government sponsored entities. Those are assets that can be readily valued and easily liquidated. Allowing low quality collateral would completely undercut the very purpose that this proposal is designed to achieve. Therefore, while the use of other forms of noncash collateral warrants support, noncash collateral must be allowed only with careful analysis and the appropriate haircuts, as provided in the proposed rules.

iii) *Section \_\_\_\_7: Segregation of Collateral*

**Brief Comments:** Under the proposed rules, all funds or other property the counterparty provides must be held by an independent third-party custodian who is prohibited from rehypothecating or reinvesting the margin. This is intended to avoid some of the problems that arose in the wake of Lehman’s failure, when sufficient collateral was not available.<sup>11</sup> This rule is appropriate and necessary for the orderly resolution of potential disputes. However, in order to prevent disputes arising from multiple claims on one asset, regulators should prohibit parties to an uncleared swap from posting the same asset as collateral for multiple positions.

As shown below, however, there are some areas that require further clarification and enhanced regulatory oversight. These changes are consistent with Dodd-Frank’s central tenets.

### **Collecting Margin vs. Posting Margins**

One-way margin in trades between covered swap entities (“CSEs” or “dealers”) and financial entities is not consistent with the requirements under Section 4s(3) that margin requirements help ensure the safety and soundness of SDs and MSPs. In other words, the proposed rules’ initial and variation margin requirements generally apply only to the *collection* of margin by a covered swap entity from its counterparties with an exception for transactions between two covered swap entities. In support of this requirement, the prudential regulators state that such a requirement “*helps ensure the safety and soundness of the covered swap entity.*”<sup>12</sup> It can be inferred that the prudential regulators were willing to prioritize the financial health of covered swap entities over the stability of the financial market as whole.

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<sup>10</sup> See §§731 and 764 of the Dodd-Frank Act, *supra* note 2.

<sup>11</sup> James Mackintosh, *Lehman collapse puts prime broker model in question*, FINANCIAL TIMES (September 24, 2008), available at [http://us.ft.com/ftgateway/superpage.ft?news\\_id=fto092420081706282339&page=2](http://us.ft.com/ftgateway/superpage.ft?news_id=fto092420081706282339&page=2).

<sup>12</sup> See Proposed Rules at 27567, *supra* note 1 (emphasis added).

Any rule that is designed to only protect one side of the transaction, *i.e.*, covered swap entities, warrants substantial rethinking and revision. As the recent financial crisis revealed, large dealers can and, indeed, did fail. In the case of the Lehman bankruptcy, Lehman, one of the largest derivatives dealers, was a counterparty or guarantor of over 930,000 OTC derivatives.<sup>13</sup> The Lehman liquidators are now embroiled in a huge battle with Lehman's OTC derivative counterparties. This demonstrates that regulators must protect counterparties from covered swap entities in order to ensure financial stability, rather than focus primarily on the financial health of dealers.

One of the central aims of Dodd-Frank derivatives reform is to reduce systemic risk in the United States – indeed, the worldwide – financial system. The margin provision itself states that margin requirements are designed to guard against “financial risk.”<sup>14</sup> Margin requirements cannot offset the greater risk to the uncleared swaps, unless the margin requirements are applied directly to the covered swap entities and they are compelled to *post margin* to and *collect margin* from their counterparties.

This requirement, otherwise known as a “two-way margin requirement” enables clearinghouses to manage risk successfully and prudentially for cleared swaps. There is no reason why the same approach cannot be appropriately applied in the context of uncleared swaps. Through the payment and collection of margin from both dealers and their counterparties, *all parties* can be protected against any counterparty risk. In addition, all parties can benefit from the risk management discipline of forecasting potential exposures from derivatives contracts and setting aside resources against these exposures.

Moreover, the prudential regulators have demonstrated a keen understanding that uncleared swaps operates are more customized, thereby requiring more time than cleared swaps in order to be liquidated. This is particularly the case in distressed market conditions. Therefore, the failure to account for counterparty risk for uncleared swaps will certainly increase the potential for devastating and cascading losses in the event of default.

A plain reading of the Act makes clear that swap entities that enter into uncleared swap transactions are subject to margin requirements. In particular, the margin requirements of Section 731 apply to “swap dealers and major swap participants, *with respect to their activities as a swap dealer or major swap participant.*” Dodd-Frank therefore requires that covered swap entities post margin on their dealings in uncleared swaps. The drafters of Dodd-Frank made it

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<sup>13</sup> GuyLaine Charles, *OTC Derivative Contracts in Bankruptcy: The Lehman Experience*, N.Y. BUS. L. J. §1:14 (Spring 2009), available at <http://www.nysba.org/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=30052>.

<sup>14</sup> See §731 of the Dodd-Frank Act, *supra* note 2.

clear that the statute requires this very approach: “In cases where a Swap Dealer enters into an uncleared swap with an end user, *margin on the dealer side of the transaction* should reflect the counterparty risk of the transaction.”<sup>15</sup>

### Initial Margin Calculation

The proposed “lookup” table approach to calculate initial margin would not be effective. Under § \_\_\_\_.8 of the proposed rules, a covered swap entity has two options for calculating its initial margin requirements.<sup>16</sup> Under the first option, a covered swap entity may calculate its initial margin requirements using a standardized lookup table that specifies the minimum initial margin that must be collected as a percentage of the notional amount.<sup>17</sup> Here, the Commodity Futures Trading Commission (“CFTC”) is correct that the use of notional percentages is “an imprecise measure that does not capture the nuances of risk.”<sup>18</sup> Furthermore, this approach does not recognize offsetting exposures, diversification, or other hedging benefits. This is a serious drawback for many covered swap entities.

The better approach is the alternative method proposed by the CFTC in calculating initial margin. Under the CFTC’s proposal, a covered swap entity would identify in the agreements “the swap cleared by a DCO in the same asset class as the uncleared swap for which the terms and conditions most closely approximate the terms and conditions of the uncleared swap.”<sup>19</sup> Then, the covered swap entity would multiply the required margin amount for a similar cleared swap by a specific multiplier that is determined by the prudential regulators in order to determine the margin that is required for the uncleared swap.<sup>20</sup> Under this approach, the risks associated with uncleared swaps are adequately addressed by the multiplier, which in turn provides necessary cushion for both parties to the swaps. The standardized lookup table may be convenient to use and easy to adopt, however, as shown above, it is impractical.

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<sup>15</sup> Letter from Senator Christopher Dodd, Chairman, Senate Committee on Banking, Housing, and Urban Affairs, and Senator Blanche Lincoln, Chairman, Senate Committee on Agriculture, Nutrition, and Forestry, to Representative Barney Frank, Chairman, Financial Services Committee, and Representative Colin Peterson, Chairman, Committee on Agriculture (June 30, 2010), *available at* <http://online.wsj.com/public/resources/documents/dodd-lincoln-letter070110.pdf> (emphasis added).

<sup>16</sup> See Proposed Rules at 27590, *supra* note 1.

<sup>17</sup> *Id.*

<sup>18</sup> Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 76 Fed. Reg. 23732 at 23738 (proposed on April 28, 2011) [hereinafter, “CFTC’s Margin Proposal”].

<sup>19</sup> See CFTC’s Margin Proposal at 23737, *supra* note 18.

<sup>20</sup> *Id.*

Under the second option, the proposed rules would require, *inter alia*, that the internal model used in the calculation of the margin requirement be *at least as conservative as those used by swap clearinghouses* and would incorporate the greater risk posed by uncleared swaps compared to cleared swaps.<sup>21</sup> Because a DCO must continually monitor the risk associated with the derivatives product, DCOs are in the best position to calculate the margin amount. It is imperative for the prudential regulators to ensure that the margin calculation models are in compliance with this minimum requirement in order to prevent CSEs from structuring a transaction to avoid pledging DCO's initial margin. Therefore, this is an appropriate and necessary measure, which warrants support.

### Threshold Approach

§§\_\_\_\_.2 and \_\_\_\_\_.8 of the proposed rules would require a covered swap entity to calculate a credit exposure limit for a commercial end user and collect initial margin and variation margin from a commercial end user when the credit exposure exceeds the calculated limit.<sup>22</sup> Such requirements are designed to adjust to a commercial end user's risk profile. For example, if a nonfinancial end user has a strong credit profile, a derivatives dealer would not require margin.<sup>23</sup> Indeed, some derivative transactions "already require collateral. But even for those that do not, [dealer] banks adjust the cost based on the credit profile of the buyer."<sup>24</sup>

AFR strongly agrees that these margin collection thresholds are appropriate. As the regulators note, this approach is "consistent with current market practices with respect to nonfinancial end users, in which derivatives dealers view the question of whether and to what extent to require margin from their counterparties as a credit decision."<sup>25</sup> It is also consistent with many years of practice by prudential regulators.<sup>26</sup> An attempt to somehow roll back these basic risk management practices would actually make prudential practices less thorough than they were prior to the financial crisis, which could not have been the intent of Congress.

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<sup>21</sup> *Id.*

<sup>22</sup> See Proposed Rules at 27587, 27590-91, *supra* note 1.

<sup>23</sup> "In essence, it would extend unsecured credit to the end user with respect to the underlying exposure." Proposed Rules at 27570, *supra* note 1.

<sup>24</sup> Francesco Guerrera, *In the post-crisis world, risk must be sensibly priced*, FINANCIAL TIMES (April 25, 2011).

<sup>25</sup> See Proposed Rules at 27569-27570, *supra* note 1.

<sup>26</sup> See Office of the Comptroller of the Currency, *Risk Management of Financial Derivatives: Comptroller's Handbook, Narrative – January 1997, Procedures – February 1998* at 44-57, available at <http://www.occ.gov/static/publications/handbook/deriv.pdf>.

While it is appropriate that the proposed rules establish margin collection thresholds that will limit the collateral posting for nonfinancial end users, such rules should provide more guidance about how to implement this threshold-based approach. In particular, §\_\_\_\_.2 affords covered swap entities *complete discretion* to set credit exposure thresholds and to determine how to assess margin when thresholds are exceeded.<sup>27</sup> The regulators provide that such an approach is “consistent with current market practices.”<sup>28</sup> However, the recent subprime mortgage crisis reveals that allowing banks complete discretion in setting credit risk exposure limits is not an effective method of regulatory supervision.

Therefore, we urge the regulators to strengthen the threshold-based proposal by, at the minimum, promulgating rules to review, monitor and approve covered swap entities’ policies and procedures for determining appropriate thresholds and collecting margin when such limits are exceeded. As with the initial margin model requirements, there should also be the requirement that dealers internally validate the threshold model periodically. Furthermore, such policies and procedures should be well documented including all material aspects of the threshold model and should be presented to the Board or an appropriate committee of the Board for review and approval upon adoption and whenever significant changes are made, but no less frequently than annually. This would be consistent with the proposed end-user board approval programs.<sup>29</sup>

## Capital Requirements

This proposal does not specifically address capital issues related to banks’ use of uncleared swaps because the prudential regulators preliminarily conclude that existing regulatory capital rules are appropriate and sufficient to offset the risk to the covered swap entity. The proposal indicates that several of those banking capital standards are based on the Basel standards.<sup>30</sup> Notably, the banking agencies are expected to propose similar changes to those made by the Basel Committee on Banking Supervision in the United States through a separate notice of proposed rulemaking. The first such proposals have already been issued and

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<sup>27</sup> See Proposed Rules at 27569-27570, *supra* note 1.

<sup>28</sup> See Proposed Rules at 27569-27570, *supra* note 1.

<sup>29</sup> See End-User exception to Mandatory Clearing of Swaps, 75 Fed. Reg. 80747, 80750 (proposed December 23, 2010).

<sup>30</sup> See Proposed Rules at 27568, *supra* note 1.

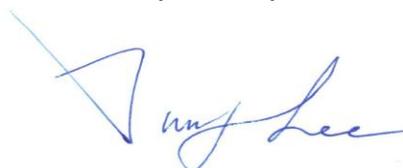
commented on by Americans for Financial Reform.<sup>31</sup> We look forward to commenting on further capital rules related to the treatment of derivatives.

Thank you for the opportunity to comment on these Proposed Rules. If you have any further questions, please contact Michael Greenberger, Professor at the University of Maryland School of Law, at [mgreenberger@law.umaryland.edu](mailto:mgreenberger@law.umaryland.edu) or (410) 706-3846, Jung Lee, Law and Policy Analyst, University of Maryland Center for Health and Homeland Security, at [jlee@law.umaryland.edu](mailto:jlee@law.umaryland.edu) or (410) 706-3503, or Marcus Stanley, Policy Director of Americans for Financial Reform, at [marcus@ourfinancialsecurity.org](mailto:marcus@ourfinancialsecurity.org) or (202) 466-3672.

Sincerely,



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<sup>31</sup> See Comment Letter by Americans for Financial Reform, to Ben Bernanke, Chairman, Federal Reserve Board, Sheila Bair, Chairman, Federal Deposit Insurance Corporation, and John Walsh, Acting Director, Office of the Comptroller of the Currency, Risk-Based Capital Guidelines: Market Risk (April 11, 2011), available at <http://ourfinancialsecurity.org/blogs/wp-content/ourfinancialsecurity.org/uploads/2011/04/AFR-Risk-Markets-4-11-11.pdf>.

## Following are the partners of Americans for Financial Reform.

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

- A New Way Forward
- AARP
- AFL-CIO
- AFSCME
- Alliance For Justice
- Americans for Democratic Action, Inc
- American Income Life Insurance
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Affairs Bureau/Dollars & Sense
- Economic Policy Institute
- Essential Action
- Greenlining Institute
- Good Business International

- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lake Research Partners
- Lawyers' Committee for Civil Rights Under Law
- Move On
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National People's Action
- National Council of Women's Organizations
- Next Step
- OMB Watch
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE!

- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

*Partial list of State and Local Signers*

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC

- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY

- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

### *Small Businesses*

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Phoenix AZ
- The Holographic Repatterning Institute at Austin
- UNET

