

NACA Program – OMB PRA Number [1559-0025]		
Positive Comments from the Public for PRA Renewal		
Responder	Comment:	Notes:
Native CDFI Network	Debriefings	<p>Responder Explanation: The Fund began an application “debriefing” on NACA applications in 2009 and that should continue as it helped many groups understand the strengths and weaknesses of their applications, especially in meeting the minimum prudent standards requirements.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to whether application debriefings should be continued or not.</p>

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Negative Comments From the Public for PRA Renewal		
Responder:	Comment:	Notes:
Native CDFI Network	Self-Sufficiency Ratio	<p>Responder Explanation: Decrease the self-sufficiency ratio requirements. Some of the strongest and best performing Native CDFIs in the country are challenged in meeting the self-sufficiency ratio. They are serving high-poverty low-income communities that often require patient capital and step-lending development. The lack of resources and partners in the rural areas require the Native CDFIs to incur the cost for the development services that are critical to building human capital and economic justice.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to self-sufficiency ratio requirements are changed.</p>
Native CDFI Network	Expense Reporting	<p>Responder Explanation: Allow separate reporting of IDA matched savings expenses. For all Native CDFIs currently running a Native IDA Program, allow all IDA matched saving expenses to be reported as “other expenses” instead of being included in a Native CDFI’s operating expenses. The way in which these expenses are currently reported create a misleading self-sufficiency ratio that is further exacerbated by the unique factors affecting Native communities.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to how Individual Development Accounts should be considered.</p>

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Neutral Comments From the Public for PRA Renewal		
Responder:	Comment:	Notes:
Native CDFI Network	Matching Funds Requirement	<p>Responder Explanation: Remove the term “form and” from the statute. A broader set of sources of funds should be eligible as matching funds. The form of the award should be at the discretion of the awardees to enable them to use the award to increase their capital.</p>

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		<p>Reducing the match requirement by 50 percent is more appropriate to Native CDFIs economic landscapes where there is little or no other investment occurring due to the lack of financial institutions, the limited number of foundation sources available and in general, low state and local resources deployed in Native communities.</p> <p>Lastly, the language should be expanded to give the Fund greater authority to waive the match in those circumstances the Fund deems a waiver is required. We believe the Fund Director, rather than Congress, should be able to make a judgment to waive or alter matching funds requirements for Native CDFIs to further the goals and growth of Native CDFIs serving Native populations.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. Matching funds is a CDFI Fund statutory requirement, implemented via CDFI Fund policies.</p>
Native CDFI Network	Making Native Initiatives permanent	<p>Responder Explanation: Yes, the Native American CDFI Assistance (NACA) should be permanent. The Native Initiatives Program has been critical in increasing access to capital in Native communities, and fueling Native-driven economic and community development. Such a successful program should be given permanence within the authorizing statutes, especially considering the plight of Native communities across the United States.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. The responder's request requires a statutory solution.</p>
Lumbee Regional Development Association	Making Native Initiatives permanent	<p>Responder Explanation: The Native Initiatives Program should be made permanent.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. The responder's request requires a statutory solution.</p>
Native CDFI Network	Additional Services for Native communities	<p>Responder Explanation: Provide Training and Technical Assistance (TTA) for established/mature CDFIs. It has become increasingly important for TTA to also address the training and assistance needs of mature CDFIs. Many Native CDFIs are on the frontier of the CDFI movement in their communities and TTA is critical to successfully positioning organizations for continued growth and will contribute to the synthesis of new Native "best practices" for younger CDFIs to eventually adopt.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to how training and technical assistance should be provided.</p>

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Lumbee Regional Development Association	Additional Services for Native communities	<p>Responder Explanation: Additional training on the applications process, as well as more workshops for the applicants to attend in person.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to how application training should be provided.</p>
Lumbee Regional Development Association	Additional Services for Native communities	<p>Responder Explanation: More fairness in the awarding of funds. The same organizations win all the funding each award cycle. Instead of awarding 1-8 organizations the whole 12 million, share it equally with those that do apply.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. Awards are made according to the Notice of Funding Availability.</p>
Native CDFI Network	IDA Initiative	<p>Responder Explanation: Reinstate the Native IDA Initiative. The Native IDA Initiative was very successful, and was only beginning to take hold when the funding was halted. The Native IDA Initiative was successful in seeding program development and would continue to be beneficial for Native community development.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to whether the Native IDA initiative gets reinstated.</p>
Native CDFI Network	Increase Appropriated Funds	<p>Responder Explanation: Allocate 10% of appropriated funds to the NACA Program for FA and TA. Increasing the availability of these awards will greatly impact emerging and certified Native CDFIs, allowing them to build their capacity and delivery of greatly needed services.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as to how program funding is allocated.</p>
Native CDFI Network	Native American Lending Study	<p>Responder Explanation: Update the Native American Lending Study. Reliable and current data would give federal agencies, Native organizations, tribal governments, and Congressional leaders the opportunity to understand both the positive impact CDFIs have had on increasing access to capital for Native communities, and at the same time identify critical areas that still need attention from policymakers.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as when the Native American Lending Study gets updated.</p>
Veronica Stanford Consulting	Native American Lending Study	<p>Responder Explanation: Update the Native American Lending Study to quantify unmet financing demand and lack of access to capital on a national basis. An update would inform potential</p>

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		<p>funding sources, including the CDFI Fund, of the unmet need in Native Communities. This study could also highlight Native CDFIs that are successfully addressing challenges in their communities, thus providing additional support for future investment in Native CDFIs from a range of funding sources including foundations, financial institutions and other private sector investors.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as when the Native American Lending Study gets updated.</p>
Native CDFI Network	NMTC Program	<p>Responder Explanation: Allocate 5% of New Markets Tax Credit Program for Native lands. This 5% allocation would be for investment on Native restricted fee lands, American Indian reservations, Alaska Native lands established under the Alaska Native Claims Settlement Act of 1971, and Native Hawaiian home lands as established by the Hawaiian Homes Commission Act of 1921.</p> <p>Additionally, because these land areas face unique legal, political and regulatory complexities that make investment and development challenging, Native lands should automatically be eligible for NMTC investment, whether or not these areas are located in a low-income Census track.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as how program funds get allocated.</p>
Native CDFI Network	Limit of TA grants received	<p>Responder Explanation: There should be no limit on TA grants. Experience indicates that Native CDFIs will often take five to six years to become operational, which is marked in contrast to mainstream CDFIs, which often only take two years, on average, to achieve a similar level of development. We foresee continuing improvement and refinement to Native CDFI business models and, as such, there will be an ongoing need for support to achieve their benchmarks and goals.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as how program funds get allocated.</p>
Lumbee Regional Development Association	Limit of TA grants received	<p>Responder Explanation: There should be a limit of 10 TA grants. No more than 10 awards would be sufficient.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as how program funds get allocated.</p>
Veronica Stanford Consulting	Limit of TA grants received	<p>Responder Explanation: Should the CDFI Fund determine a limit on technical assistance grants, the threshold for this determination should not be based on the number of technical assistance awards</p>

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		<p>already received. Instead an appropriate consideration may require the applicant to demonstrate a lack of access to other resources, as well as efforts to secure other resources.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. It is a CDFI Fund policy decision as how program funds get allocated.</p>
Native CDFI Network	Seed Financing for Non-certified CDFIs	<p>Responder Explanation: The CDFI Fund should provide seed financing to non-certified Native CDFIs.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This request requires a statutory consideration.</p>
Lumbee Regional Development Association	Seed Financing for Non-certified CDFIs	<p>Responder Explanation: A seed investment for emerging Native CDFIs would allow them to begin their operations and lending activity, and begin to demonstrate performance in the target market.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This request requires a statutory consideration.</p>
Veronica Stanford Consulting	Seed Financing for Non-certified CDFIs	<p>Responder Explanation: Awards of seed funding should be based on a competitive assessment of the Native CDFI's comprehensive business plan in order to facilitate investment in emerging Native CDFIs that have the organizational and program elements in place to ensure effect business plan implementation. Seed funding could be based on a percentage set-aside such as 10% of annual funding availability under the NACA program and should be limited to a one-time grant of up to, for example, \$100,000. However, such a limit on initial seed funding would be insufficient for residential purchase loans in high cost areas and therefore may need to be further evaluated.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This request requires a statutory consideration.</p>
Lumbee Regional Development Association	Graduation of NACA Program	<p>Responder Explanation: A Native CDFI should graduate to the CDFI Program after 10 years.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This is a CDFI Fund policy decision as to who is eligible for funding under a program.</p>
Native CDFI Network	Graduation of NACA Program	<p>Responder Explanation: There should be no limit to the amount of NACA awards received. The CDFI Fund's existing programs create a natural transition for Native CDFIs once they expand the capacity of their loan funds and have greater need and demand for financial assistance. These cases are very few and far between, but we've actually seen one or two Native CDFIs "graduate" themselves as they stabilized operations and succeeded with the initial NACA rounds.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This is a CDFI Fund policy decision as to who is eligible for</p>

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		funding under a program.
Veronica Stanford Consulting	Graduation of NACA Program	<p>Responder Explanation: A Native CDFI should be considered sufficiently established to compete on a national level for funding from the CDFI Fund and other sources. Guidelines could be based in part on those established for a SECA award under the CDFI Program which limits applicants to \$5 million in total assets or prior financial assistance awards of \$500,000. However, given significantly limited resources for Native Communities and the lack of access to financing, a more reasoned approach would reflect these considerations by providing alternative benchmarks for graduation from the NACA program such as the following criteria:</p> <ol style="list-style-type: none"> 1. Total assets of \$5 million or more; 2. Prior financial assistance awards of \$1 million to \$2 million (to be determined based on further evaluation by the CDFI Fund); <u>and</u> 3. At least five to seven years of lending operations (also to be determined by the CDFI Fund). <p>A Native CDFI would graduate from the NACA program only when all three criteria have been met. The larger total of financial assistance awards, as compared to SECA awards, recognizes the significant resource limitations of many Native Communities. The five to seven years of lending operations would allow the Native CDFI to establish a strong track record in achieving significant community impacts, managing its loan portfolio and demonstrating financial stability. By combining all three criteria, the CDFI Fund could ensure that Native CDFIs are only deemed to graduate from the NACA Program when they are sufficiently well established (1) to compete against CORE applicants for the CDFI Fund program, and (2) to secure funding and capital investments from other sources.</p> <p>CDFI Fund Response: This issue is not related to paper work burden. This is a CDFI Fund policy decision as to who is eligible for funding under a program.</p>