

Appendix C: Federal Funding Sources

FUNDER	PROGRAM	AMOUNTS & USES OF FUNDS	CONSIDERATIONS
US Dept. of Health & Human Services – Administration for Native Americans (ANA)	Social and Economic Development Strategies (SEDS)	<ul style="list-style-type: none"> • Grant funds used for a variety of economic and community development activities and capacity building • Up to \$400k per year for up to three year project period • Can NOT be used for lending capital 	<ul style="list-style-type: none"> • 20% non-federal match required • Annual application competition • Highly competitive
US Dept. of Agriculture – Rural Development (USDA-RD)	Intermediary Relending Program (IRP)	<ul style="list-style-type: none"> • Debt financing used for small business lending capital • Up to \$2 million • 30-year term at 1% IR • Interest-only payments first 3 years • Native set-aside once a year 	<ul style="list-style-type: none"> • Must serve rural areas <50K population • Non-federal match required to be competitive • Accept applications multiple times during the year • Reporting is cumbersome • USDA approves loans for first \$\$ out
	Rural Business Development Grant (RBDG)	<ul style="list-style-type: none"> • Grant funds used to benefit small businesses including training/TA, capitalize a loan fund, incubators, feasibility and business planning • No max amount, smaller requests get higher priority • Native set-aside once a year 	<ul style="list-style-type: none"> • Must serve rural areas <50K population • Non-federal match required to be competitive • If used to capitalize RLF funds are permanently restricted

FUNDER	PROGRAM	AMOUNTS & USES OF FUNDS	CONSIDERATIONS
US Small Business Administration (SBA)	Microloan Program	<ul style="list-style-type: none"> • Low-cost debt capital for small business loans • Loan amounts to CDFI depend on loan volume • Loans to borrowers up to \$50K • Comes with a TA grant 	<ul style="list-style-type: none"> • Limitations on IR and fees CDFI can charge borrowers • Must have experience small biz lending • Data collection is cumbersome • Can position CDFI to be access other SBA programs
	Program for Investment in Micro Entrepreneurs (PRIME)	<ul style="list-style-type: none"> • Grant funds up to \$50K first year of award • Used for either (1) building capacity of CDFI to provide training/TA to entrepreneurs, or (2) provide training/TA to disadvantaged entrepreneurs • Generally one-year grant period 	<ul style="list-style-type: none"> • Must have demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs • Highly competitive • Annual application
Economic Development Administration (EDA)	Revolving Loan Fund (RLF) Program	<ul style="list-style-type: none"> • Grant funding, amount varies, used for lending capital • Must leverage \$2 for every \$1 in EDA RLF funds over the portfolio 	<ul style="list-style-type: none"> • Funds permanently restricted • Ongoing applications accepted • Use a form of CAMELS analysis in application/ongoing risk rating of RLF • RLF should be part of a larger community economic development strategy • Just came out with new rules • Reporting can be challenging

FUNDER	PROGRAM	AMOUNTS & USES OF FUNDS	CONSIDERATIONS
	Economic Adjustment Assistance	<ul style="list-style-type: none"> • Grant funds used for RLF, construction, incubator, and other economic development projects • Various max amounts, up to and greater than \$1 million 	<ul style="list-style-type: none"> • Much larger investments available • Ongoing applications accepted • Projects should be part of a larger community economic development strategy • Long reporting periods • EDA maintains lien on assets • Reporting can be challenging
Federal Home Loan Bank (FHLB)	Affordable Housing Program (AHP)	<ul style="list-style-type: none"> • Grant funds up to \$1 million • Used to support development / single family purchase of low-income housing; rehab, down payment assistance, closing costs • Can NOT be used for lending capital • Must partner w/ FHLB member to apply 	<ul style="list-style-type: none"> • Very competitive program • The lower income population you serve the higher you score • Need to partner with FHLB member • Annual application period

Appendix D: Summary of Investment Types

INVESTMENT SOURCE	INVESTMENT TYPE	APPROACH	CONSIDERATIONS
BANKS	GRANTS SPONSORSHIPS LOC EQ2 SENIOR DEBT	<ul style="list-style-type: none"> • Start small w/ request for sponsorships, operating grants • Build financial and lending strength before asking for lending capital 	<ul style="list-style-type: none"> • Highly numbers focused • Stringent underwriting process • Limited reporting • Can be larger amounts • Funds usually unrestricted in terms of lending
TRIBES/TRIBAL ORGANIZATIONS	GRANTS CONTRACT FOR SERVICES DEBT GUARANTEES	<ul style="list-style-type: none"> • Demonstrate competency • Build connections • Identify best partner entity • Show benefit to tribal community 	<ul style="list-style-type: none"> • Politics—strings attached • Limited underwriting and reporting • Funding tailored to Native CDFI needs • Usually restricted funds for tribal members
FOUNDATIONS	GRANT PRI	<ul style="list-style-type: none"> • Identify appropriate person to build relationship • Tell your story • Demonstrate fit with foundation priorities 	<ul style="list-style-type: none"> • Highly relationship driven • Underwriting more stringent for PRIs • More flexibility • Impact focused • Applications and reporting typically simpler • Usually restricted funds
FEDERAL	GRANTS DEBT	<ul style="list-style-type: none"> • Build good programmatic foundation • Have a plan for growth or addition of services • Write a strong application 	<ul style="list-style-type: none"> • Larger amounts of multi-year funding available • Less numbers focused • Activity, outcome focused • Applications can be complex • Extensive reporting • Restricted funds • Much less relationship driven

INVESTMENT SOURCE	INVESTMENT TYPE	APPROACH	CONSIDERATIONS
CDFI INTERMEDIARY	GRANTS DEBT	<ul style="list-style-type: none"> • Identify intermediary with funding that meets your needs • Talk to the appropriate person within the org to get started 	<ul style="list-style-type: none"> • More flexible • May have free TA or small grants available • Typically higher cost loans
CORPORATIONS	CONTRIBUTIONS SPONSORSHIPS	<ul style="list-style-type: none"> • Find marketing/PR person for larger businesses 	<ul style="list-style-type: none"> • Unrestricted funds • Application and reporting almost non-existent • Usually smaller funding amounts • May have to educate biz about CDFI • Provide PR opportunities
INDIVIDUALS	DEBT	<ul style="list-style-type: none"> • Can approach high wealth individuals you have connections to, or conduct individual outreach campaign 	<ul style="list-style-type: none"> • Unrestricted, flexible funds • No application • No reporting (but stay in touch) • Short-term • Time consuming to develop and manage
RELIGIOUS INSTITUTIONS	GRANTS DEBT	<ul style="list-style-type: none"> • Identify ROs that serve your geographic area, identify appropriate contact person • Tell your story 	<ul style="list-style-type: none"> • Application and reporting are very simple • Lending investments are unsecured and unrestricted • Usually very low cost funds • Often required to have majority low-income people on the board • May require you complete strategic plan or training • Investments are often shorter-term

INVESTMENT SOURCE	INVESTMENT TYPE	APPROACH	CONSIDERATIONS
INSTITUTIONAL INVESTORS	DEBT	<ul style="list-style-type: none"> • Work in collaborations with close partners to press for larger investment • Anticipate a formal presentation to their Board 	<ul style="list-style-type: none"> • Much larger investments • Difficult to access for small CDFIs • Look for socially minded investors