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## Secretary Summers Visits Credit Union In San Francisco

by Bill Luecht

Treasury Secretary Lawrence Summers visited the Tenderloin neighborhood of San Francisco to witness the impact CDFIs are having on our nation's most distressed communities and to highlight the importance of financial literacy training and personal savings by visiting a financial literacy class.

On May 10, Secretary Summers toured the Tenderloin branch office of the Northeast Community Federal Credit Union (NCFCU), a certified CDFI that was awarded \$720,000 by the Fund in 1998, in part, to fund the opening of this new branch. NCFCU provides a range of financial services to low-income individuals living in the Chinatown section of San Francisco. The success



Secretary Summers highlights the importance of financial literacy and personal savings.

of the Chinatown operation prompted many Tenderloin community activists and social service agencies to approach NCFCU to provide similar, needed basic financial services in the Tenderloin, a neighborhood that was largely devoid of mainstream financial institutions.

(continued on page 8)

## CDFI Fund Investments are Paying Dividends

by Lehn Benjamin and Matt Josephs

The CDFI Fund, through the use of an annual survey, gathers and analyzes data provided by recipients of awards under the Core Component of the CDFI Program. The Fund is currently in the process of collecting information from organizations selected to receive Core Component awards in 1996 and 1997. As of the

printing of this newsletter, the Fund has received and analyzed responses from 60 out of 72 organizations. Together, these 60 awardees received \$60.3 million in Core Component awards. The Fund's awards have been used to strengthen these institutions and help them achieve their community development missions.

(continued on page 7)

US Department of the Treasury



Community Development  
Financial Institutions Fund  
601 Thirteenth Street, NW  
Washington, D.C. 20005

**Register today for  
FY 2001 Program  
Information Sessions**

(See page 5 for details)

## • Director's Viewpoint • • •



*Dear Friends:*

*As we continue to support Community Development Financial Institutions around the country, Fund staff and I have had interesting opportunities to see the work these institutions are doing in their communities. The organizations we are working with are serving their communities through a wide range of financial products and development services and providing leadership on a host of economic development issues.*

*Maurice Jones, the Fund's Deputy Director for Policy and Programs, and I visited Coastal Enterprises Inc. (CEI) this spring. CEI is based in Wiscasset, Maine, with five offices around the state and serves the entire state of Maine. CEI was founded in 1977 and its dedicated staff, including CEI President Ron Phillips, has been working for many years to broaden Maine's economic base and provide affordable housing and business opportunities in many of Maine's communities.*

*We had an opportunity to learn first-hand about the exciting work CEI is doing. During our whirlwind trip we saw a wide range of housing options financed by CEI - we visited with a purchase-rehab buyer of affordable housing, looked at a number of single family housing developments and saw a multifamily housing renovation in progress in a rural community. The businesses CEI has helped support - both through technical assistance and financing - reflect a wide range of economic opportunities in Maine. The New England Call Center provides employment for 104 people at its rural location in Waldoboro, Maine. Oyster Creek Farm in Damariscotta, a thriving mushroom business, was fascinating. We visited with Candice Heydon, who developed her skills as a businessperson through technical assistance from CEI, and learned about her home-based business, growing shitake mushrooms, selling wild mushrooms and manufacturing a variety of mushroom products. We ended the day at Cuddledown, a manufacturer of custom-made down quilts that also runs a significant mail-order business from its Portland location, providing 96 jobs in that community. CEI funds Cuddledown through its venture fund.*

*We also learned much about the significant role CEI plays in helping to stimulate and support industries in Maine. CEI's work with the Maine fisheries industry has helped revive that industry and expand job opportunities in the state. CEI has been key to developing microenterprises, child care financing and women's businesses in the state, as well. Both Maurice and I were impressed with the work CEI is doing in Maine and the leadership it provides to other organizations.*

*This issue of the CDFI Quarterly Newsletter is the last one to be edited by Helen Szablya. Helen joined the Fund in early 1998 and helped launch the newsletter and guided many of our outreach activities with the field. She made a tremendous contribution at the Fund and we will miss her as she leaves us for an exciting new opportunity.*

*This Fall will be a busy time for the Fund. We will announce our FY 2000 awards shortly, continue our training activities and announce our FY 2001 programs. I hope to continue to hear from you about your work and the economic development activities in your community!*

*Sincerely,*

A handwritten signature in cursive script, reading "Ellen Lazar".

*Ellen Lazar*



*Pictured from l to r: Ron Phillips, President of Coastal Enterprises, Inc. (CEI); Maurice Jones, Deputy Director of Policy & Programs CDFI Fund; Christopher Bradley, President of Cuddletown; Ellen Lazar, Director of CDFI Fund; Blake Brown, CFO of CEI Loans; Nathaniel Henshaw, President of Coastal Ventures Limited Partnership (CLVP).*

## CDFI Fund Policy Change Alert

Effective immediately, the CDFI Fund will institute a change in the number of bank accounts that an award recipient organization may indicate as eligible to receive award payments. The Fund's new policy allows a recipient organization to designate only one bank account for the purpose of receiving award payments on any award or awards it may receive from the Fund, regardless of the fiscal year award date. This one account will be the open account on record with the Bureau of Public Debt and payments authorized under CDFI awards to that organization will be forwarded to the designated single account of record.

Any changes an award recipient makes regarding its single account must still be specified on an ACH form and forwarded to the CDFI Fund to the attention of the Awards Manager. All old accounts will be retired upon notice of change. A copy of the ACH form is available on the CDFI Fund web site at <http://www.treas.gov/cdfi> and can be printed for use in requesting a change to banking information. This policy change will help to strengthen CDFI Fund management of award and disbursement information and enable CDFI Fund staff to better serve its award recipients.

## • FY 2001 Program Calendar • • •

### CDFI Program

#### **Core Component**

NOFA Published	Aug 14, 2000
Information Sessions	Sept 20 - Oct 6, 2000
Application Deadline	Dec 21, 2000

#### **Intermediary Component**

NOFA Published	Aug 14, 2000
Information Sessions	Sept 20 - Oct 6, 2000
Application Deadline	Dec 19, 2000

#### **Technical Asst/ (SECAP) Component**

NOFA Published	Jan 2, 2001
Information Sessions	Jan 16 - 26, 2001
Application Deadline	Apr. 19, 2001

### BEA Program

NOFA Published	Sept 5, 2000
Information Sessions	Sept 20 - Oct 6, 2000
Application Deadline	Nov 21, 2000

### Presidential Awards for Excellence in Microenterprise Development

Program opening to be announced.

### CDFI Advisory Board

Treasury Executive Institute Washington, DC	Oct 19, 2000
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## New Faces at the CDFI Fund

The CDFI Fund welcomes several new employees who have joined in our mission to promote access to capital in America's distressed communities. The following includes recently hired staff:

- **Edward N. Kane, Jr.** has joined the Fund as an Attorney Advisor. Prior to joining the Fund, Ed was a Senior Program Director at The Enterprise Foundation where he spent the last three years working on

the Neighborhood Transformation comprehensive community initiative in the west Baltimore neighborhood of Sandtown-Winchester. In addition to his community development experience, Ed spent six years practicing as a real estate attorney in Baltimore. He brings to the Fund several years of transactional legal experience, combined with a first hand understanding of impact on the field of the Fund's work. Ed holds a JD from the University of Mary-

(continued on page 10)

# CDFI Fund Activities Serving Native American, Native Hawai'ian and Alaska Native Communities

By Rodger Boyd,  
*Native American Lending Study, Program Manager*

The CDFI Fund is working in a number of ways to increase access to credit and investments for Native American, Native Hawai'ian and Alaskan Native communities. The following provides an update on some of the key activities undertaken to date.

## ***Native American Lending Study/ Action Plan***

As reported in an earlier newsletter, the CDFI Fund is conducting a study to assess the current state of credit and investment practices in Native American, Native Hawai'ian and Alaskan Native communities throughout the United States and to recommend ways to improve access to capital and investments for these communities. We have now completed all 13 workshops covering 10 regions throughout the United States, co-sponsored by 14 regional partners including Indian organizations, Alaskan Native Corporations, and Hawai'ian state agencies. The workshops have included a broad cross-section of stakeholders - 43% of participants were from the Tribal sector, 24% were from the private sector, and 33% were from the Federal, state and non-profit sectors. In each workshop, participants identified barriers and impacts, and developed strategies to overcome those barriers. It is hoped that this effort will contribute to the elimination of barriers that may

exist on either side of the Tribal/ financial institution relationship, and to assist Native American, Native Hawai'ian, and Alaskan Native communities in further developing and maintaining self-sustaining economies.

In addition to the workshops, the Fund has developed a survey that will seek responses from a diverse range of financial service organizations, and Native American, Native Hawai'ian and Alaskan Native organizations. In total 1,000 organizations will be surveyed nationwide to provide the Fund an opportunity to better understand specific issues regarding barriers to lending and investment. The results of this survey will provide additional substance for the final Study and Action Plan that the Fund will present to the President and Congress later this year.

## ***Targeted Information Sessions, CDFI Certification, and CDFI Program Funding***

Consistent with the goals of the lending study to improve access to capital and investments in Native American, Alaskan Native and Native Hawai'ian communities, Fund staff have been working to increase the number of certified CDFIs serving these communities. One component of this effort has been to conduct a number of CDFI Program Informa-

tion Sessions in locations more accessible to Native American organizations, including several sessions specifically developed for and marketed to Native American organizations. For the 2001 award programs, the Fund will continue to target its Information Sessions to these markets.

The Fund has also continued to certify CDFIs and provide direct financial support to CDFIs serving these areas (see the chart on page 12 for examples of some of these organizations). These CDFIs are providing a wide range of loans, financial services, and technical assistance to communities that often do not have sufficient loan capital from traditional lenders. A number of these certified CDFIs have reported using their certification as a means of increasing fundraising and/or co-lending relationships with other financial institutions and funders. Although CDFI certification does not guarantee direct assistance from the CDFI Fund, 18 of the certified organizations listed on page 12 have received direct financial and/or technical assistance awards from the Fund. These direct awards have been used to increase loan capitalization, provide staff training on loan underwriting and servicing, contract with consultants to improve products and loan review procedures, and develop improved management information and loan servicing systems.

*(continued on page 12)*



# FREE INFORMATION SESSIONS

## Core & Intermediary Components Open Earlier - August 14, 2000

In an effort to provide applicants more time to complete applications and not interfere with the holiday season, the CDFI Fund launched the 2001 round of the Core & Intermediary Components of the CDFI Program earlier in the year. The next round of the Core and Intermediary Components of the CDFI Program officially "opened" on August 14, 2000 with the publication of a Notice of Funds Availability (NOFA) in the Federal Register. Up to \$50 million is available through the Core Component, and up to \$5 million is available through the Intermediary Component. The application deadline is 6:00 p.m. EST on the following respective dates: Intermediary Component - December 19, 2000; and Core Component - December 21, 2000.

## BEA Program Opens September 5, 2000

The next round of the BEA Program will officially "open" on September 5, 2000. \$30 million is being made available. The application deadline is 6:00 p.m. EST, November 21, 2000.

## Free Information Sessions

CDFI Fund staff will travel to 12 cities across the nation, listed below, between September 20 and October 6 to conduct two free Information Sessions per day. The first in-person Information Session will be held in the morning and cover the CDFI Program - Core & Intermediary Components. The second in-person Information Session will be held in the afternoon and cover the BEA Program.

<b>Boston, MA</b>	Oct. 5, 2000	<b>Memphis, TN</b>	Oct. 3, 2000	<b>New York, NY</b>	Oct. 6, 2000
<b>Charlotte, NC</b>	Oct. 4, 2000	<b>Miami, FL</b>	Sept. 26, 2000	<b>Salt Lake City, UT</b>	Sept. 29, 2000
<b>Chicago, IL</b>	Sept. 25, 2000	<b>Minneapolis, MN</b>	Oct. 4, 2000	<b>San Antonio, TX</b>	Oct. 5, 2000
<b>Kansas City, MO</b>	Oct. 2, 2000	<b>Los Angeles, CA</b>	Sept. 20, 2000	<b>San Francisco, CA</b>	Sept. 22, 2000

In addition, the CDFI Fund will broadcast the same Information Sessions to the 81 cities listed below using interactive video conferencing technology. The CDFI Program - Core & Intermediary video Information Session will be broadcast on October 11th at 1:00 p.m. EST. The BEA video Information Session will be broadcast on October 12th at 1:00 p.m. EST.

Albany, NY	Chicago, IL	Greensboro, NC	Lubbock, TX	Philadelphia, PA	Santa Ana, CA
Albuquerque, NM	Cincinnati, OH	Hartford, CT	Manchester, NH	Phoenix, AZ	Seattle, WA
Anchorage, AK	Cleveland, OH	Helena, MT	Memphis, TN	Pittsburgh, PA	Shreveport, LA
Atlanta, GA	Columbia, SC	Honolulu, HI	Miami, FL	Portland, OR	Sioux Falls, SD
Baltimore, MD	Columbus, OH	Houston, TX	Milwaukee, WI	Providence, RI	Spokane, WA
Bangor, ME	Dallas, TX	Indianapolis, IN	Minneapolis, MN	Reno, NV	Springfield, IL
Birmingham, AL	Denver, CO	Jackson, MS	Nashville, TN	Richmond, VA	St. Louis, MO
Boise, ID	Des Moines, IA	Jacksonville, FL	New Orleans, LA	Sacramento, CA	Syracuse, NY
Boston, MA	Detroit, MI	Kansas City, KS	New York, NY	Salt Lake City, UT	Tampa, FL
Buffalo, NY	Fargo, ND	Knoxville, TN	Newark, NJ	San Antonio, TX	Tucson, AZ
Burlington, VT	Flint, MI	Las Vegas, NV	Oklahoma City, OK	San Diego, CA	Tulsa, OK
Camden, NJ	Fort Worth, TX	Little Rock, AR	Omaha, NE	San Francisco, CA	Washington, DC
Casper, WY	Fresno, CA	Los Angeles, CA	Orlando, FL	San Juan, PR	Wilmington, DC
Charleston, WV	Grand Rapids, MI	Louisville, KY			

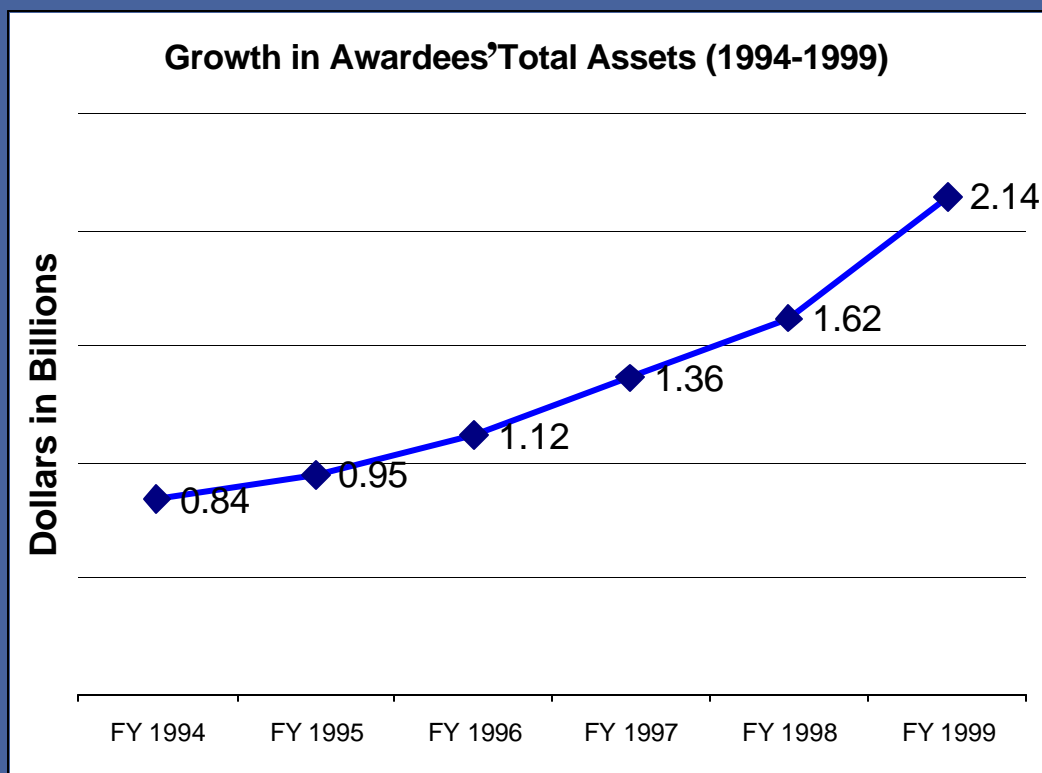
All sessions will provide an overview of the regulations governing the programs, a review of the application materials, a demonstration of a new internet-based Help Desk, and Q&A time with CDFI Fund staff. Attendance is not required to submit an application.

To attend an Information Session, please **register online by visiting the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi)**. If you do not have internet access, please call the Fund at (202) 622-8662. An electronic Letter of Confirmation, which will include detailed information such as the exact location of the Information Session and local accommodations, will be e-mailed within 1 hour of online registration. Details can also be obtained by visiting the CDFI Fund's website.

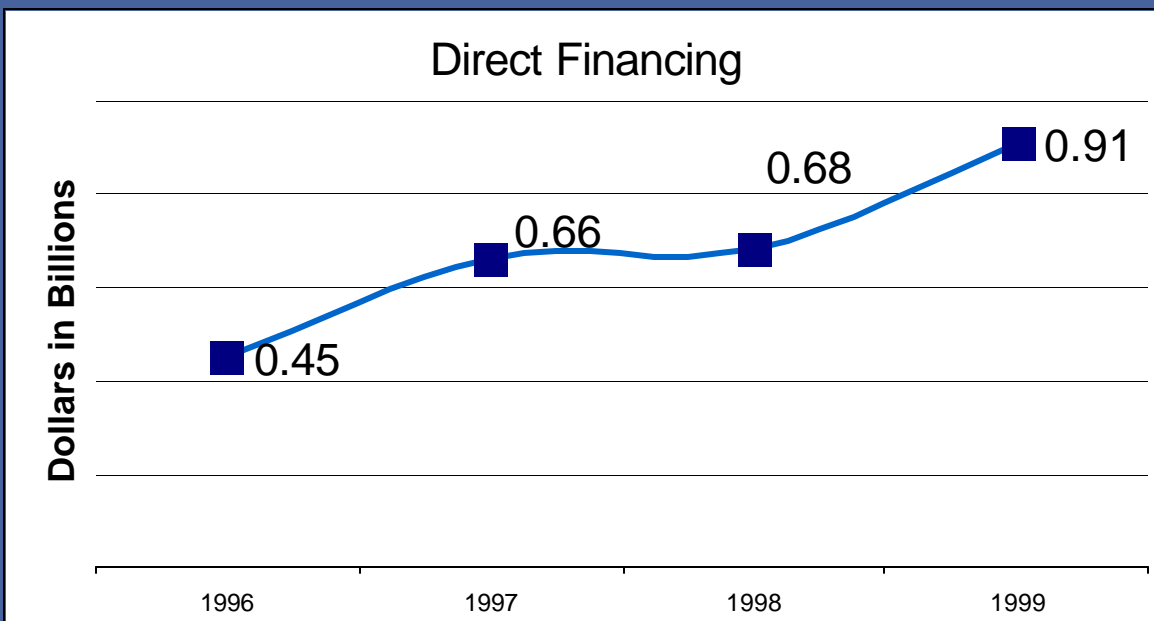
**Register ON-LINE Today! [www.treas.gov/cdfi](http://www.treas.gov/cdfi)**

## CDFI FUND INVESTMENTS ARE PAYING DIVIDENDS

### 60 Core Awardee Assets - Table A



### Annual Volume of Lending - Table B



# CDFI FUND INVESTMENTS ARE PAYING DIVIDENDS

(continued from cover story)

The 60 surveyed Core Component awardees' aggregated assets increased by 85 % since receipt of the Fund's awards, growing from \$1.16 billion in the aggregate before they received their awards to \$2.14 billion in 1999. Growth in total assets since 1994 is illustrated in Table A on the previous page.

The 60 surveyed CDFIs made a total of \$2.75 billion in community development loans and investments between 1996 and 1999. As illustrated in Table B on the previous page, the annual volume of lending increased by over 100% during this period, from \$450 million in the aggregate in 1996 to \$910 million in 1999.

Since the time the awards were made, the direct financing provided by these Core Component awardees has supported the creation and expansion of small and micro businesses and the development and rehabilitation of affordable housing and community facilities such as health clinics and charter schools. In addition, Core Component awardees have provided basic financial services to low-income individuals. Specifically, the 60 Core Component awardees that responded to the Fund's survey have helped to:

- √ assist up to 4,230 microenterprises and 2,431 businesses;
- √ create or maintain up to 36,943 jobs;
- √ develop or rehabilitate up to 51,379 units of affordable housing;
- √ support up to 795 community facilities, including:
  - health care facilities serving a total of 56,414 patients;
  - schools serving a total of 8,501 students;
  - childcare facilities accommodating 14,289 children; and
  - job training facilities serving 5,231 clients;
- √ Provide 80,564 checking and savings accounts totaling \$131.72 million, 76% of

which are held by low-income depositors.

The 60 Core Component awardees have leveraged significant additional capital. Awardees estimated that they were able to raise an additional \$226,493,319 million in capital, over and above the Fund's one to one matching requirement, as a result of receiving a Fund award. In addition, in 1999, for every \$1 these awardees loaned or invested in their communities, \$1.30 was invested by other entities.

In sum, the Fund's \$60.3 million investments in 60 Core Component awardees have resulted in substantial dividends over a short period of time. The Fund's awards thus have strengthened the capacity of 60 institutions, contributing to their growth in assets and direct lending which has helped to produce tangible outcomes in communities.

## NFCDCU Celebrates Signing of Assistance Agreement



The CDFI Fund's \$1.75 million grant to NFCDCU will enable it to expand its management training program, the CDCU Institute, while expanding IDA and microlending programs.

*Pictured above (Front Row l to r): Maurice Jones, Deputy Director Policy & Programs, CDFI Fund; Cliff Rosenthal, Executive Director NFCDCU. (Back Row l to r NFCDCU Board Members): Barbara Black, Near Eastside Community FCU (Indianapolis, IN); Michael Chan, Northeast Community FCU (San Francisco, CA); Mary Spink, Lower East Side Peoples FCU (New York, NY); Jean Sample, Austin/West Garfield FCU (Chicago, IL); Elizabeth Shoy, Brooklyn Ecumenical FCU (Brooklyn, NY); Robert Jackson, Quitman Tri-County FCU (Marks, MS); Rita Haynes, Faith Community United CU (Cleveland, OH); Woodrow Keown, College Station Community FCU (College Station, AR); Maria Berkowitz, Central Appalachian People's FCU (Berea, KY)*

## Secretarial Visit to San Francisco

(continued from cover story)

Since the late 1960s and until recently, the Tenderloin has been in steady decline. Over the years, a lack of private investment created an absentee landlord environment that accelerated the decay of the housing stock, among other problems. The neighborhood became known for its unsavory aspects including drugs, crime and prostitution. Today, particularly with the influx of immigrants from Southeast Asia, the Tenderloin is becoming one of the most multi-cultural communities in San Francisco and the membership of NCFCU reflects this diversity.

After touring the Tenderloin branch, Secretary Summers visited a financial literacy class being conducted by NCFCU staff for 12 clients of the St. Anthony's Foundation. St. Anthony's is a social service agency located in the Tenderloin that provides a range of programs (including a dining room that provides over 2,000 meals a day, a free medical clinic, a clothing and furniture donation program, and senior support services) for low-income and homeless people. St. Anthony's actively supported the expansion of NCFCU into the Tenderloin and now works in partnership with NCFCU and other Tenderloin agencies to address the needs of the community in a

***"..financial literacy and personal savings are important components of building money management skills and taking control of one's financial life."***

holistic way.

Addressing the class, Secretary Summers stressed how financial literacy and personal savings are important components of building money management skills and taking control of one's financial life. The class was attended by participants of two different programs administered by St. Anthony's: a program that provides emergency shelter and transitional housing for battered women, and a drug and alcohol rehabilitation program for men and women. The class features interactive sessions on budgeting, tracking spending, developing savings goals, an overview on credit, and learning about the differences between banks and credit unions. Many of St. Anthony's clients have become members of NCFCU.



*Secretary Summers addresses participants of a financial literacy class conducted by Northeast Community Federal Credit Union (NCFCU) staff for clients of the St. Anthony's Foundation, a social service agency which partners with NCFCU in San Francisco's Tenderloin neighborhood.*

Following the financial literacy class, the Secretary participated in a roundtable discussion on the impact that CDFIs are having on distressed communities like the Tenderloin and on individuals' lives. The participants of the discussion shared their perspectives on the success of NCFCU and its expansion into the Tenderloin; the need for similar results in other San Francisco communities, such as the adjoining South of Market neighborhood; barriers to joining NCFCU and other mainstream financial institutions; and how to increase credit union membership.

The discussion was led by Michael Chan, President of the Board of NCFCU. The roundtable included George McDaniels, President and CEO of the Community Bank of the Bay - a certified CDFI; Ana, a client of St. Anthony's battered women's program and a member of NCFCU; Antoinetta Stadlman, a resident activist of the South of Market neighborhood; Garrett Jenkins, a well



(continued from previous page)

known resident and community activist in the Tenderloin and a member of NCFCU; Malik Looper of the Mayor's Office of Community Development; Jose Arce, Vice President & Director of Community Investment, Citibank, which supported NCFCU's expansion into the Tenderloin; and Anita Macias, Senior Vice President, Pacific Telephone, which also supported NCFCU through Patelco's Adopt a Credit Union Program.

As a result of the Secretary's visit, The San Francisco Examiner featured two comprehensive articles on NCFCU and the Community Bank of the Bay, highlighting the important work of these CDFIs and brought to a higher level, the understanding of what a CDFI is and how it can transform a community. The articles can be viewed through the Internet at: <http://examiner.com/000521/0521tenderloin.html> and <http://examiner.com/000521/0521fillmore.html>.

In addition, NCFCU has received numerous inquiries from organizations interested in making member or non-member deposits; membership and transaction volume has increased; and immeasurable goodwill has been created within the Tenderloin neighborhood and the larger San Francisco community.

*The CDFI Fund is grateful to Michael Chan, President of the Board of NCFCU; and Thomas Gleason, Director of Development & Communications, and Elizabeth Chur, Communications & Media Manager of St. Anthony's Foundation for their invaluable help with Secretary Summer's visit to San Francisco.*

## New Core and Intermediary Applications Available

*by Joseph Firschein, CDFI Program Manager and  
Louisa Quittman, CDFI Program Advisor*

The Fiscal Year 2001 Core and Intermediary Notices of Funds Availability (NOFAs) were published on August 14, announcing the Fund's sixth Core round and fifth Intermediary round. \$50 million is available in the Core Component and \$5 million in the Intermediary Component.

Following the application changes in 2000, the Fund has made some additional changes to the 2001 Core and Intermediary Applications that are intended to make the application process more transparent and simpler. Throughout the application, we have provided clarifying language to address questions and comments that have been raised by CDFI practitioners. The application highlights items that do not have to be completed by certain applicants, or where certain applicants may substitute alternative information. Additionally, all of the tables in the application may be downloaded from the Fund's website in a spreadsheet format, so applicants may more easily enter numerical data.

The upgraded On-Line Help Desk gives applicants more ways of designating eligible Investment Areas and generating required maps and worksheets. Additionally, the Help Desk includes data about lending by banks and thrifts in distressed markets. This information may be used in designating Investment Areas and in developing the market analysis section of

the Comprehensive Business Plan.

The Fund regulations allow an applicant to designate a Targeted Population made up of groups of individuals who have historically been underserved by mainstream financial institutions (referred to as an "Other Targeted Population"). The revised application and NOFAs make it easier for applicants to designate such an Other Targeted Population. Previously, the Fund required all such applicants to submit studies demonstrating that the identified population is underserved, and to demonstrate that their borrowers are specifically lacking access to credit, equity investments, or financial services. The new standard only requires applicants to demonstrate that members of the Other Targeted Population in the applicant's service area have unmet capital or financial services needs. Thus applicants may use information from the Fund's On-Line Help Desk about mortgage and small business lending by traditional financial institutions, surveys of the applicant's clients indicating disproportionate levels of loan denials, studies conducted by third parties, information showing a lack of bank branches, or other means of demonstrating that the population lacks adequate access to loans, investments, or financial services.

Applicants to the Intermediary Component will find that the

(See "New Applications" page 14)

## New Faces

(continued from page 3)

land School of Law, and a Bachelor of Arts in Economics from the University of Pennsylvania.

- **Tovah Redwood** recently joined the Fund as a Financial and Program Analyst in the Policy and Research Unit, where she will concentrate on monitorings. She previously served as a Program Review Officer with Neighborhood Reinvestment Corporation. Her prior work experience includes planning and evaluation with foundations, government and non-profit agencies, and several years as a reporter and editor. She earned a Master's degree in City Planning from the University of California at Berkeley and a Bachelor's degree in Urban Studies from Rutgers University.

- **Lori Stormer** joined our staff as a Program and Financial Analyst. Previously, Lori served as a Presidential Management Intern in the Department of Housing and Urban Development's Empowerment Zone/Enterprise Community Initiative, its Office of Community Planning and Development, the Office of the Vice President's Community Empowerment Board, and the U.S. General Services Administration's Center for Urban Development. She received her Master's degree in Public Administration from Arizona State University where she also worked with students, non-profit organizations, and faculty to incorporate community service into the undergraduate core curriculum. Lori brings to the Fund a wide variety of experiences from non-profit organizations as well as federal, state, and local government that will be very beneficial to the Fund.

- **Alice Veenstra** has joined the Fund as a Financial & Program Analyst and will work on the Native American Lending Study. Previously, Alice was a Program Examiner at the Office of Management and Budget where she analyzed policy, budget, and programs related to banking, consumer protection and community development. She holds a Masters degree in Public Administration from Harvard University's Kennedy School of Government and a Bachelor's degree in Economics and Business from Macalester College.

## Thank You!!

The CDFI Fund would like to thank the following Summer Interns for their dedication and hard work:

**Andrew Bernstein** - Attending New York University, majoring in Psychology. He will be a Senior this fall.

**Pauline Reader** - Attending Princeton University, majoring in Economics. She will be a Junior this fall.

**Kellie J. Maul** - Attending Princeton University, majoring in Politics with a certificate in Economics. She will be a Senior this fall.

**Melissa Rogers** - Attending Agness Scott College in Decatur, GA, majoring in International Relations. She will be a Senior this fall.

**Abel J. Gulli  n** - Attending the University of California, Berkeley, Goldman School of Public Policy. He is a Masters in Public Policy candidate.

**Rita V. Patraporn** - Attending the University of California, Los Angeles. She is a Master's in Public Policy candidate and a Ford Foundation Public Policy and International Affairs Fellow.

**Edward M. Underwood, II** - Attending North Carolina Central University, majoring in Political Science/PreLaw. He will be a Senior in the fall.

### FY 2001 CDFI & BEA Programs Information Sessions

Register ON-LINE  
at

[www.treas.gov/cdfi](http://www.treas.gov/cdfi)

# Interagency Workgroup on Microenterprise Development

by Helen Szablya

Following the United Nations Beijing Conference on Women in 1995, the President directed the Fund to establish an Interagency Workgroup on Microenterprise Development to better coordinate the work of federal agencies involved in microenterprise efforts and to develop a coherent framework for federal government efforts to promote microenterprise.

The Workgroup was launched in 1998 and has been co-chaired by the Fund Director and the Associate Deputy Administrator of the Small Business Administration.

Its mission is accomplished through the efforts of three committees that were established by the Workgroup: Policy, Regulatory and Education. Each committee has a discrete area with specific tasks:

\* The Education Committee launched a website that receives 16,000 hits per month. The site, [www.sba.gov/microenter](http://www.sba.gov/microenter), is currently being updated. Links to Federal agencies are in place, and links to other related sites are being explored.

\* The Policy Committee's "Policy Paper" has been finalized and distributed to all Federal agencies to use as a guide on future programs and current collaborations. It is also posted on the website.

\* The Regulatory Committee has worked with the Policy Committee to finish the "comparisons matrix" of Federal Programs and make recommendations for using common terms and making regulatory changes to ease application and reporting burdens on constituents.

\* The Education and Policy Committees are developing a publication of case studies of Federal microenterprise programs. The publication effort has been led by Elaine Drapeau, FDIC. The publication will include: an introduction written by the co-chairs of the Workgroup; the case studies; the definition of terms as used by Federal agencies (Regulatory Committee); and the "comparisons matrix." The publication will be launched in the fall and will be posted on the website.

\* The Workgroup also conducted a meeting in May in Washington, DC that included practitioners from the field: Jannie Barrera, Accion, TX; Elen Golden, Coastal Enterprise, Inc.; and Christopher Sikes, Western Massachusetts Enterprise Fund, Inc. The discussion revolved around what works and what does not work for those practitioners in the field that use the

Federal programs. It was considered very useful by agencies and practitioners alike, leading towards suggested solutions to identified problems.

\* The Interagency Workgroup conducted a panel at the AEO's annual conference, "Conversation with Federal Agencies" -- in May, in Lowell, MA. Again, the intention was for the audience to ask questions of the Federal representatives, and explore ways the programs can be more accessible to practitioners. Charles Tansey, SBA, Marta Brenden, Office of Refugee Re-Settlement, HHS, Helen Szablya, CDFI Fund and Bill Hagy, USDA, served as panelists.

Beginning in the fall, the Interagency Workgroup will convene a series of Brown Bag lunches with designated topics designed to inspire conversation that will add value to the Federal role in the Microenterprise field. These will be held in Washington, DC.

If you are interested in notifications of the Brown Bag lunches, please e:mail Debbi Smith: [smithd@cdfi.treas.gov](mailto:smithd@cdfi.treas.gov).

## Native American Lending Study Update

(continued from page 4)

The Fund will continue to encourage Native American, Alaskan Native, and Native Hawai'ian organizations to submit applications for certification and funding, and will continue to provide information to and answer questions for those organizations who do not currently meet eligibility requirements. Finally, the Fund has proposed in its fiscal year 2001 budget to set aside \$5 million to establish training and technical assistance programs to increase access to capital within Native American, Alaskan Native and Native Hawai'ian communities. These funds will compliment the Fund's existing financial and technical assistance programs for underserved communities and will provide another tool for communities seeking to address unmet credit needs.

### **Selected CDFIs Serving Native American, Alaskan Native, and Native Hawai'ian Communities**

Alaska Growth Capital BIDCO, Anchorage, AK\*  
Blackfeet National Bank, Browning, MT  
Cascadia Revolving Loan Fund, Seattle, WA\*  
Cherokee Nation Economic Development Trust Authority, Tehlequah, OK  
First American Credit Union, Window Rock, AZ\*  
Haa Yakaawu Financial Corporation, Juneau, AK  
Hawaii Community Loan Fund, Honolulu, HI\*  
Hopi Credit Association, Keams Canyon, AZ\*  
Kekaha Federal Credit Union, Kekaha, HI\*  
Lakota Fund, Kyle, SD\*  
LoKahi Pacific, Wailuku Maui, HI\*  
Midwest Minnesota CDC, Detroit Lakes, MN\*  
Native American Development Corporation, Billings, MT  
Nebraska Micro Enterprise Partnership Fund, Walthill, NE\*  
New Mexico Community Development Loan Fund, ABQ, NM\*  
Northeast Entrepreneur Fund, Virginia, MN\*  
Northeast South Dakota Economic Corporation, Sisseton, SD\*  
Rural Community Assistance Corporation, Sacramento, CA\*  
Rural Development & Finance Corporation, San Antonio, TX\*  
Rural Enterprises of Oklahoma, Inc., Durant, OK\*  
South Dakota Rural Enterprise, Inc., Sioux Falls, SD\*  
Tlingit-Haida Regional Housing, Juneau, AK\*

\* Indicates that the organization also received assistance from the Fund under the CDFI Program.

## CDFI Certification Update

*by Yoo Jin Na, Financial & Program Analyst*

As of August 16, the Fund has certified 406 CDFIs throughout 49 states, plus the District of Columbia, Puerto Rico, and the U.S Virgin Islands. The only state in which there is not a certified CDFI is Wyoming. For the most recent listing of certified CDFIs, visit the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi).

Because a number of organizations had CDFI certifications due to expire on July 1, 2000, over the past year the Fund has been working to ensure that all certified CDFIs are aware of their certification expiration date and are able to submit their re-certification materials prior to that date. Most of the organizations with a July 1 certification expiration date submitted re-certification materials to the Fund prior to this date. For those organizations with a July 1 expiration date that timely submitted re-certification applications that the Fund was not able to review completely prior to the expiration date, the Fund has extended the current certification pending the completion of the Fund's review. We expect to complete these reviews over the next several months. Certified CDFIs that do not submit re-certification materials to the Fund as of their certification expiration date will be removed from the list of certified CDFIs.

Applicants may apply for re-certification at any time by completing the Fund's stand-alone certification application. Organizations may also apply for re-certification as part of an application for funding under the CDFI Core and Intermediary Components. In addition, the Fund plans to issue a combined funding and certification application in early January of 2001 for a new Small and Emerging CDFI Assistance (SECA) Component of the CDFI Program, designed to provide limited amounts of technical assistance and financial assistance to small and emerging CDFIs. Both the stand-alone certification application and the combined applications for funding and certification may be obtained directly from the Fund's website, [www.treas.gov/cdfi](http://www.treas.gov/cdfi). Requests for applications can be made by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), telephone at (202) 622-8662, or by fax at (202) 622-7754.



## Director Lazar Visits Legacy Bank

by Melissa Rogers  
Summer Intern

**F**und Director Ellen Lazar, traveled to Milwaukee recently to underscore the importance of Community Development Financial Institutions (CDFIs) in community development and the provision of development services. In addition, she congratulated Legacy Bank and Legacy Bancorp for their commitment to fostering economic development and growth in economically distressed neighborhoods of Milwaukee. Lazar, the featured speaker at a luncheon sponsored by Legacy Bank, highlighted the achievements the bank is making through providing loans and investments, facilitating economic rejuvenation of the city's poorer neighborhoods.

Lazar illustrated the Fund's accomplishments with examples of success stories of several CDFIs, including the Bethex Federal Credit Union in south Bronx, New York. With the help of a \$100,000 award from the Fund in 1996, she said, Bethex offers low cost financial services to residents in south Bronx whose alternatives previously included paying high service fees and interest rates to check cashing operations, pawn shops, and "loan sharks."



*Ellen Lazar, Director  
CDFI Fund*

In addition, she said that money from the Fund has been instrumental in developing and rehabilitating over 28,000 units of affordable housing, and developing hundreds of community facilities including childcare centers, job training centers, health care centers, and charter schools in economically disadvantaged areas nationwide. "Lots of lower-income people may never in [their] wildest dreams

have conceived of having access to credit so they could own a business", she said.

The Fund awards dollars to CDFIs through three components of the CDFI Program, including the Technical Assistance Component, the Intermediary Component, and the Core Component. The Fund makes awards through the CDFI Program for the purpose of investing in and building the capacity of CDFIs. Financial assistance is available in the form of grants, loans, equity investments, and deposits, in addition to technical assistance

grants.

The Bank Enterprise Award (BEA) Program provides incentives to banks and thrifts to invest in CDFIs and increase their lending, investments, and provision of financial services in economically distressed communities. Financial institutions that received the awards in the first four rounds of the BEA Program have provided nearly \$2 billion in direct lending and \$439 million in equity investment and financial support to CDFIs in impoverished areas. Banks such as the Bank of Hawaii in Honolulu and the Caldwell Bank and Trust in Columbia, Louisiana used their BEA Program award money to fund economic literacy training for low-income youths, and supplementing services to customers to provide free service charges to students and senior citizens, respectively. One of the interesting aspects of the BEA Program, Lazar said, is that although banks can spend the award money however they choose, many institutions have opted to re-invest the funds in their communities.

An applicant for the BEA Program award that is a traditional bank or thrift but is not certified as a CDFI, she said, is eligible to receive a grant equivalent to 15 percent of the dollar value of increased equity

(see Legacy Bank page 14)



*Milwaukee Mayor  
John O. Norquist*

## Legacy Bank

(continued from page 13)

investments made to CDFIs, 11 percent of the dollar value of increased loans, deposits and technical assistance made to CDFIs serving distressed communities, and 5 percent of the weighted dollar value of increased services, lending, and investment in distressed communities.

The Fund awarded Legacy Bank and Legacy Bancorp, both certified CDFIs, a \$21,500 technical assistance grant in 1998 and made a \$1.5 million equity investment the following year. Lazar congratulated Legacy for its work in increasing the availability of funds for economic growth and opportunities for Milwaukee's residents. "We based our awards on business plans that really sold us on their ability to be able to penetrate in

their market to provide not only good service but assistance to people in the community," she said.

The Fund's mission is to promote access to capital and local economic growth by investing in and supporting CDFIs, community-based non-profit or for-profit financing institutions whose primary mission is community development. Financial institutions interested in applying for a Core Component award for FY 2001 must submit an application by December 21, 2000. The Notice of Funds Availability was published in the Federal Register on August 14, 2000.

For additional information about the CDFI Fund and its programs, please visit our website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi).

## New Applications

(continued from page nine)

application clarifies the information required on their activities. In particular, the application requests information on Intermediary applicants' activities supporting small and emerging CDFIs and CDFIs that have not received funding from the CDFI Fund.

In September and October, Fund staff will conduct information sessions at 93 sites (12 in-person and 81 via video tele-

conference) across the nation. These half-day sessions, which will be held from September 20 through October 13, are open to all interested parties and are free of charge. These sessions will provide an opportunity to learn more about the application process and to have questions answered. For more information, please visit the Fund's website at [www.treas.gov/cdfi](http://www.treas.gov/cdfi) or call us at (202) 622-8662.

The Community Development Financial Institutions Fund is a wholly-owned government corporation within the U.S. Department of the Treasury. **Its Vision:** An America in which all people have access to capital and financial services. **Its Mission:** Promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding financial service organization's lending, investment, and services within underserved markets.

The CDFI Fund encourages the dissemination of new ideas and information to further community development in the United States. Articles authored by people who are not CDFI Fund employees, however, may not be endorsed by the Fund nor has the Fund conducted any independent research to determine their accuracy.

"CDFI Fund Quarterly" is designed and edited by the CDFI Fund's External Affairs Office and published every three months.

If you receive duplicate issues of this newsletter, please notify us.

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