



## Native CDFI Network

Statement of Jackson S. Brossy, Executive Director  
Before the CDFI Fund Community Development Advisory Board  
August 27, 2020

Thank you for providing this time to share some of the challenges and opportunities facing Native CDFIs across the country in this unprecedented time. Native CDFIs, like all CDFIs, are on the front-line of the economic crisis, and our members have proudly and predictably stepped up to help their communities in a time of need. Whether our members helped through restructuring consumer and business loan terms for clients whose businesses were stopped through no fault of their own, to driving hours to provide 1-on-1 technical assistance to ensure community members navigate new programs such as the PPP, to simply being leaders in their communities in a time of crisis, Native CDFIs have stepped up to the challenge presented by Covid-19. As Advisory Board Chair, Shane Jett put it last year, our CDFIs touch pockets of poverty and create hope. And never have Native CDFI's services been more pertinent than they are today.

Because Native CDFIs serve as beacons of hope in their communities across 27 states, the Advisory Board must understand how the CDFI Fund can provide even more support for these valuable institutions. While there is much to discuss, my comments will focus on three distinct areas: (1) the need for increased capital and support for Native CDFIs, (2) the unequal access to the PPP, and (3) fixing the lack of any involvement in the New Market Tax Credit program.

First, like all CDFIs, Native CDFIs need much more capital. The Federal Reserve Bank of Minneapolis found in 2017 that the need for capital through the Treasury's Native American CDFI Assistance (NACA) program was \$48MM<sup>1</sup> annually, whereas annual appropriations for the program have remained stagnant at only \$16MM since 2014. While overall government spending has increased by 30%, and the CDFI Fund appropriations have increased by 13.7%, Native CDFI appropriations have increased by less than a percent in that same time period. I can only imagine the amount of economic growth if Congress funded Native CDFIs at this demonstrated level of need for the past six years; that additional capital would have helped tremendously in this crisis.

Our recently completed Native CDFI Network strategic planning study, which we will unveil at our annual summit, found that our lenders face new challenges such as broadband connectivity in remote areas and revenue loss from restructuring loans. We urge the Advisory Board, the White House, and our allies in Congress to invest in this great program and support our CDFIs.

Second, despite goodwill and headlines, the PPP largely sidestepped Native CDFIs. The \$10 million requirements for loans in the previous year for non-insured lenders prohibited all but a small handful

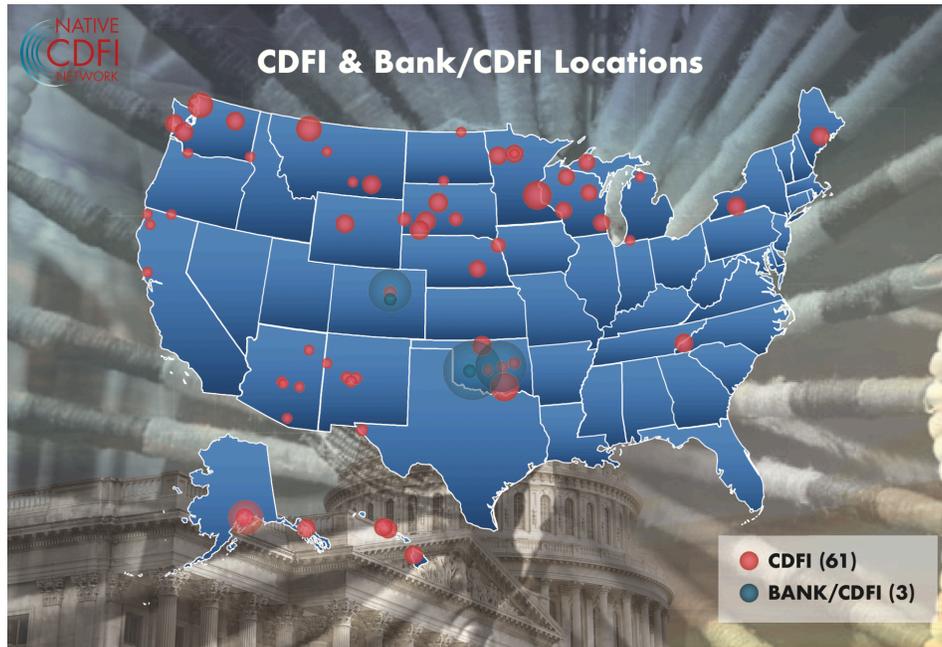
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<sup>1</sup> Kokodoko, Michou, *Findings from the 2017 Native CDFI Survey: Industry Opportunities and Limitations* (Federal Reserve Bank of Minneapolis Working Paper No. 2017-04, 2017.) Minneapolis, MN, 2017

of Native CDFIs from providing loans directly to their customers. Furthermore, there were challenges with the PPP, including that tribally-chartered CDFIs were deemed ineligible to receive a loan. We urge the Advisory Board to work with the SBA to ensure these problems do not persist if there is another PPP-type response.

Third, the New Market Tax Credits (NMTC) program is a proven approach to public and private capital investment in underserved areas of the County. Last year Bill Bynum of Hope Credit Union stated the New Markets had made winners and losers in this industry, and there are no winners in Indian Country. We are here one year later, and that statement is as true now as it was then. We need to mirror the NACA program and ensure a minimum floor of NMTC funding for Indian Country from this billion-dollar pool. The July NMTC publication stated that for the 2019 round, 41% of highly qualified minority- or Native-owned/controlled entities (Minority CDEs) received an allocation. Yet no Native-owned or controlled CDE received an allocation this past year or the past several years.

Finally, I want to acknowledge the hard work of Native CDFIs from Alaska to Hawaii, Arizona, Nebraska, Wisconsin, and across 27 states. Thank you for what you do every day to provide opportunities for our people. Thank you for adapting to providing increased training and technical assistance online and physically bridging the broadband gaps where your communities do not have decent service. Thank you also to our federal partners at the Fund who have adapted to new working environments and increased calls for flexibility from our members. I look forward to working together so that we will have made progress on these and many more initiatives when we meet again next year.



**Native CDFI Network Members by State**

NCN Member CDFI	State	NCN Member CDFI	State
Alaska Benteh Capital	Alaska	Tiwa Lending Services	New Mexico
Bristol Bay Development Fund	Alaska	Seneca Nation of Indians Econ. Dev. Co.	New York
Alaska Growth Capital	Alaska	Sequoyah Fund	N. Carolina
Hopi Credit Association	Arizona	Native American Development Center	N. Dakota
Native Community Capital	Arizona	Cherokee Nation Econ. Dev. Trust Authority	Oklahoma
First Nations Oweesta Corporation	Colorado	Citizen Potawatomi Comm. Dev. Corp.	Oklahoma
Council for Native Hawaiian Advm't.	Hawaii	Mvskoke Loan Fund	Oklahoma
Hawaiian Community Assets	Hawaii	ATNI Financial Services	Oregon
Homestead Loan Fund	Hawaii	Umatilla Tribes' CDFI	Oregon
Lei Ho'olaha	Hawaii	Black Hills Community Loan Fund	S. Dakota
The Kohala Center	Hawaii	Four Bands Community Fund	S. Dakota
Nimiipuu Community Dev. Fund	Idaho	Lakota Federal Credit Union	S. Dakota
Four Directions Development Corp	Maine	Mazaska Owecaso Otipi Financial	S. Dakota
Chi Ishobak Inc.	Michigan	The Lakota Funds	S. Dakota
Northern Shores Loan Fund	Michigan	Thunder Valley Community Dev. Corp.	S. Dakota
Bii Gii Wiin CDLF	Minnesota	NDN Collective	S. Dakota
Leech Lake Financial Services, Inc	Minnesota	Chehalis Tribal Loan Fund	Washington
White Earth Investment Initiative	Minnesota	Lummi CDFI	Washington
Indian Land Capital Company	Minnesota	Northwest Native Development Fund	Washington
NACDC - Financial Services, Inc.	Montana	Taala Fund	Washington
Native American Dev. Corp.	Montana	Jamestown S'Klallam Tribe Econ. Dev. Auth	Washington
People's Partner For Comm. Dev.	Montana	Wisconsin Native Loan Fund	Wisconsin
Native360 Loan Fund	Nebraska	Wind River Development Fund	Wyoming