



June 8, 2017

The Honorable John Hoeven
Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Tom Udall
Vice Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, D.C. 20510

Re: Native CDFI Network Response to the President's FY18 Budget

Dear Chairman Hoeven and Vice Chairman Udall,

As President of the Native CDFI Network I appreciate the invitation to submit comments on the President's FY 2018 Budget to the Senate Committee on Indian Affairs. Over the past several years, the Committee has worked to address access to capital issues that plague our Tribal communities and unfortunately the President's FY 2018 budget seeks to eliminate some of the very programs we have encouraged the Committee to support.

To begin, our largest concern is the elimination of CDFI Fund programs and especially Native Initiatives, based on the justification that the CDFI Fund has met its objectives and traditional capital is now flowing into marginalized and low-income communities. This is FALSE, especially in Indian Country. We ask that you pay attention to the demographics in our country, especially in persistent-poverty counties that are concentrated in communities of color and rural regions, and appropriate at least \$248 million for the CDFI Fund in FY 2018 for the following reasons:

The CDFI Fund has assisted hundreds of organizations with development capital and investment where none existed before. Native American communities lack access to affordable capital for individuals and families to create assets like businesses and homes in order to build wealth. The Native CDFIs, through support from the CDFI Fund, are now able to leverage financial institution and philanthropic support. Up until now we have only watched through a hole in the fence: watching other communities benefit from private sector economies, low unemployment rates and opportunities for the transfer of generational wealth. Our Native CDFI Network members are panicking at the potential loss of the Fund, as well as other frequently used federal programs that have funded their work for the last decade.

The President's FY18 Budget for the CDFI Fund is only \$14,000,000, maintaining administrative staff for program compliance on the New Markets Tax Credits and CDFI Bond Programs. The net effect of this budget allocation is zero funding for CDFI Fund Native Initiatives. Native CDFIs

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stand to lose an important and significant amount of the funding they need to operate, which will have a detrimental impact on Native communities where Native CDFIs have been leading economic and community development.

The White House also seeks to eliminate the Consumer Financial Protection Bureau (CFPB) and deregulate financial institutions that are entrusted with our consumer dollars. Predatory lending in Indian Country is already at alarming rates compared to the mainstream communities, and without regulatory oversight by the CFPB to rein in this high interest and cyclical debt trap, consumers will only be further marginalized and denied access to affordable credit. And, without Native CDFIs in place to meet communities' needs when traditional financial institutions are unable to, our people will lose all hope for overcoming their economic disparities and succeeding in the mainstream financial markets.

We express our deep concern for other cuts proposed in the President's budget and we ask that the Committee work to protect and promote these programs that are vital to the well-being of Native and rural communities. They are as follows:

Program	FY2017 Funding	President's FY 2018 Request	NCN's FY 2018 Request
<i>Small Business Administration</i>			
Women's Business Centers (WBC)	\$18M	\$16M	\$18 M
PRIME	\$5M	\$0	\$5 M
Microloan – Technical Assistance	\$31M	\$25M	\$31 M
Microloan - Lending	\$44M	\$36M	\$44 M
<i>USDA Rural Development</i>			
Rural Business Development Grant Program (RBDG)	\$24M	\$0	\$24
Intermediary Relending Program (IRP)	\$19	\$0	\$19
Rural Community Facility Program	\$42	\$0	\$42
<i>HHS – Office of Community Services</i>			
Assets for Independence (AFI)	\$0	\$0	\$18.9 M

The USDA Housing Programs are being deeply cut as well, leaving our communities further out of the game to secure affordable, safe and decent housing for families, since they are one of the few sources of capital for housing along with the CDFI Fund. The Native CDFI Network has been working to identify ways that USDA housing programs, particularly the 502 Direct Lending Program, can work more effectively in Native communities and we hope the Committee will support



funding these important programs and also work to make sure they are working effectively in Native communities.

The White House has also eliminated the Assets for Independence (AFI) Individual Development Account Initiative funding. AFI is a program within the Administration for Children and Families (ACF) that has supported innovative local savings, asset-building, and financial capability programs for low- and moderate-income Americans for over 20 years. We are urging Congress to include Assets for Independence (Individual Development Account Initiative) funding in the FY2018 budget at its FY2016 level, \$18.95 million.

Several House and Senate bills have included support for the CDFI Fund because it is an efficient and effective program requiring business planning and a vision for the future of financial inclusion for all people in our country. Past administrations have been building on the success, knowledge and impact of the work that CDFI Fund, SBA and USDA have demonstrated each year. And yet, these agencies and programs have never been under more threat than they are right now. Past Congresses and Presidents have been wise and diligent moving our country to a balanced budget over these last couple of decades but this hasn't promoted the common good or justice for all. We still only see the rich get richer while ravaging the two most important assets that they don't consider in their capitalist, economic models – HUMAN CAPITAL AND ENVIRONMENTAL RESOURCES. That leaves little hope for Native places where we remain invisible – hoping to bring economic prosperity as we have through the CDFI Fund and their critical programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tanya Fiddler". The signature is fluid and cursive, with a long, sweeping underline.

Tanya Fiddler
NCN President