

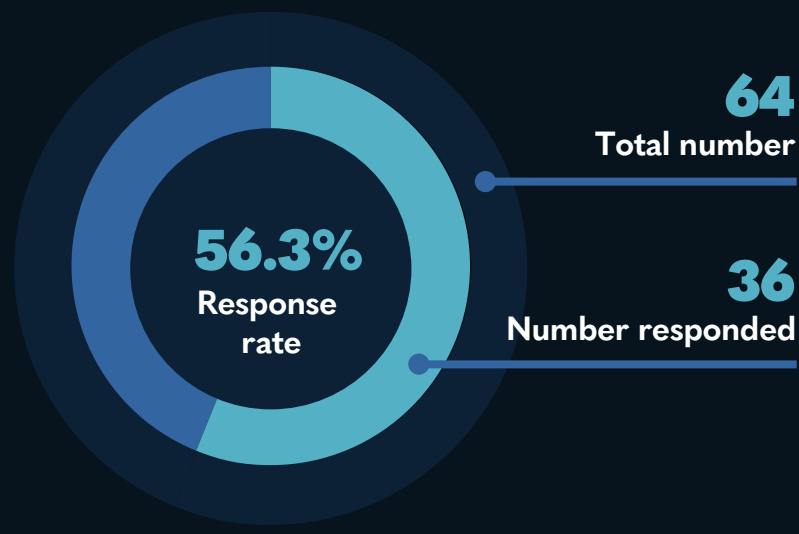


# Native CDFI Network (NCN) Survey on the CDFI Fund's Proposed Changes to CDFI Certification: SURVEY RESULTS

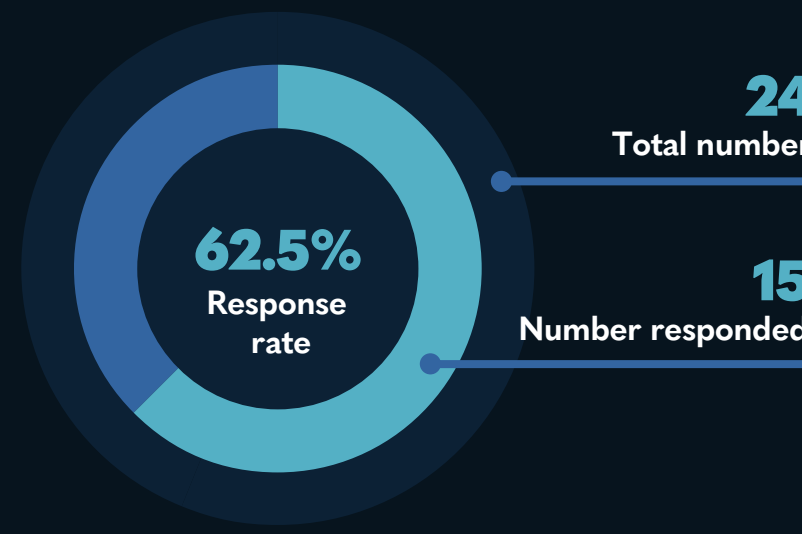
Purpose of survey: To better understand as well as raise policymaker awareness about the nature and gravity of the likely impacts of the CDFI Fund's [proposed revisions](#) to CDFI Certification on Native Community Development Financial Institutions (NCDFIs), NCN created this comprehensive survey for Native CDFI leaders to complete.

## SURVEY RESPONSE RATE

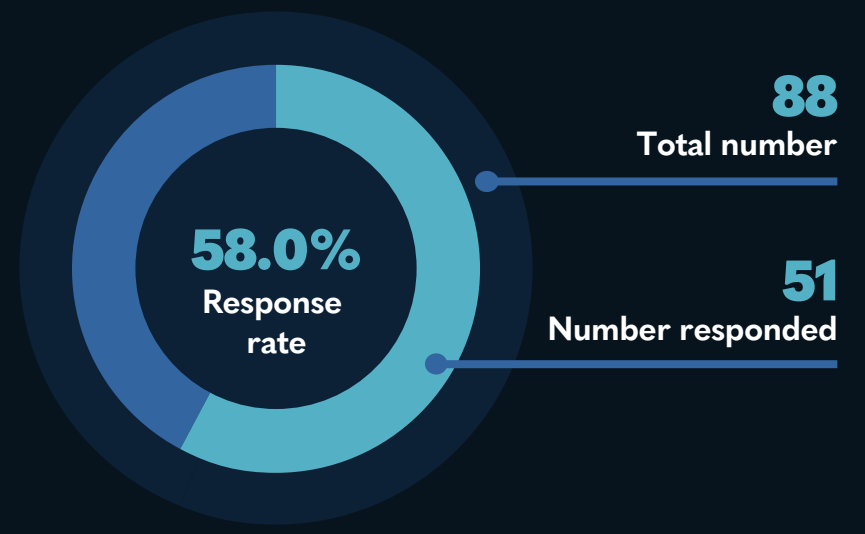
### Certified NCDFIs



### Non-Certified NCDFIs\*



### Combined NCDFIs



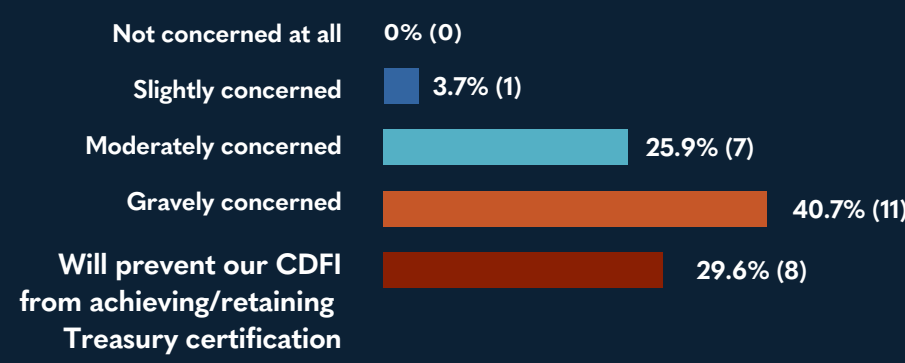
\* Includes newer, "emerging" NCDFIs and NCDFIs that recently lost Treasury certification.



### CDFI FUND PROPOSED CHANGE:

**Prohibiting interest-only mortgage loans, HELOCs, Construction LOCs, mortgage loans with balloon payments, and mortgage loans with terms longer than 30 years**

If applicable to your CDFI\*\*, how concerned are you that this provision will prevent your CDFI from achieving or retaining Treasury certification?



"Due to asset/liability matching, it is imperative we are continued to be allowed to use balloon payments. Native CDFIs are not using balloon payments as a predatory practice - it's more of a business model decision due to philanthropy not funding long-term. We still amortize our loans at 30 years so the payments by the borrowers are not unreasonable, but we have to structure it as a balloon on the balance sheet."

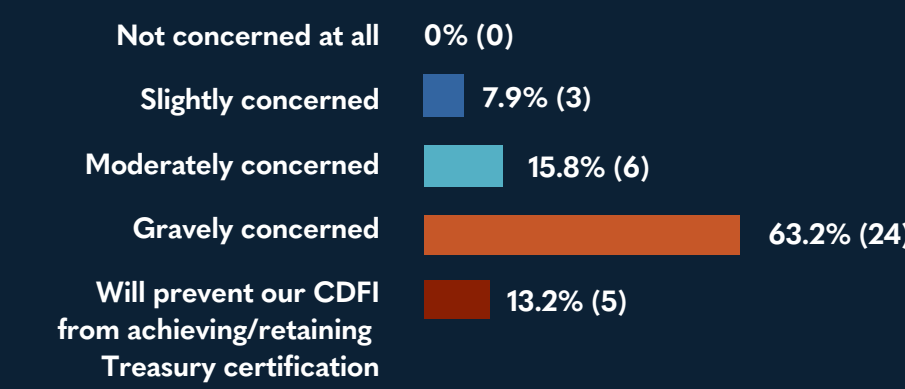
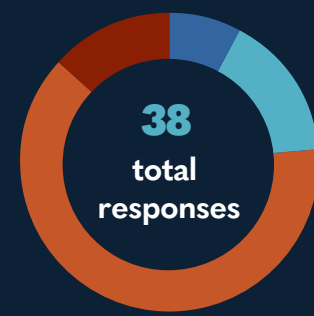
\*\* "Applicable to your CDFI": The proposed change currently applies or could soon apply to the CDFI in question.



### CDFI FUND PROPOSED CHANGE:

**Predominance as a Financing Entity and restricting CDFI staff time dedicated to Development Services**

If applicable to your CDFI, how concerned are you that this provision will prevent your CDFI from achieving or retaining Treasury certification?



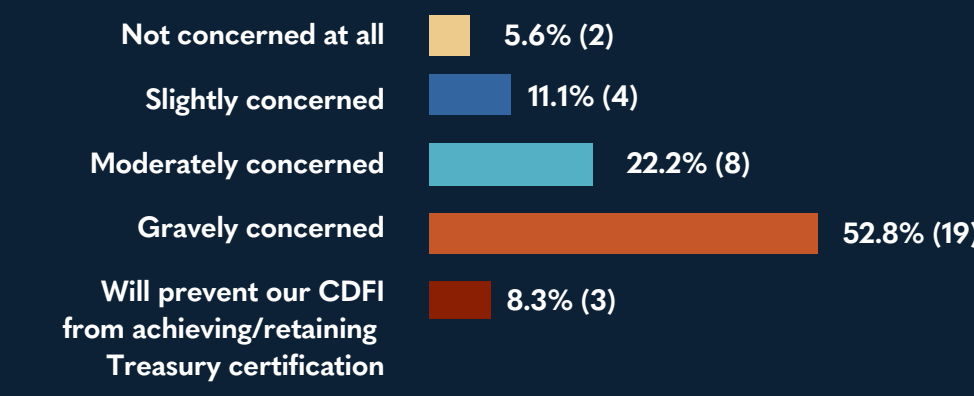
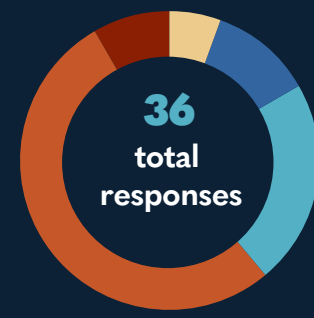
"If CDFIs stop providing these crucial development services, we will be setting our clients and communities up for failure. I'm gravely concerned CDFIs are being forced into becoming simply transactional businesses, void of commitment to our communities, void of providing programs and services designed to prepare our clients and communities for success. We will fail our communities as we fail to meet the most fundamental principles of why CDFIs were created."



### CDFI FUND PROPOSED CHANGE:

**Barring youth-based services as qualifying Development Services**

If applicable to your CDFI, how concerned are you that this provision will prevent your CDFI from achieving or retaining Treasury certification?



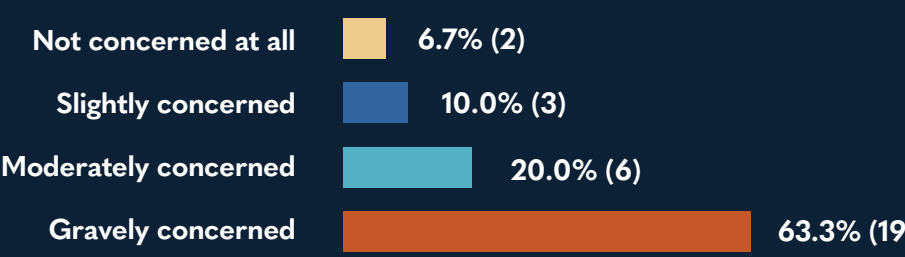
"Development Services for youth are critical to making sustainable improvements in growing our economies. Forming the relationships thru our youth-focused matched savings accounts and financial literacy classes results in stronger relationships with the whole family, including parents and grandparents."



### CDFI FUND PROPOSED CHANGE:

**Requiring ALL CDFIs, including those that have not received a Financial Assistance (FA) grant award, to provide comprehensive financial information in the Annual Certification Report (ACR)**

If applicable to your CDFI, how concerned are you that the new reporting requirements for the Annual Certification Report (ACR) will significantly increase the administrative burden on your CDFI staff?



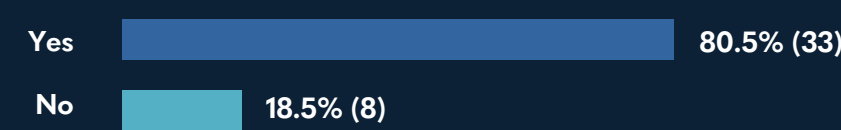
"As a small and emerging entity, limited human resources may impede lending and fundraising activities in favor of compliance or reporting. This rule overwhelms the small Native CDFI in remote or isolated communities while suggesting that only larger / financially robust NCDFIs are better suited to comply."



### CDFI FUND PROPOSED CHANGE:

**A CDFI must assess a recipient's Tribal affiliation or community attachment "via the collection of a government-issued or tribal government-issued photo identification."**

As with Other Target Populations (OTPs), should the CDFI Fund also allow CDFIs serving Native Americans, Native Alaskans, or Native Hawaiians to use assessment methodologies that include the client self-identifying their community attachment to a Native population or the CDFI visually identifying this?

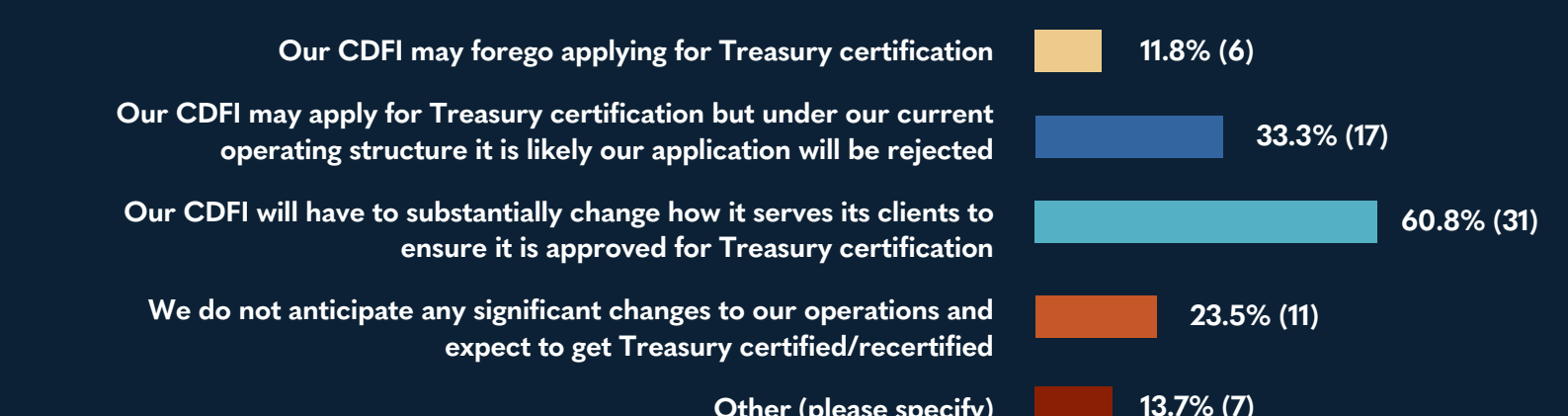
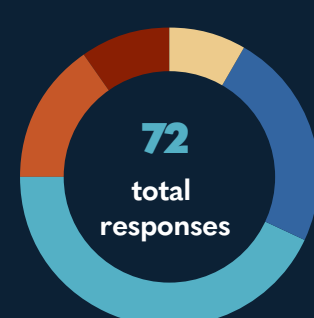


"It's unacceptable to continue the paternal practices of denying Indigenous peoples the same right to self-identify as any other citizen."



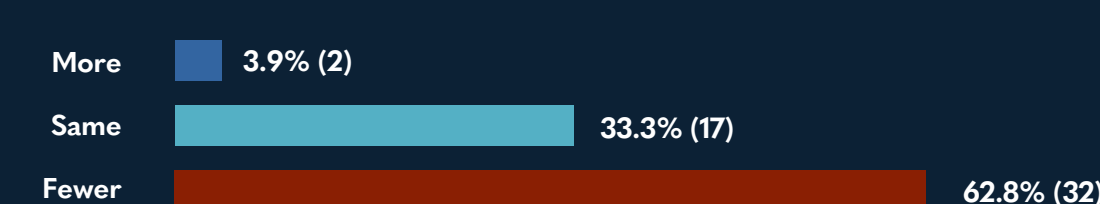
### OVERALL IMPACT OF THE PROPOSED CDFI FUND CERTIFICATION CHANGES:

Given the proposed changes to the CDFI Certification Application and the proposed increased reporting requirements in the ACR, please consider how your CDFI may respond and check all statements below that you feel are applicable:



"Our Native CDFI will be forced to spend more time on ensuring our continued CDFI certification and less on providing CDFI services to Native Americans."

If all of the above proposed provisions are included in the finalized CDFI Certification/Recertification Application and you plan to obtain or maintain Treasury certification, do you anticipate your CDFI serving the same, more, or fewer Native clients than it currently does?



"If we remain certified, we will serve fewer clients. If we cannot remain certified, we will lose substantial funding and serve even fewer clients."