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April 17, 2023

The Honorable Patty Murray, Chair
U.S. Senate Appropriations Committee
154 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kay Granger, Chairwoman
U.S. House Appropriations Committee
H-307 U.S. Capitol Building
Washington, D.C. 20515

Re: Calling on Congress to Increase Funding for the CDFI Fund Native American CDFI Assistance (NACA) Program to \$50 Million for FY 2024

Dear Chair Murray and Chairwoman Granger,

On behalf of the Native CDFI Network (NCN), the only national membership organization solely dedicated to serving and supporting Native community development financial institutions (CDFIs), we write to request your support of the CDFI Fund's Native American CDFI Assistance (NACA) Program in the FY 2024 Appropriations process. Specifically, we respectfully request **Congress allocate \$50 million to the NACA Program for FY 2024** based on the considerable unmet capital needs of Native CDFIs, as well as the significant return on investment that dollars provided to Native CDFIs produces in terms of economic benefits. This request is supported by the co-signatory organizations listed at the bottom of this request letter.

The following data points are particularly instructive, justifying the amount requested above:

- The unmet capital needs of Native CDFIs for homeownership, small business, and consumer lending is significant and growing: For example, a 2022 NCN survey of 16 Native CDFIs (just one quarter of the country's 64 Treasury-certified Native CDFIs) found their projected three-year unmet loan capital needs collectively totaled \$166 million.¹
- For FY 2022, funding requests made by applicant Native CDFIs for NACA Base-Financial Assistance (FA) funding exceeded the amount awarded by the CDFI Fund by 49%. Meanwhile, funding requests made by applicant Native CDFIs for NACA Technical Assistance (TA) funding exceeded the amount awarded by the CDFI Fund by 15%.²
- According to the Treasury Department, investments made in CDFIs produce an eight-fold return, with each \$1 creating \$8 in private sector investments.³

With 64 certified Native CDFIs and two dozen more "emerging" ones in Treasury's certification pipeline, the Native CDFI industry is expanding rapidly to meet the growing needs of Indian Country. The NACA Program funding must keep pace with and support that growth. We appreciate your consideration of this request, and we welcome the opportunity to discuss it with you in further detail.

Sincerely,

Pete Upton
CEO/Board Chair
Native CDFI Network

Co-Signatory Organizations:

TBD

¹ NCN, *NCN Market Demand Study*, New England Market Research, Inc., October 2022.

² For the FY 2022 funding round of the NACA Program, the CDFI Fund received Base-FA applications from 29 organizations that requested \$25.5 million in Base-FA awards. \$17.1 million in FY 2022 NACA Program Base-FA awards to 19 organizations in 13 states (https://www.cdfifund.gov/sites/cdfi/files/2023-02/2022_NACA_Award_Book.pdf). The CDFI Fund also received TA applications from 19 organizations that requested \$2.7 million in TA awards. 16 organizations received \$2.35 million in NACA Program TA awards (<https://www.cdfifund.gov/news/481>).

³ Treasury Secretary Janet Yellen (Native CDFI Network (NCN), *Native CDFIs: Stepping Up to Serve Indian Country Through the Pandemic and Beyond*, Native CDFI Network, July 2021, p. 1 (<https://nativecdfi.net/wp-content/uploads/2021/09/NCN-Pandemic-Report.pdf>).