



Creating opportunities for Native communities

Policy & Advocacy Report - Q2 2023





NCN CEO Pete Upton.

To our members, supporters, and collaborators,

The last few months have been uplifting for Native CDFI Network staff, board members, policy committee members, and allies.

We had some good “wins” on the funding front to be sure, with tens of millions of dollars flowing into Indian Country via the Equitable Recovery Program (ERP) and State Small Business Credit Initiative (SSBCI) programs. The lion’s share of those funds went to Native CDFIs in support of their efforts to spur homeownership, small business growth, consumer loans, and other needs in the Indigenous communities they serve. NCN has worked over the past few years advocating for Indian Country on ERP and SSBCI, and we’re pleased with the funding outcomes for our members.

As important as this funding is, we’re also uplifted by the fact that we’ve been consistently earning a seat at the table when discussions are taking place about issues that affect our members and the Native communities they serve. This hasn’t always been the case, as others have “spoken for us” in the past. Today, as we meet with decision-makers and collaborators, we are bringing the Indigenous perspective and providing an accurate picture of what our communities require, as well as our members’ unique abilities to meet those needs.

Many of those needs are highlighted in the 2023 Policy Priorities, which you can

find on our website. As you read through this brief letter and flip through pages of this report, you’ll notice that we have been working diligently to get the word out on policy priorities and issues that are important to Native CDFIs in their service of Indian Country.

That work has taken on numerous forms: letters to legislators and federal agencies, including five in the month of May; drafting white papers; organizing members; creating easy-to-use templates and talking points for members to conduct their own outreach; testifying before Congress; one-on-one contacts with policymakers; outreach to media; and attending events to connect with others who can help advance the important work that Native CDFIs do.

Some of those events are of our own making. As I write this letter, we have just concluded a first-of-its-kind collaborative event with the Opportunity Finance Network (OFN). The July 11 event, hosted at the Federal Reserve Bank of Minneapolis, provided NCN and OFN members and stakeholders a unique opportunity to share policy priorities, best practices, insights, and innovative ideas on how to serve their communities.

We have another unique, collaborative event on the horizon in early August. NCN and the Native Partnership for Housing, in collaboration with NeighborWorks America, will host a three-day event

in Gallup, N.M. highlighting strategies for connecting housing, jobs, and green energy. We have a powerful group of speakers lined up for this event, including United States Treasurer Chief Marilyn “Lynn” Malerba, as well as federal officials, corporate partners, financial experts and legal professionals.

The Gallup event is an excellent opportunity for anyone who is interested in ways that Native CDFIs are innovating locally and expanding opportunities for Tribal Nations and their citizens. This is how it works in Indian Country. As I noted in my Congressional testimony last month: *“The challenges encountered by Native CDFIs are multi-faceted, requiring a holistic approach to problem-solving ... addressing the challenges requires precise, localized solutions that can be likened to puzzle pieces that need to come together to form a complete picture.”*

As we head into the second half of 2023, we will continue to highlight how Native CDFIs are putting the puzzle together for their own communities and the assistance they need to move forward.

WEBLAHO (thank you to all of you),

A handwritten signature in black ink that reads 'Pete Upton'.

Pete Upton
Chief Executive Officer

NCN Policy & Advocacy Update - Q2 2023

The second quarter was highlighted by a busy schedule of advocacy and educational events, as well as a number of “wins” for Native CDFIs in the federal funding arena. NCN also earned a seat at the table at numerous regional and national events during the quarter, allowing us to advocate for member priorities and our policy platforms. Listed below are a few of our activities to federal officials, Congressional members and allies in the business and nonprofit sectors.

April 2023

- NCN CEO and Board Chair Pete Upton joined the advisory board of the University of New Hampshire’s Carsey School of Public Policy’s Center for Impact Finance (CIF), which addresses the role that access to capital plays in turning the tide on widening economic inequality.
- The Treasury’s CDFI Fund announced \$47.5 million in funding awards for 29 Native CDFIs through the Equitable Recovery Program (ERP). The funding was about 3% of the overall \$1.7 billion grant program supporting more than 600 certified CDFIs.
- NCN CEO Pete Upton attended the National Community Reinvestment Coalition’s 2023 Just Economy Conference. He participated in a panel that explored a variety of investment and grant opportunities and highlighted efforts to build wealth and provide greater access to capital in Indian Country.
- Organized Native CDFIs and other stakeholder groups to join in a formal request to Congressional leaders that \$50 million be appropriated for the Native American CDFI Assistance (NACA) program in fiscal year 2024.
- Encouraged member outreach to the U.S. Senators in support of Senate Bill 185, the Native American Direct Loan (NADL) Improvement Act of 2023, originally introduced by Senators Mike Rounds (SD) and Jon Tester (MT). The legislation would create a \$5 million relending program that would allow Native CDFIs to obtain loan capital at a 1% interest rate for relending to qualified Native American veteran borrowers.
- Encouraged member outreach to support Senate Bill 326, the Veterans Improvement Act of 2023, sponsored by Sen. Jon Tester (MT).
- Hosted a two-session NCN Live webcast focused on commercial solar finance for CDFIs, highlighting the leadership role that Native people are playing to reduce carbon emissions while building their own energy sovereignty.

May 2023

- Helped advance member priorities by submitting formal comment letters to federal agencies on two key policy and funding issues: the Native American CDFI Assistance (NACA) Program and the Greenhouse Gas Reduction Fund.
- Hosted webinars to update members on proposed changes by the CDFI Fund to the NACA Financial Assistance and Technical Assistance applications, as well as an update on Greenhouse Gas Reduction Fund revisions.
- Brought awareness to several opportunities for members, including a notice of funding availability through the USDA’s Native CDFI Relending Demonstration program, as well as webinars on credit-ready meat and poultry lending and a CDFI Fund Q&A on reporting in its Awards Management Information System (AMIS).

- Joined the Federal Reserve Bank, CDFI Fund, and other organizations in a collaborative national survey aimed at understanding the current challenges and opportunities for CDFIs nationwide.
- NCN CEO Pete Upton advocated for Native CDFIs and Indigenous communities at a daylong event hosted by the U.S. Treasury on climate-focused community finance. In addition to plenary and breakout sessions, the event offered opportunities to network with Treasury, CDFI Fund, and White House officials, as well as federal officials from HUD and the Department of Energy.
- Native CDFI Network kicked off the 2023 NCN Institute to a sold-out crowd. The virtual training series for members began with a two-part workshop on Capitalization Planning, facilitated by Caleb Selby of Selby Consulting.

June 2023

- NCN CEO Pete Upton joined policymakers, housing advocates, and Native CDFIs at the South Dakota Native Homeownership Coalition’s 10th Annual Convening, Site Visit, and Lender Symposium.
- NCN CEO Pete Upton participated in a Financial Innovation Roundtable at the Federal Reserve Bank of New York, joining experts and leaders in a discussion of the connections between climate, equity, and social determinants of health.
- NCN CEO Pete Upton joined a panel of finance executives in Florida during the African-American Alliance of CDFI CEOs “Unapologetically Building Black Equity Conference” to discuss collaboration and efforts to fight for climate justice.
- NCN CEO Pete Upton testified at a Senate subcommittee hearing on the “State of Native American Housing” to highlight the challenges Native CDFIs face in helping Tribal Nations and their citizens remove barriers to homeownership.
- The Biden Administration announced the first 15 Tribal State Small Business Credit Initiative (SSBCI) awards, providing \$73 million to 39 Tribal governments.
- Mel Willie of NeighborWorks America joined NCN Live for a conversation about expanding the development of Native housing and homeownership throughout Indian Country.
- NCN CEO Pete Upton was a featured speaker during a public policy discussion at the OWEESTA Capital Access Convening in Juneau, Alaska. Fern Orie, OWEESTA’s Chief Programs Officer and Executive Vice President of Advocacy & Strategic Partnerships, moderated the Q&A session.
- The 2023 NCN Institute series continued with a training session led by New England Market Research’s Jack Northrup who shared his expertise with members on “Priming the Loan Pipeline.”

POLICY PROGRESS & HIGHLIGHTS

Native CDFI Network made good progress in the second quarter, thanks to the efforts of our staff, Board of Directors, and Policy Committee. The list below highlights a few of the key policy wins that Native CDFI Network helped earn for its members and the Native communities they serve.

CDFI Equitable Recovery Program (ERP)

In mid-April, the CDFI Fund announced \$1.73 billion in grant awards to more

than 600 certified CDFIs, including 29 Native CDFIs that were awarded \$475 million in ERP funding. Authorized by Congress to respond to the economic effects of the COVID-19 pandemic, the CDFI ERP is designed to provide funding to certified CDFIs to expand lending, grantmaking, and investment activities in low- to moderate-income communities and to borrowers with significant unmet capital and financial services needs that have experienced disproportionate economic impacts from the pandemic. It also funds programs that catalyze growth in the financial and organizational capacity of CDFIs for the purpose of carrying out equitable recovery activities.

Why it matters: The ERP funding provides a significant one-time boost of additional capital for participating Native CDFIs to make business and consumer

loans in Indian Country. NCN played an important role in ensuring Native CDFIs were eligible for the program. When the CDFI ERP was originally released, it omitted federally recognized service counties — an omission that would have made most Native CDFIs ineligible for the funding. NCN worked with the Treasury’s Office of Native Affairs to help provide background information and context to agency officials to ensure the eligibility criteria was revamped.

State Small Business Credit Initiative

The SSBCI program was reauthorized as part of the American Rescue Plan Act (ARPA) of 2021. Originally established in 2010, the revamped SSBCI provides a combined \$10 billion to state, city, and Tribal governments that

NATIVE CDFI NETWORK / NATIVE PARTNERSHIP FOR HOUSING

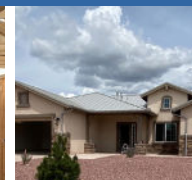
Connecting Housing, Jobs, and Green Energy

NCN Southwest Regional Event

Gallup, New Mexico | August 9-11, 2023

Hosted by Native Partnership for Housing in collaboration with NeighborWorks America

Native Partnership for Housing is a certified Native CDFI serving New Mexico, Arizona and Utah



NCN PROGRAMMING

Through NCN Live, its interview series, training institutes, events, outreach, and collaborative efforts, Native CDFI Network has worked with dozens of difference-makers already in 2023, including these organizations and individuals:

U.S. Department of Agriculture | Office of Tribal Relations
U.S. Department of Agriculture | Rural Development
U.S. Department of the Treasury | CDFI Fund
U.S. Department of the Treasury | Office of the Treasurer
U.S. Department of the Treasury | Office of Tribal and Native Affairs
U.S. Department of Energy | Solar Energies Technology Office
JP Morgan Chase & Co.
National American Indian Housing Council
Sovereign Council of Hawaiian Homestead Associations
Community Builders of Color Coalition (The Coalition)
African American Alliance of CDFI CEOs
Inclusiv
The Chisholm Legacy Project
National Bankers Association
National CAPACD
National Association for Latino Community Asset Builders
Oweesta Corporation
Prosperity Now
Rico Frias, NAFOA
Pilar Thomas Quarles & Brady LLP
Casey Lozar, Center for Indian Country Development
Lenwood V. Long, Sr., African American Alliance of CDFI CEOs
Tina Poole Johnson, University New Hampshire Carsey School
Noel Andrés Poyo, U.S. Treasury Office of Community Economic Development
Alica Burns, Westwater Financial Inc.
Pamela Boivin, NiiJii Capital Partners, Inc.
Nancy Jordan, Lummi CDFI
Jeff Gilbreath, Hawai'i Community Lending
Kim Pate, NDN Fund
Chris James, National Center for American Indian Enterprise Development
Jacqueline Pata, Haa Yakaawu Financial Corporation
Leonard Smith, Native American Development Corporation
Mel Willie, NeighborWorks America
Caleb Selby, Selby Consulting
Lisa Wagner, Bluestem Consulting
Jack Northrup, New England Market Research
Christian Weaver, Tribal Solar Accelerator Fund
Tanksi Clairmont, Tribal Solar Accelerator Fund
Clayton Mitchell, University of New Hampshire

can be used to expand access to capital, build entrepreneurial ecosystems and create high-quality jobs. Under ARPA, for the first time ever, the SSBCI set aside \$500 million in support for Tribal governments to spur economic growth in Indian Country.

In early July 2023, the Biden-Harris Administration announced the first 15 SSBCI awards for Tribal governments, providing \$73 million to 39 Tribal governments. The funds will be used to support Tribal enterprises and small business owners.

Why it matters: The first round of funding announcements brings a considerable amount of capital to Tribal lands. A sizable portion of that funding will flow directly to Native CDFIs to support small businesses throughout Indian Country. NCN has advocated for Tribal Nations and Native CDFIs over the past two years on the SSBCI, working closely with senior Treasury officials to bring Native CDFIs and Tribal officials together for a series of roundtables, issuing a white paper on the topic, and hosting a series of webinars on how Indian Country could implement the SSBCI program.

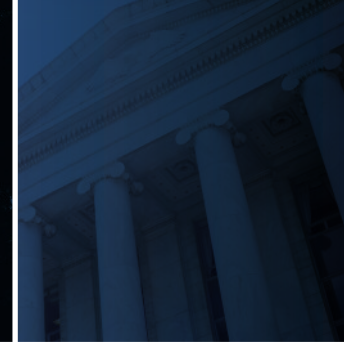
USDA Rural Development Program

In January, NCN formally announced a two-year cooperative agreement with USDA to help increase awareness and access to the agency's Rural Development (RD) programs for Native Americans. NCN has begun working in earnest with USDA-RD and the USDA Office of Tribal Relations to build a digital toolkit that will support economic development in Indian Country. As we work on that initiative, the relationship has given us new insights and information about programs that can benefit our members, such as a recent Notice of Funding Availability through USDA's Native CDFI Relending Demonstration program.

Why this matters: The USDA RD has more than 50 programs and billions of dollars of funding for a variety of essential needs in rural America — from housing and healthcare, to energy, broadband and environmental programs. But it has been underutilized in Indian Country and by Native CDFIs. By working collaboratively with the NCN, the USDA will be able to more effectively communicate with Native CDFIs, including development of a digital tool — the NCN e-toolkit — that's tailored to the unique needs and different aspects of working with Native CDFIs and Tribal Nations.



Native CDFI Network 2023 Policy Priorities



The Native CDFI Network, founded in 2009, is the only national member coalition of Native CDFIs in the country. The NCN mission is to *grow and strengthen Native CDFIs through policy advocacy, capacity building and access to capital to support the economic prosperity of American Indian, Alaska Native and Native Hawaiian communities*. NCN is governed by a nine-member national Board of Directors elected by NCN member CDFIs. Priorities are identified in the categories of Federal and Capacity Priorities and are subject to revision year-round.

A. Federal Priorities in Service to Native Peoples, Lands, and Communities

1. U.S. Treasury

- a. Increase NACA Program Appropriations to at least \$30M to \$50M annually
- b. Establish a NMTC set aside for Native CDFI/CDEs.
- c. Adopt CDFI Fund Certification Requirements that Strengthen Not Disenfranchise NCDFIs
- d. Cooperative Agreement with CDFI Fund to Improve Census Mapping, Service County Designations, and Data Sovereignty through Data Interpretation

2. U.S. Department of Agriculture – USDA

- a. Make Permanent & National, USDA 502 NCDFI Direct Lending Pilot Successful in South Dakota
- b. Support 2023 Farm Bill that Enhances Flow of Subsidies/Capital to Indian Country Farmers/Ranchers
- c. Cooperative Agreement with NCN to Increase Farm Service Agency/RMAP Programs in Tribal Areas

3. Housing and Urban Development – HUD

- a. Establish 10% set-aside of HUD Section 4 sole sourced funding for investment in Tribal areas
- b. End Redlining in Home Loan Origination, Servicing, and Loan Loss Mitigations with HUD/CFPB and Congressional Report on Data in at least 20 States
- c. Streamline HUD 184 Mortgages and Pilot NCDFI Packaging Capacity
- d. Cooperative Agreement with HUD/Fannie/Freddie on Secondary Markets to Recapitalize NCDFIs

4. U.S. Department of Interior – DOI

- a. Cooperative Agreement with NCN to Support Funding Flow of Existing BIA Business Programs and Delivery of Financial Literacy in BIA Schools.
- b. Streamline Lease Processing/Recordation on Mortgages and Security Instruments
- c. Implement Rezillience Fund in Partnership with DoI and Oweesta Corporation

5. Other Agencies, Government Sponsored Agencies, and Regulators

- a. Establish a White House Office on Non Profit Organizations
- b. Create a Federal Home Loan Bank program for economic prosperity similar to the Affordable Housing Program it successfully operates, with designated seats for NCDFIs on FHLB advisory boards
- c. Establish Office of Native Americans or Native Advisory Boards within CFPB and OCC
- d. Cooperative Agreement to Support CRA Regulations that Improve Services in Indian Country
- e. Cooperative Agreement with SBA to facilitate Navigators and SBA Program into Tribal Area

B. Capacity Priorities in Service to Native Peoples, Lands & Communities

1. National Housing Intermediaries and Philanthropic Organizations

- a. Execute Intermediary MOUs with Federally Funded Housing Intermediaries on NCDFIs
- b. Execute Philanthropic MOUs with Philanthropy to Promote Understanding of NCDFIs
- c. Execute NeighborWorks America MOU to Distribute NWA Scholarships to NCDFIs
- d. Improve Direct Funding to Native Missioned, Governed, and Led Organizations over Non-Native Intermediaries to Serve Tribal Areas

2. National Tribal/Native Intermediaries – NCAI, NAIHC, Oweesta, NDN Collective, AFN, SCHHA

- a. Engage with fellow Tribal/Native policy leaders to share policy priorities relevant to NCDFI industry
- b. Engage in partnerships on training and capacity building on NCDFI industry issues where relevant
- c. Coordinate joint policy dialogue and advocacy regionally and nationally on NCDFI industry issues
- d. Advance partnerships between sovereign tribal governments and NCDFIs serving Indian Country

2023 Policy Priorities are based on input from NCN Members, the NCN Policy Committee, and the NCN Board of Directors and are updated throughout the year.

NCN is the only national member-based coalition representing the interests of the Native CDFI Industry. NCDFIs are located in 27 of the 50 states serving Native peoples in rural and urban areas.



4th Annual

Policy & Capacity Building Summit

Washington, D.C.

December 3-5, 2023

**SAVE
THE
DATE**



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"I believe CDFIs are a wise investment to multiply our federal dollars for maximum impact."

– Senator Cynthia Lummis (R-WY) during a June 2023 Senate hearing on Native Housing that included Native CDFI Network CEO Pete Upton.