



Creating opportunities for Native communities

Policy & Advocacy Report - Q3 2023





NCN CEO Pete Upton.

Dear Members, Supporters, and Collaborators:

Native CDFI Network (NCN) staff, board members, allies, and members had a busy summer of advocacy work, networking, events, and capacity building.

Throughout the third quarter, NCN embarked on an ambitious agenda that included a variety of activities, underscoring our dedication to advocating for Native communities and advancing the interests of Native CDFIs.

One essential part of our efforts is to tell the Native CDFI story. That's why we actively participated in high-profile events throughout the quarter, including the Clinton Global Initiative, the Great Lakes Tribal Economic Summit, the OWEESTA Capital Access Convening, and meetings at Federal Reserve Banks in Minneapolis, New York City and Kansas City. These events give us a platform to highlight the unique challenges, innovative successes, and growing needs of Native CDFIs.

In addition to attending events around the country, NCN also hosted a series of collaborative events in the quarter. In July, we co-hosted a first-of-its-kind event with the Opportunity Finance Network (OFN), the leading national network of CDFIs and a financial intermediary. The event at the Federal Reserve Bank of Minneapolis gave NCN and OFN members a unique opportunity to share policy priorities, best practices, insights,

and innovative ideas on how to serve our respective communities.

In August, NCN collaborated with the Native Partnership for Housing and NeighborWorks America on another unique event highlighting strategies for connecting housing, jobs, and green energy. We were joined at the event in Gallup, N.M. by a number of thought leaders and a powerful group of speakers including federal officials, corporate partners, finance experts, and legal professionals.

In August, we hosted a strategy session with the United States Department of Agriculture's Rural Development team as part of the two-year cooperative agreement to increase access to capital in Indian Country.

These events are important because they bring together Native CDFIs, policymakers, and experts to work collaboratively, share ideas, and shape policy. They're educational and outcome-focused. Perhaps most importantly, these in-person events allow us to create and foster relationships that can advance the mission of Native CDFIs, which is to provide financial empowerment to marginalized Native communities.

The work that Native CDFIs do is well-known throughout Indian Country. Our members provide funding for Native homeownership, Indigenous small-business loans, credit repair, and financial literacy

education and training. These will continue to be core to the work Native CDFIs do, but we need to evolve and expand our capacity to make change in Indian Country.

The time to do that is now. The historic amounts of funding that will be available to Native communities through new clean energy programs like the \$27 billion Greenhouse Gas Reduction Fund are potentially transformative for Indian Country. Likewise, the New Markets Tax Credit program offers a mostly untapped opportunity for Native communities and Native CDFIs.

To help our members access these capital opportunities, NCN will provide education, training, and expert resources. We'll form a comprehensive ecosystem that supports them as they move into the clean energy financing space and expand their community development work.

We must seize these opportunities for our communities. We must be willing to step outside of our comfort zones and be bold, because that is what the moment requires.

WEBLAHO (thank you to all of you),

A handwritten signature in black ink that reads "Pete Upton". The signature is written in a cursive, flowing style.

Pete Upton
Chief Executive Officer

NCN Policy & Advocacy Update - Q3 2023

The third quarter was highlighted by a busy schedule of advocacy work, networking and collaborative events, including first-of-their-kind regional meetings in Minnesota and New Mexico. 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 with federal officials, Congressional members, and allies in the business and nonprofit sectors.

July 2023

- NCN CEO Pete Upton was a featured speaker during a policy advocacy discussion at the OWEESTA Capital Access Convening in Juneau, AK. NCN Board Vice Chair Fern Orié moderated the Q&A discussion.
- Co-hosted a regional meeting of CDFI executives with the Opportunity Finance Network (OFN). The event at the Federal Reserve Bank of Minneapolis highlighted Native CDFI policy, best practices and a first look at new research on the success of character-based lending practices of Native CDFIs.
- Organized member sign-on for a letter to Congressional leaders requesting increased funding for the CDFI Fund and the Native American CDFI Assistance (NACA) program.
- Hosted an informational webinar for NCN members about the historic Greenhouse Gas Reduction Fund and the opportunities it includes for Native CDFIs.
- Released a comprehensive white paper for NCN members that outlines funding opportunities available to Native CDFIs through the Greenhouse Gas Reduction Fund. The white paper provides important information about how Native CDFIs can access funding and develop loan products to finance clean energy projects in Native communities.
- Promoted member participation in a Treasury Department listening session for Native CDFIs. The listening session was a result of repeated formal requests by NCN and its members to discuss critical issues, including certification reform and proposed changes to the NACA program.
- NCN CEO Pete Upton shared the Native CDFI perspective on financing activity in Indian Country during a briefing session of the Community Development Advisory Council at the Federal Reserve Bank of Kansas City.
- Gathered input from Native CDFIs on the state of Native American housing as part of a request by the Senate Committee on Banking, Housing and Urban Affairs Subcommittee on Housing, Transportation and Community Development. The request stemmed from NCN CEO Pete Upton's testimony during a subcommittee hearing in June.
- NCN was awarded a Department of Energy (DOE) Energizing Rural Communities Prize, which will support a market study of clean energy finance needs in Indian Country and inform the design of model energy finance loan products, including standardized documents and core underwriting standards to support green energy projects across Indian Country.

August 2023

- Submitted a formal letter to Congressional leaders requesting increased annual funding for the CDFI Fund and the NACA program

in fiscal year 2024. The letter, signed by 38 Native CDFIs and other key stakeholder organizations, was sent to U.S. Senator Patty Murray (D-WA) and U.S. Representative Kay Granger (R-TX), who chair the Senate and House appropriations committees.

- Hosted a transformative three-day event in Gallup, N.M. in collaboration with Native Partnership for Housing and NeighborWorks America. This summit, attended by stakeholders, leaders, and experts from across the nation, focused on strategies to build thriving Native economies through housing, jobs, and clean energy projects.
- Organized Native CDFI partners to pursue Greenhouse Gas Reduction Fund opportunities, including the Clean Communities Investment Accelerator to build clean energy financing capacity, as well as the Solar for All competition that will provide grant funding to expand solar development in low-income and disadvantaged communities.
- Led Native CDFI participation in a listening session with federal officials from the Treasury and the CDFI Fund. The session — attended by Chief Lynn Malerba, Treasurer of the United States, and Noel Andrés Poyo, Treasury's Deputy Assistant Secretary for Community Economic Development — featured 20 Native CDFI leaders sharing their perspectives on critical issues that stand in the way of their service to Indian Country.

September 2023

- Hosted a strategy session with members of an advisory group consisting of Native CDFI Executives and United States Department of Agriculture's Rural Development leaders. The session is a part of the two-year cooperative agreement between the USDA-RD Office of Tribal Relations and NCN to increase access to capital in rural areas of Indian Country.
- NCN CEO Pete Upton highlighted the importance of Native CDFIs during the 2023 Clinton Global Initiative in New York as part of a panel discussion titled "Finance the Underfinanced: Lessons Learned Across Geographies." Joining world leaders on the stage, Upton brought to the forefront the unique challenges and successes encountered in Native communities within the United States.
- NCN CEO Pete Upton spotlighted the pivotal role that Native CDFIs play in supporting Native homeownership, empowering Indigenous small businesses, and fueling community development in Indian Country during the 2023 Great Lakes Tribal Economic Summit, hosted by Tribal Business News in New Buffalo, MI.
- Promoted NCN member participation in an interactive discussion on advancing Native homeownership with experts from Freddie Mac and Lakota Funds.
- Received an award from the SBA Program for Investment in Micro entrepreneurs (PRIME) grant to expand policy advocacy and capacity-building programs and services to Native CDFIs.

POLICY PROGRESS & HIGHLIGHTS

Native CDFI Network had a busy third quarter, thanks to the efforts of our staff, Board of Directors, and members. 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 Fund Certification Process

Starting November 2022, the Native CDFI Network stepped up its communication and advocacy efforts after the Treasury released newly proposed changes to the CDFI certification application. Those changes, as initially written, would have had a devastating impact on Native CDFIs, prohibiting or restricting loan products and development activities.

In the ensuing months, the NCN worked to raise awareness and engage with the Treasury Department about the gravity of the likely impacts of proposed revisions on Native CDFIs. Throughout 2023, NCN has organized its members and allies, delivering comments, supplying survey data, hosting webinars, inviting federal officials to events, and leading Native CDFI participation in an August 2023 listening session hosted by the Treasury and the CDFI Fund.

Why it matters: The total number of CDFIs nationally has grown to 1,400 over the past decade, which has both strained the system and necessitated the updating of regulations, especially those relating to certification and compliance. Native CDFIs, which represent less than 5% of the total number of CDFIs nationwide, need to play a role in that process. We serve some of the poorest communities in the country, including rural areas that need access to commercial and consumer credit, housing, community

development, and small-business development. Our voices need to be heard to ensure our communities are considered when decisions are being made that affect Indian Country.

Greenhouse Gas Reduction Fund (GGRF)

Funded at \$27 billion, the U.S. Environmental Protection Agency's (EPA) GGRF provides funding for states, Tribal nations, municipalities, and other eligible entities to finance, provide technical assistance to, and build capacity to deploy low- or zero-emission technologies that will reduce greenhouse gas, carbon, and other pollutant emissions.

As part its ongoing efforts to provide education, information, and other assistance to its members, NCN organized Native CDFI members and allies to pursue new opportunities, including the \$6 billion Clean Communities Investment Accelerator to build clean energy financing in Indian Country, as well as the Solar for All competition that offers \$7 billion in total grant funding to expand solar development in low-income and disadvantaged communities.

In July, NCN also hosted informational webinars and published a comprehensive [white paper](#) outlining how GGRF funding can be accessed by Native CDFIs to capitalize clean energy project loan programs; provide examples of the types of loan products Native CDFIs can develop – in conjunction with grants, tax credits, rebates, and other financial assistance – to finance clean energy projects in Native communities; and propose recommendations for next steps Native CDFIs can take to prepare for and access the EPA GGRF.

Why it matters: The GGRF is a historic opportunity to expand access to capital in tribal communities throughout Indian Country. It provides opportunities that are “tailor made” for Native CDFIs, as funding can be used for two types of “investment” – direct and indirect. Direct investments consist

of financial support made directly to a greenhouse gas reduction technology project. An indirect investment is financial or technical assistance made to entities that will invest in such projects.

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 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 July, 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 tribes 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-RD to help increase awareness and access to the agency's Rural Development

opment (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.

In September, NCN hosted a strategy session with members of an advisory group consisting of our members and USDA-RD team. The session provided insight and direction for the cooperative effort to increase access to capital for Native communities through Native CDFIs.

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.

New Markets Tax Credit

The New Markets Tax Credit (NMTC) program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities. While the NMTC program has allocated nearly \$20 billion nationally in recent years, Native-led applicants received a tiny fraction — less than 0.004% — of the allocations.

NCN has taken a multi-faceted approach to advocating for Native-led organizations, providing resources, requesting set-asides and working to increase awareness among Congressional members and the Treasury about the fact that Indian Country has been largely ignored by the program.

In September, two Native American organizations — Native American Bank and Chickasaw Nation Community Development Endeavor LLC — were each named as recipients of \$50 million allocations under the NMTC program.

Why it matters: Large economic development projects often require significant amounts of capital to help fund infrastructure, as well as complementary community projects such as housing, schools and healthcare facilities. Tax credits are an important tool for luring investors and capital to community large development projects that are needed in Indian Country.

NCN PROGRAMMING

Through its webinar 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	Rohit Chopra, Consumer Protection Financial Bureau
U.S. Department of Agriculture Rural Development	Tim Rios, Wells-Fargo
U.S. Department of the Treasury CDFI Fund	David Black, Office of the Comptroller
U.S. Department of the Treasury Office of the Treasurer	Wava White, Navajo Nation Division of Economic Development
U.S. Department of the Treasury Office of Tribal and Native Affairs	Denise Zuni, Attorney and Native housing expert
U.S. Department of Energy Solar Energies Technology Office	Catherine Houlihan, Freddie Mac
JP Morgan Chase & Co.	Ben Navarro, Fannie Mae
National American Indian Housing Council	Onna LeBeau, Department of the Interior
Sovereign Council of Hawaiian Homestead Associations	Xochitl Torres Small, USDA
Inclusiv	Jessie Huff, USDA Rural Development
Prosperity Now	Robin Puanani Danner, Homestead Community Development Corp.
Rico Frias, NAFOA	Patricia Dominguez, USDA Rural Development
Pilar Thomas Quarles & Brady LLP	Andy Gordon, Clearinghouse CDFI
Casey Lozar, Center for Indian Country Development	Suzanne Anarde-Devenport, Rural Community Assistance Corp.
Tina Poole Johnson, University New Hampshire Carsey School	Nancy Bainbridge, Chickasaw Community Bank
Noel Andrés Poyo, U.S. Treasury Office of Community Economic Development	Jim Van Winkle, Chickasaw Community Bank
Nancy Jordan, Lummi CDFI	Robert J. Miller, Professor of Law at Arizona State University
Jeff Gilbreath, Hawai'i Community Lending	Kris Beecher, Dickinson Wright Law Firm
Chris James, National Center for American Indian Enterprise Development	Phil Gover, Center for Indian Country Development
Mel Willie, NeighborWorks America	Sheila D. Herrera, Tiwa Lending Service
Caleb Selby, Selby Consulting	Brett Isaac, Navajo Power
Lisa Wagner, Bluestem Consulting	Adrian John, Native Partnership for Housing
Jack Northrup, New England Market Research	Jim VanWinkle, Chickasaw Community Bank
Christian Weaver, Tribal Solar Accelerator Fund	Deborah Webster, Concept Consulting Group, LLC
Tanksi Clairmont, Tribal Solar Accelerator Fund	David Westfall, Freddie Mac
Clayton Mitchell, University of New Hampshire	Wava White, Navajo Nation
Rollin Wood, Native Partnership for Housing	Denise Zuni, Sh'eh Wheel Law Offices
Garry Cunningham, Prosperity Now	



Native CDFIs Unite to Pursue 'Once-in-a-Generation' Clean Energy Opportunity

In an historic collaboration, 63 Native community development financial institutions (CDFIs) have come together to pursue a \$6 billion federal grant program that could bring hundreds of millions of dollars to Indian Country for clean energy projects.

The Native CDFI Network (NCN) is leading the effort, which is the only Native-led, exclusively Native-serving application submitted for consideration by the US Environmental Protection Agency (EPA).

"Uniting 63 Native CDFI lenders to come together and put forth the Clean Communities Investment Accelerator (CCIA) application had to be one of our greatest accomplishments this year," NCN CEO Pete Upton said. "It creates the financial inclusion for Native communities to be part of a once-in-a-generation opportunity to fight climate change and build energy independence and resilience."

CCIA is part of a \$27 billion pot of funding for clean energy projects that

the Biden administration made available this summer through the EPA's Greenhouse Gas Reduction Fund. The CCIA program will provide grants to nonprofit organizations to deploy capital to community lenders, including Native CDFIs, that serve low-income and disadvantaged communities.

If the NCN's application is successful, it would be a major victory for Native communities and for the clean energy transition. The CCIA funding would help Native communities to invest in clean energy projects that would improve their quality of life and protect them from the impacts of climate change.

Native communities have faced historical underinvestment despite being disproportionately affected by climate change. Generations of financial exclusion, wealth-stripping policies, and government subjugation have contributed to financial fragility, leaving Native communities vulnerable to economic fluctuations and natural and man-made disasters.

As part of its ongoing mission to empower Native communities, NCN played a pivotal role in organizing Native CDFI members and allies to pursue the CCIA grant program, as well as opportunities connected to the \$7 billion Solar for All competition to expand solar development in disadvantaged communities.

Throughout the quarter, NCN meticulously built a 63-member strong Community Lender Network to participate in the CCIA program. NCN hosted educational webinars, published an informative white paper and conducted one-on-one meetings with prospective community lenders.

NCN also conducted a comprehensive survey to better understand clean energy needs in Native communities and proactively engaged with tribal governments to initiate discussions around future projects that could qualify for project financing under CCIA. If granted, the Community Lender Network aspires to deploy clean energy project financing

across Native communities in up to 35 states within the EPA's geographic regions.

Exclusively Native

Upton and other Indigenous leaders emphasized the importance of the application coming exclusively from Native CDFIs.

"Too many times, Native CDFIs are lumped in with other minority groups and that puts them at the bottom of the feeding chain," Upton said. "We need to have something that's just exclusively for Native communities because there's no one else that understands communities in Indian Country better than we do."

The NCN's application is supported by a diverse coalition of Native CDFIs from all 10 EPA regions. The coalition includes both certified and emerging CDFIs, as well as other CCIA-qualified community lenders.

"The vast majority of Native CDFIs and other experienced lenders serving Native communities came together as one to seize this landmark opportunity to transform the health and resilience of the places our people call home," Upton said.

The Native CDFI application is also supported by a dozen expert partners who will provide technical assistance customized for its community lenders and the Native communities they will serve.

"I think because the program is so nascent, I think the needs for us in particular are the ideas, the best practices, from whether it's other Native CDFIs or other CDFIs across the country," said Jeff Tickle, president and CEO of Cook Inlet Lending, a Native CDFI based in Anchorage. "We're going to really lean on the NCN and sort of the group or network that they are building to figure out how we can make the program work."

The efforts by Native CDFIs to secure CCIA funding are significant because

they are led by Native people who understand the unique challenges and opportunities of financing clean energy projects in Indian Country. NCN has a strong track record of supporting Native CDFIs and helping them to achieve their mission of providing financial services to underserved Native communities.

"They are the only network that understands the nuances of lending in Indian Country," said Attorney Pilar Thomas, a partner at law firm Quarles and Brady LLP, who supported the NCN's efforts to prepare the application. "They understand the relationship of those financial institutions to the tribal communities they serve."

If the NCN's application is successful, it would be a major milestone in the effort to bring clean energy to Indian Country. The CCIA funding would help Native communities to invest in clean energy projects that would create jobs, improve public health, and reduce their reliance on fossil fuels.



4th Annual

Policy & Capacity Building Summit

Washington, D.C.

December 3-5, 2023

Hyatt Regency Washington on Capitol Hill
400 New Jersey Ave NW, Washington, DC, 20001



REGISTER HERE



Native CDFI Network
2550 N. Diers Ave., Suite K
Grand Island, NE 68803

Mailing Address:
Native CDFI Network
PO Box 5683
Grand Island, NE 68802

Policy & Advocacy Office Address:
Native CDFI Network
122 C St. NW, Suite 505
Washington, DC 20001

(308) 850-0303

www.NativeCDFI.net



“Native CDFIs are a vital source of credit and financial services in Indian Country. Recent studies have shed light on Native CDFIs’ success with clients who have limited credit histories and have provided evidence that Native CDFIs relationships with their clients and knowledge of their communities make a difference.”

– Casey Lozar, vice president of the Federal Reserve Bank of Minneapolis and director of the Center for Indian Country Development, during a July 2023 webinar that is part of its “Cultivating Native Economies in the 21st Century”