



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

## ***The CDFI Fund Native American CDFI Assistance (NACA) Program: The Impacts of the Administration’s Planned Withholding of FY 2025 Funds and Proposed Elimination of NACA Program in FY 2026 on Native CDFIs and Communities***

***June 23, 2025***

*In response to the Trump Administration’s release of its FY 2026 Discretionary Budget Request – which proposes to eliminate the NACA Program in FY 2026 and reveals its intent to withhold 86% of the NACA Program funding that Congress appropriated for FY 2025 – the Native CDFI Network (NCN) conducted a survey of the Native community development financial institutions (CDFIs) that currently receive NACA Financial Assistance (FA) and/or Technical Assistance (TA) funding to gain deeper insights into the impacts these planned actions by the Administration will have on their organizations and the Native communities they serve. Below is a representative sampling of their responses to the survey’s three questions.*

### **QUESTION #1: BENEFITS OF NACA PROGRAM: How has your Native CDFI benefited from the NACA FA and TA funding it received in 2024 and years past? How have you leveraged this funding to economically develop the Native communities you serve?**

*“This critical support has enabled us to grow our loan portfolio, expand our technical assistance services, and increase our impact across Native communities in Nebraska, Iowa, South Dakota, and Kansas. In 2024, the NACA FA award allowed us to deploy more capital into underserved Native communities, directly supporting small business growth, homeownership, and clean energy initiatives. The TA funding has helped us build internal capacity and enhance our data systems and reporting infrastructure.”*

*“Our organization has benefited from the 2024 NACA funding and past years’ NACA funding by offering non-recourse funding for our revolving loan funds which helps capitalize our Down Payment Assistance loan program along with our Small/Micro Business loan program.”*

*“These awards have been vital in addressing the chronic lack of access to capital for Tribal members and rural communities within and surrounding our reservation, where no depository institution exists within reasonable proximity...From 2019 to 2021, we received consecutive NACA TA awards, which allowed us to: hire lending officers and expand core staff capacity, develop new loan products to meet community needs, and build infrastructure for underwriting and portfolio management. In 2022, we received our first NACA FA award, which enabled us to launch a Home Rehabilitation Loan Product tailored to the unique challenges of lending on Tribal trust lands. This program directly addressed severe housing issues identified in our housing needs assessment, including aging structures, overcrowding, and lack of access to traditional financing due to land status.”*

*“NACA awards have served as the foundation to secure additional investments from Tribal programs, philanthropic partners, and federal sources (e.g., Small Dollar Loan Program, USDA, and SBA). [They] have been indispensable in enabling us to grow from a start-up entity into a trusted, mission-driven financial institution. Without these resources, it would have been nearly impossible to provide accessible capital and culturally tailored financial services to our Tribal and rural communities.”*

“TA funding played a pivotal role in our CDFI’s initial formation, providing critical capacity-building resources over a three-year period. With these funds, we were able to formalize our operations, develop lending policies and systems, hire key staff, and ultimately achieve CDFI certification from the U.S. Department of the Treasury...As a result, we have grown our loan portfolio to \$4.2 million and leveraged federal funding more than tenfold, bringing additional public and private capital into underserved Native communities.”

*“The NACA TA award has...allowed us to provide technical assistance and trainings to clients at no cost to them [and] charge lower interest rates/fees than what our target market and those with lower credit scores would be charged if they went to a traditional financial institution. This allows our clients to build stronger credit and have more affordable terms and payments.”*

“NACA’s FA and TA programs have enabled our loan officers to expand access to fair and affordable financing for individuals in rural communities, many of whom might otherwise face predatory lending options...These resources have allowed us to offer responsible financial products, including auto loans, debt consolidation, and a small-dollar alternative to high-cost payday loans.”

*“The majority of the funds we have received from our NACA FA awards have been put into a revolving loan fund. This has enabled us to lend on mortgages with 20-year terms. We have deployed \$4,752,461.53 in 72 home purchase loans, most of which were funded with money from the NACA program.”*

“NACA FA and TA funding has allowed us to strengthen our organizational capacity, achieve national certification milestones, and expand access to affordable homeownership for tribal citizens across Southeast Alaska. Our 2023 NACA FA grant was fully dedicated to supporting our participation in USDA’s Native Relending Demonstration Program. Through this initiative, we became one of only a few Native CDFIs nationally entrusted with USDA funds to originate affordable home loans in rural Native communities. The capital enabled us to finance new mortgage loans tailored to the remote and high-cost environment of Southeast Alaska, where traditional mortgage lending is often unavailable. With the support of NACA FA funding, our loan portfolio expanded from \$3 million in 2021 to over \$16 million by 2025, with homeownership loans representing the majority of our portfolio. We maintain a delinquency rate below 1% and have not foreclosed on any loans, reflecting sound underwriting practices and robust financial coaching.”

*“We’ve received funding since 2010 beginning with a TA award that helped us to build the capacity of our NCDFI. We’ve received FA funding to assist in building our loan portfolio to Native Americans throughout Montana. We’ve leveraged over \$26 million that has gone into the communities.”*

“We have received a NACA FA award annually since 2014. Our CDFI has been able to fulfill every qualifying loan request it has received because of the lending capital made available by the NACA awards received.”

*“NACA FA and TA have been the cornerstone of our funding strategy for many years and has provided resources and lending capital which has allowed our CDFI to help new and existing Native-owned businesses to thrive...The NACA FA funding has also provided capital to help tribal members escape and avoid predatory debt at times with interest and fees that are equivalent of 100% to 400% of the original loan amount.”*

**QUESTION #2: ADMINISTRATION’S PLANNED WITHHOLDING OF FY 2025 FUNDS: How would the Trump Administration’s planned withholding of 86% of the 2025 NACA FA and TA funding adversely impact your organization’s ability to provide loans and other services to the Native communities you serve?**

“If the Trump Administration’s proposal to withhold 86% of these critical funds is implemented, it will have a devastating impact—not just on our organization, but on the Native communities we serve. As former Treasury Secretary Janet Yellen noted, CDFIs are able to leverage federal dollars at an average ratio of 8:1. That means every \$1 of NACA funding helps us bring in up to \$8 more in private and philanthropic investment. Removing this foundational support pulls the rug out from under years of strategic growth and impact.”

*“The planned withholding will prevent us from offering our new consumer loan product in connection with our Financial Wellness program, along with our new product of loans to non-profits...This drastic cut would not only*

*eliminate an already highly competitive funding opportunity but also stall the progress we have made in delivering access to capital in underserved, hard-to-reach areas.”*

*“Without this funding, we would face serious limitations in meeting loan demand, especially for first-time Native entrepreneurs and homeowners. Capacity-building efforts – including staff training, technology upgrades, and client education – would be halted or significantly delayed. Our ability to leverage additional capital from other partners would be weakened due to the absence of foundational federal support.”*

*“Historically, we have successfully leveraged beyond the typical federal dollars 8:1 ratio, multiplying the reach of every federal investment through public and private partnerships. Without this federal funding, it becomes much harder to maintain that level of leverage, which directly translates into less capital available to address community needs, particularly at the affordable rates our borrowers rely on when they are unable to secure financing elsewhere.”*

*“Our FY 2025 NACA FA award application was written to target a new niche within our target market, tribal agricultural producers. Withholding these funds would result in a severe reduction in loans deployed in this niche.”*

*“We would likely need to significantly reduce both the number of loans we process and the technical assistance we’re able to provide.”*

*“Withholding funds would decrease the number of mortgage loans we can issue, especially those with terms longer than 10 years.”*

*“The Administration’s proposed withholding of 86 percent of the 2025 NACA FA and TA funding would have a severe and immediate impact on our ability to deliver affordable housing loans and essential financial services to the Native communities we serve. The reduction in FA funding would drastically shrink our lending capacity... preventing us from meeting projected demand for mortgage loans in 2025 and result in delayed or canceled homeownership opportunities for tribal families who are otherwise ready and qualified to purchase homes. In addition, a significant portion of the requested FA funds was intended to support TA-type functions, including salaries for licensed loan originators, housing counselors, and servicing staff; training and certification compliance; and borrower outreach. Without access to these funds, HYFC’s operational capacity would be weakened, limiting our ability to process loan applications, conduct financial coaching, and maintain essential infrastructure.”*

*“We may have to cut staff and services.”*

*“We applied for a NACA TA award this funding round. We realize the benefit of keeping our staff trained in best practices. These dollars will allow the staff to provide complete and strong underwriting, as well as offer better technical assistance to our clients.”*

*“Such a significant reduction in the award would mean we would need to restructure operations to reduce staffing and services. Though we have worked tirelessly to diversify our funding sources and maintain a tight operational budget, losing 86% of the potential NACA FA we’ve applied for would cause great disruption while we reset our strategy and reduce our forecasts for portfolio growth and hours of TA we would have the capacity to provide.”*

**QUESTION #3: ADMINISTRATION’S PROPOSED ELIMINATION OF NACA PROGRAM: How would the Administration’s proposed elimination of the NACA program adversely impact the ability of your Native CDFI to grow and meet the growing capital access and technical assistance needs of the Native communities you serve?**

*“If this core funding is eliminated, we will be forced to scale back lending, reduce services, and halt planned expansion efforts. This would turn back the clock on economic development in Indian Country by 30 years. The harm wouldn’t just be financial – it would break trust. Native CDFIs like ours exist to fulfill the federal government’s trust responsibility to Tribal Nations by providing access to capital in communities mainstream banks ignore. Stripping away this support would disproportionately harm Native families, entrepreneurs, and tribal communities that are already among the most underserved in the nation.”*

*“It would also force our organization to consider downsizing our staff within our various lines of business including our homeownership lending staff and our business lending staff.”*

*“NACA funding is not simply a grant – it is the foundation upon which Native CDFIs build equitable access to capital and financial empowerment. If the NACA Program were to be cut or severely reduced, it would result in: (1) capital shortages that would limit our ability to deploy loans to entrepreneurs, homeowners, and working families who depend on us as their only source of financing; (2) the loss of development services, which would erode the infrastructure of financial literacy, business coaching, and asset-building programs that are critical to long-term economic mobility; (3) stalled business growth and job creation in Native communities, many of which face systemic barriers to economic participation and limited access to traditional financial services; (4) weakened partnerships and reduced leverage for bringing in private and philanthropic capital, as NACA funding often serves as the anchor or match for these other investments; and (5) greater dependency on extractive financial models or predatory lenders, undermining the very progress that Native CDFIs like ours have fought to establish.”*

*“NACA is one of the few sources of dedicated federal funding tailored to the unique challenges and opportunities within Native communities. Without it, the foundational support that enables Native CDFIs like ours to scale our impact would be severely weakened...The ability to leverage NACA dollars at an 8:1 ratio has been critical to expanding our reach. Without this federal investment, our ability to attract and deploy private capital becomes significantly more difficult, resulting in fewer resources available to Native Hawaiian families, and Indian Country.”*

*“Without these funds, we will need to severely scale back operations and our strategic goals of expanding within this niche of our target market. Native Agricultural producers and businesses confront a lack of access to capital. Without the NACA program, these producers and businesses will not be able to start or expand their businesses.”*

*“Without NACA funding, we would face an immediate and severe reduction in lending capital, forcing us to limit or delay loans that are critical to community members starting businesses, securing reliable transportation, consolidating debt, or accessing emergency funds. The loss of Technical Assistance funding would also significantly hinder our ability to provide financial education, one-on-one coaching, and workforce development, resources that are essential to building long-term economic resilience.”*

*“The proposed funding cut would undermine our ability to leverage outside investment. Our prior NACA grants were critical in attracting over \$10 million in capital from public and philanthropic partners, including SSBCI and USDA. A drastic reduction in FA funding would harm our credibility with current and prospective investors and threaten the viability of joint initiatives tied to leveraged dollars...this disruption would derail our long-term strategic goal of growing our loan portfolio from \$16 million to \$41 million by 2028. NACA FA resources are essential to achieving that target and to maintaining our track record of responsible lending, with a delinquency rate of less than one percent and no loan foreclosures to date.”*

*“It would ultimately cause the closure of many NCDFIs, which means less access to capital and services for Native communities.”*

*“To have this critical capital source be depleted for the future spells disaster for our organization and two other Native CDFI boards I serve on.”*

*“Since 2022, we have successfully deployed \$3 million into our community and our portfolio has grown from \$650,000 to \$2 million, with more than \$850,000 deployed in the 1st half of 2025. Losing any part of the NACA funding would negate all of the great work done and the scope and depth of work we do would be limited.”*

**To stay updated on the Native CDFI Network’s advancement of Native CDFIs’ federal policy priorities, please go to: <https://nativecdfi.net/policy/>.**