



# Federal Register

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**Thursday,  
December 4, 2003**

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## **Part III**

# **Department of the Treasury**

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## **Community Development Financial Institutions Fund**

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**CDFI Fund Native American Initiative;  
Notice of Funds Availability (NOFA)  
Inviting Applications for the Native  
American CDFI Assistance Program;  
Notices**

**DEPARTMENT OF THE TREASURY****Community Development Financial Institutions Fund****CDFI Fund Native American Initiative**

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Preamble for the CDFI Fund's Native American Initiative, which includes: The Native American CDFI Assistance (NACA) Program; the Native American Technical Assistance (NATA) Component (part of the Technical Assistance Component) of the CDFI Program; and the Native American CDFI Development (NACD) Program.

**SUMMARY:****I. Legislative Background**

The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 *et seq.*) (the "Act") authorizes the Community Development Financial Institutions Fund (the "Fund") of the U.S. Department of the Treasury to promote economic revitalization and community development through investment in and assistance to Fund-certified community development financial institutions ("CDFIs") through the CDFI Program. The Consolidated Appropriations Resolution, 2003 (Pub. L. 108-7) authorizes the Fund to provide financial assistance ("FA") and technical assistance ("TA") to benefit Native American, Alaska Native and Native Hawaiian communities (hereafter referred to as "Native American Communities"), with such benefit being provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, Tribes and tribal organizations and other suitable providers.

**II. The CDFI Fund's Overall Strategic Objectives**

Credit and investment capital are essential ingredients for developing affordable housing, starting or expanding businesses, meeting unmet market needs, and stimulating economic growth. Access to financial services is critical to helping bring more Americans into the economic mainstream. The

Fund's programs are designed to address the unique capitalization and/or technical capacity needs of CDFIs and other community development entities so that they may better meet the needs of their particular target markets through loans, investments, financial services and other related activities. This strategy builds strong institutions that make loans and investments and provide financial services in markets (including economically distressed investment areas and disadvantaged targeted populations) whose needs for loans, investments, and financial services have not been fully met by traditional financial institutions.

**III. The CDFI Fund's Native American Initiative**

Pursuant to the Act, in 2001, the Fund completed and published the Native American Lending Study ("the Study"), which identifies significant barriers to lending and investment in Native American Communities throughout the country and strategies for overcoming those barriers. One of the barriers identified by the Study is the fact that there are few CDFIs and other financial institutions that serve Native American Communities. Since CDFIs are important tools for developing self-sustaining economies in many underserved communities, the Fund seeks to assist Native American Communities to create CDFIs as well as to strengthen CDFIs already serving those communities.

The Fund seeks to accomplish these goals through its Native American Initiative. The primary objective of the Native American Initiative is to increase the market coverage and capacity of Native American CDFIs throughout the country. While the Fund also is undertaking other activities, such as its comprehensive training program, to further strengthen Native American CDFIs, the Native American Initiative principally comprises three facets:

(1) *Native American CDFI Assistance (NACA) Program:* Through the NACA Program, the Fund provides (i) FA and/or TA awards to Native American CDFIs and entities that can be certified as Native American CDFIs at time of award; and (ii) TA awards to entities that propose to become Native American CDFIs within two years and "Sponsoring Entities" (e.g., Native American organizations, Tribes, Tribal

organizations) that propose to create separate legal entities that will become Native American CDFIs within two years. A NOFA covering two annual funding rounds for the NACA Program is published in this issue of the **Federal Register**, subject to funding availability and Fiscal Year 2004 and Fiscal Year 2005 appropriations. Interested parties may obtain additional and detailed information on the NACA Program, including application materials, through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). Summary information on the NACA Program is provided in the chart, below.

(2) *Native American Technical Assistance (NATA) Component (part of the Technical Assistance Component of the CDFI Program):* Through the NATA Component, the Fund provides capacity-building TA grants to Native American CDFIs, entities that can be certified as Native American CDFIs at time of award, and entities that propose to become Native American CDFIs within two years. The FY 2003 and 2004 NOFA for the NATA Component/ Technical Assistance Component was published in the February 4, 2003 issue of the **Federal Register** (68 FR 5735). The Fund is accepting applications on a rolling basis (subject to funding availability) through May 31, 2004. Interested parties may obtain additional and detailed information on the NATA Component, including application materials, through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). Summary information on the NATA Component is provided in the chart, below.

(3) *Native American Community Development (NACD) Program:* Through the NACD Program, the Fund provides TA grants to Sponsoring Entities to facilitate the creation of separate legal entities that will become Native American CDFIs within two years. The FY 2003 and 2004 NOFA for the NACD Program was published in the February 4, 2003 issue of the **Federal Register** (68 FR 5731). The Fund is accepting applications on a rolling basis (subject to funding availability) through May 31, 2004. Interested parties may obtain additional and detailed information on the NACD Program, including application materials, through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). Summary information on the NACD Program is provided in the chart, below.

Component or program	Purpose; types and amounts of assistance available	Eligible applicants	Application deadlines
Native American CDFI Assistance Program.	<p>FA awards (grants, loans, equity investments, secondary capital accounts, deposits, credit union shares) to support financing needs, and/or TA grants to build capacity to serve target markets, including operating grants; up to \$500,000 per award.</p> <p>Eligible Uses of TA Funds: technology acquisition, training, consulting services, staff salary for certain purposes, and operating funds.</p>	<p>FA/TA awards. ....</p> <p><i>Type 1:</i> certified Native American CDFIs or certifiable Native American CDFIs (i.e., entities that can be certified as Native American CDFIs at time of award).</p> <p>TA awards only. ....</p> <p><i>Type 2:</i> emerging Native American CDFIs (i.e., entities that propose to become Native American CDFIs within two years of receiving the award); and.</p> <p><i>Type 3:</i> Sponsoring Entities (e.g., Native American organizations, Tribes and Tribal organizations) that propose to create an entity that will become a Native American CDFI within two years of receiving the award.</p> <p>Ineligible Applicants: Firms that provide training or TA in community developments finance (such organizations are eligible to apply through NACD).</p>	<p>Applications will be accepted and evaluated in two rounds: Round 1: application deadline is March 15, 2004; Round 2: application deadline is January 30, 2005 (subject to FY 2004 funding availability).</p>
NATA Component ...	<p>TA grants to build capacity to serve target markets; up to \$100,000 per award.</p> <p>Eligible Uses of TA Funds: technology acquisition, training, consulting services, staff salary for certain purposes.</p> <p>Ineligible Uses of TA Funds: operating funds.</p>	<p>Certified Native American CDFIs, certifiable Native American CDFIs (i.e., entities that can be certified as Native American CDFIs at time of award), emerging Native American CDFIs (i.e., entities that propose to become Native American CDFIs within two years of receiving the award).</p> <p>Ineligible Applicants: Sponsoring Entities (as described under NACD below), and entities that the Fund has previously selected to receive over \$250,000 in TA or FA (in aggregate).</p>	<p>Applications will be accepted and evaluated on a first-come, first reviewed basis, beginning February 4, 2003 through May 31, 2003 (subject to FY 2004 funding availability).</p>
NACD Program .....	<p>TA grants to build capacity to create Native American CDFIs; up to \$100,000 per award.</p> <p>The applying entity must use the TA award to assist in the establishment of a separately incorporated, new Native American CDFI.</p> <p>Eligible Uses of TA Funds: technology acquisition, training, consulting services, staff salary for certain purposes.</p> <p>Ineligible Use of TA Funds: operating funds.</p>	<p>Sponsoring Entities that will not themselves become Native American CDFIs but instead plan to create separate Native American CDFIs.</p> <p>Such entities include (a) <i>Category I:</i> Tribes, Tribal entities and nonprofit organizations that primarily serve Native American, Alaska Native and/or Native Hawaiian populations; and (b) <i>Category II:</i> firms that provide training or TA in community development finance or that specialize in economic development in Native American, Alaska Native and/or Native Hawaiian communities, and other suitable providers, including CDC, certified CDFIs, or organizations with experience and expertise in banking and lending in Native American, Alaska Native and/or Native Hawaiian communities.</p> <p>Ineligible Applicants: certified Native American CDFIs, certifiable Native American CDFIs (i.e., entities that can be certified as Native American CDFIs at time of award, emerging Native American CDFIs (i.e., entities that propose to become Native American CDFIs within two years of receiving the award).</p>	

In addition to the Native American Initiative, described above, the Fund administers the New Markets Tax Credit ("NMTC") Program, the Financial Assistance Component and the Technical Assistance Component of the CDFI Program, and the Bank Enterprise Award Program. Interested parties are encouraged to learn more about these programs, and how to apply, through the Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov).

A Native American CDFI may apply for a FA award through either the FA Component or the NACA Program. While an applicant may receive only one FA award through either the FA Component or the NACA Program, an applicant, its subsidiaries or affiliates may apply for and receive: (i) A tax credit allocation through the NMTC Program; (ii) a TA award through the CDFI Program; (iii) an award through the NACD Program; or (iv) an award through the BEA Program, subject to certain restrictions described in the BEA Program regulations.

Catalog of Federal Domestic Assistance: 21.020

**Authority:** 12 U.S.C. 4703, 4703 note, 4704, 4706, 4707, 4717; 12 CFR part 1805, Pub. L. 107-73, Pub. L. 108-7.

Dated: November 21, 2003.

**Tony T. Brown,**

*Director, Community Development Financial Institutions Fund.*

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BILLING CODE 4810-70-P

## DEPARTMENT OF THE TREASURY

### Community Development Financial Institutions Fund

#### Notice of Funds Availability (NOFA) Inviting Applications for the Native American CDFI Assistance Program

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Notice of funds availability ("NOFA") inviting applications for the Native American CDFI Assistance ("NACA") Program.

**SUMMARY:** This NOFA is issued in connection with two annual funding rounds of the NACA Program, one using FY 2003 and FY 2004 appropriated funds ("Round One") and one using FY 2004 and FY 2005 appropriated funds ("Round Two"), if appropriated funds are available. Through the NACA Program and subject to appropriation of funding for the purposes enumerated in this NOFA, the Community Development Financial Institutions Fund (the "Fund") will provide

Financial Assistance ("FA") awards and/or Technical Assistance ("TA") grants to community development financial institutions ("CDFIs") that primarily serve Native American, Alaska Native and/or Native Hawaiian communities (hereafter referred to as "Native American CDFIs," serving "Native American Communities"). The NACA Program will also provide TA grants to entities proposing to become Native American CDFIs within a specified time frame and "Sponsoring Entities" (e.g., Native American organizations, Tribes and Tribal organizations that propose to create entities that will become Native American CDFIs).

The Fund expects to award approximately \$5 million for Round One awards, and approximately \$3 million for Round Two awards. Interested parties should be aware that electing to defer the submission of a NACA Program application in Round Two, rather than in Round One, entails some risk since Round Two funds have not yet been appropriated. If neither FY 2004 funds nor FY 2005 funds are appropriated for the purposes set forth in this NOFA, there will not be a Round Two. The Fund reserves the right to award in excess of said amounts under this NOFA provided that appropriated funds are available and the Fund deems it appropriate. The Fund reserves the right to re-allocate funds from the amounts that are anticipated to be available under this NOFA to other Native American programs administered by the Fund, particularly if the Fund determines that the number of awards made under this NOFA is fewer than projected.

Under this NOFA, an applicant may apply for a FA award, a TA grant, or a combination of the two (within certain limits, described below). The Fund expects that it will award up to \$150,000 per awardee receiving only TA and up to \$500,000 per awardee receiving only FA or a combination of FA and TA. The Fund, in its sole discretion, reserves the right to award amounts in excess of the anticipated maximum award amount if the Fund deems it appropriate; or to provide a TA grant for uses other than, or in an amount greater or less than that which is requested by an applicant, including to applicants requesting only FA. The Fund reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA.

A certified Native American CDFI may apply for FA through either the FA Component or the NACA Program. While an applicant may receive only

one FA award through either the FA Component or the NACA Program, an applicant, its subsidiaries or affiliates may apply for and receive: (a) A tax credit allocation through the NMTC Program; (b) a TA award through the CDFI Program; (c) an award through the Bank Enterprise Award Program (subject to certain limitations); and/or (d) an award through the NACD Program. Terms not defined in this NOFA are as defined in the interim regulations for the CDFI Program, found at 12 CFR part 1805.

**DATES:** The Fund will make available the Round One NACA Program funding application on its website at <http://www.cdfifund.gov> in early January, 2004. At that time, interested parties may download the application form from the Fund's website or request application packages by contacting the Fund, as described below.

Round One applicants may submit applications after February 1, 2004. Round One applications must be received in the specific Bureau of the Public Debt (BPD) office designated below not later than 5:00 p.m. ET on March 15, 2004.

Subject to the availability of appropriated funds, Round Two applicants may submit applications after December 1, 2004. Round Two applications must be received in the BPD office designated below not later than 5:00 p.m. ET on February 1, 2005.

Late applications received in the specific BPD office designated below will be rejected and returned to the sender.

Applications sent by facsimile or e-mail will not be accepted; however, an electronic application may be made available for this NOFA at a later date. If so, its availability and related guidance will be announced on the Fund's website ([www.cdfifund.gov](http://www.cdfifund.gov)).

Applicants must submit one original and two (2) copies of their complete application. Applicants seeking CDFI certification with the funding application must submit one additional original and one additional copy of Section III (the CDFI certification section) of the application. Each copy should be placed in a three-ring binder, without staples or other forms of binding and each section should be separated by tabs. Each original should not be placed in a binder nor include tabs. To facilitate processing, please clearly identify originals and copies of applications as "Funding" and "Certification" applications.

**ADDRESSES:** Applications must be sent to: CDFI Fund Grants Management and Compliance Manager, Bureau of Public