

Community Development Financial Institutions (CDFI) Fund

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Native American Initiatives Program

The Community Development Financial Institution (CDFI) Fund's Native Initiatives is designed to overcome identified barriers in Native Communities (Native American, Alaskan Native and Native Hawaiian communities). This initiative seeks to increase the access to credit, capital and financial services in Native Communities through the creation and expansion of CDFIs primarily serving Native Communities. The CDFIs serving Native Communities are referred to as Native CDFIs and must be certified by the CDFI Fund in order to receive certain program benefits.

A [certified CDFI](#) is one that has been certified by the CDFI Fund as meeting all the following statutory and regulatory criteria:

1. Has a primary mission of promoting community development;
2. Serves principally an Investment Area or a Targeted Population;
3. Is a financing entity;
4. Provides Development Services in conjunction with its financing activity;
5. Maintains accountability to its Target Market; and
6. Is a non-governmental entity and is not controlled by any governmental entities.

In addition to seeking certification so as to be eligible to receive [Financial Assistance \(FA\)](#) and/or [Technical Assistance \(TA\)](#) awards from the CDFI Fund, organizations sometimes pursue CDFI certification in order to leverage funds from non-federal sources such as banks, foundations, and state and local governments.

In 2001, there were seven certified Native CDFIs; as of January 2006, the Fund had certified 39 Native CDFIs, a 433 percent increase in the past five years.

Since FY 2002, the CDFI Fund has awarded \$19.8 million in awards to Native CDFIs, emerging Native CDFIs, and entities - usually Tribes - that propose to sponsor the creation of Native CDFIs.

In addition, the Fund has awarded over \$7.5 million in contracts to organizations that provide capacity-building and financial services training programs that are focused on Native Communities.

Objectives

Native Initiatives are based on six objectives:

1. Expand training opportunities in community development finance for Native Communities;
2. Provide technical assistance to overcome barriers to the creation or sustainability of Native CDFIs;

3. Provide Technical and Financial Assistance awards targeted to meet the needs of existing or emerging Native CDFIs;

4. Encourage traditional financial institutions to increase their provision of financial products and services in Native Communities;

5. Support the provision of financial education in Native Communities; and

6. Facilitate networking and in depth training forums in community development finance.

The CDFI Fund works to achieve these objectives through two principle strategies: 1) A funding program - the [Native American CDFI Assistance \(NACA\) Program](#) - targeted to increasing the number and capacity of existing or new Native CDFIs 2) A complementary series of training programs titled "[Expanding Native Opportunities](#)" that seeks to foster the development of new Native CDFIs, strengthen the operational capacity of existing Native CDFIs, and guide Native CDFIs in the creation of important financial education and asset building programs for their communities.

NACA Program

The [Native American CDFI Assistance \(NACA\) Program](#) supports Native CDFIs and entities proposing to become or create Native CDFIs and to build their capacity to better

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address the community development and capital access needs of Native Communities. The NACA Program provides Financial Assistance (FA) awards, and Technical Assistance (TA) grants to Native CDFIs and entities proposing to become or create Native CDFIs. **Financial Assistance (FA):** Eligible Native CDFIs may receive, through an annual competitive process, FA awards in the form of loans, grants, deposits, or equity investments to support their financing activities. FA awards are primarily used for financing capital and require the awardee to match the CDFI Fund's award dollar-for-dollar with funds from non-federal sources. **Technical Assistance (TA):** These grants may be used to acquire products or services, including technology, staff training, consulting services to acquire needed skills or services, or to support general capacity-building activities. These grants are used by awardees to increase their capacity to serve their Target Markets and/or to create or become certified Native CDFIs.

Expanding Native Opportunities

“Expanding Native Opportunities” is a training initiative focused on increasing the number of Native CDFIs, strengthening the operational capacity of existing Native CDFIs, and guiding Native CDFIs in the creation of important financial education and asset building programs for their communities. These programs are fully funded by the CDFI Fund and administered by contractors that are selected through a competitive bidding process.

Native Communities Financing Initiative (NCFI):

The CDFI Fund contracts for the provision of training and technical assistance to Tribes, tribal programs, Native nonprofits and community development practitioners interested in developing Native CDFIs through the **Native Communities Financing Initiative**. NCFI is an intensive series of workshops and follow up technical assistance conducted over a 12 month period to help Native communities develop and expand Native CDFIs. Since 2003, nearly 235 Native Communities and organizations have participated in a NCFI workshop. The CDFI Fund has expanded the training to provide technical assistance to existing Native CDFIs and launched a new Native Credit Union development program. The Opportunity Finance Network (OFN), in partnership with Oweesta, provides this training. Contact Mamata Datta (OFN) at mdatta@opportunityfinance.net or Stewart Sarkozy-Banoczy (Oweesta) at stewart@oweesta.org.

Native Financial Skills and Enterprise Initiatives (NFSEI):

In 2007, the CDFI Fund awarded the **Native Financial Skills and Enterprise Initiatives** contract. The contractor provides training and technical assistance in two activity areas: financial education and entrepreneurship development. The financial education activity focuses the training of trainers in the Building Native Communities financial education curriculum and related tools such as the Earned Income Tax Credit, Individual Development

Accounts, and integrated asset building programs. The entrepreneurship activity will focus on entrepreneurship development systems, curricula integration and program development at the local level. This contract was awarded to Oweesta in partnership with CFED and ONABEN. For the financial education program contact Joanna Donohoe (Oweesta) at joanna@oweesta.org. For the entrepreneurship program contact Stewart Sarkozy-Banoczy (Oweesta) at stewart@oweesta.org.

Native Individual Development Account Initiative (NIDAI):

Training and technical assistance is available to Native CDFIs and like organizations to create and administer **Individual Development Account (IDA)** programs. Preparation for IDA program practitioners is provided through three-day training sessions designed to help Native CDFIs, Tribes, or other Native organizations start, implement, and sustain IDA programs in their communities. During the training sessions, participants are guided toward developing plans customized to their communities; after participation in the training institute, they are offered technical assistance in local program start-up and implementation. This contract was awarded to CFED in partnership with First Nations Development Institute and Oweesta. For more information contact Kim Pate (CFED) at kim@cfed.org.

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