

Highlights of Award Round

FY 2011 Native American CDFI Assistance Program
Financial Assistance and Technical Assistance Awards

Awardee Highlights

The CDFI Fund has completed its fiscal year (FY) 2011 funding round of the Native American CDFI Assistance Program (NACA Program). The CDFI Fund received applications from 88 organizations requesting \$35 million in NACA Financial Assistance (FA) and Technical Assistance (TA), with 82 applications deemed eligible to advance to the review process. The CDFI Fund made 35 awards totaling \$11.85 million to organizations located in 17 states.

The Notice of Funds Available was published on October 29, 2010. Applications were due on December 2, 2010.

Key Statistics of Awardees (FA and TA awards combined):

- 35 organizations received \$11,847,579 in awards, all of which were grants.
- 14 FA and 21 TA awards were made.
- 31 loan funds and four credit unions were awarded.
- Two awardees primarily serve major urban markets, seven primarily serve minor urban markets, and 26 primarily serve rural areas.

Organizational Diversity

The CDFI industry consists of a wide variety of financial institutions including banks, credit unions, loan funds, and venture capital funds. Each provides a different mix of products geared to reach specific customers, such as the following:

- **Community development banks** are for-profit corporations which provide capital to rebuild economically distressed communities through targeted lending and investment.
- **Community development credit unions** are non-profit cooperatives owned by members which promote ownership of assets and savings and provide affordable credit and retail financial services to low-income people.
- **Community development loan funds**, usually non-profits, provide financing and development services to businesses, organizations and individuals in low-income urban and rural areas, and can be further categorized based on the type of client(s) served: micro-enterprise, small business, housing and community service organizations.
- **Community development venture capital funds** are both for-profit and non-profit organizations which provide equity and debt-with-equity features for businesses in distressed communities.

Geographic Diversity

The FY 2011 NACA FA and TA awardees are headquartered in 17 states. For more detailed geographic breakdowns by program, please refer to the individual FA and TA highlights sections that follow.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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Financial Assistance Awards Highlights

Overview

The CDFI Fund uses Financial Assistance awards through the NACA Program to invest in and build the capacity of Native CDFIs to serve low-income people and communities lacking adequate access to affordable financial products and services. The CDFI Fund provides these awards to Native CDFIs that demonstrate, through their proposed comprehensive business plans, the ability and capacity to deploy credit, capital, and financial services to their target markets or to expand into new investment areas, low-income targeted populations, or other targeted populations. Low-income communities are defined as those census tracts with poverty rates of greater than 20 percent and/or median family incomes that are less than or equal to 80 percent of the area median family income.

Key Statistics of FY 2011 NACA Financial Assistance Awardees

- 34 eligible NACA applicants requested nearly \$22 million in FA awards.
- 14 awardees received \$9,111,854 in awards, all of which were grants.
- The awardees consisted of 13 loan funds and one credit union.
- Of the awardees, one primarily serves major urban markets, one primarily serves minor urban areas, and 12 primarily serve rural areas.
- The awardees are headquartered in 11 different states.

NACA Financial Assistance Applicants and Awardees

The FY 2011 NACA FA awardees include 13 loan funds and one credit union.

Native CDFIs focus, largely, on two different financial sectors: 1) affordable housing (housing development and homeownership); and 2) economic development (job creation, business development, and commercial real estate development). Some Native CDFIs serve as national or regional intermediaries, providing financial products and services to local Native CDFIs and other community development organizations.

Table 1 provides a breakdown of FY 2011 NACA FA applicants and awardees by institution type.

| Institution Type | # Requests | # Awards | \$ Requested | \$ Awarded |
|------------------------|------------|-----------|---------------------|--------------------|
| Loan Fund | 25 | 13 | \$16,833,635 | \$8,832,354 |
| Credit Union | 5 | 1 | \$2,247,700 | \$279,000 |
| Depository Institution | 4 | - | \$2,850,000 | - |
| Total | 34 | 14 | \$21,928,355 | \$9,111,854 |

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

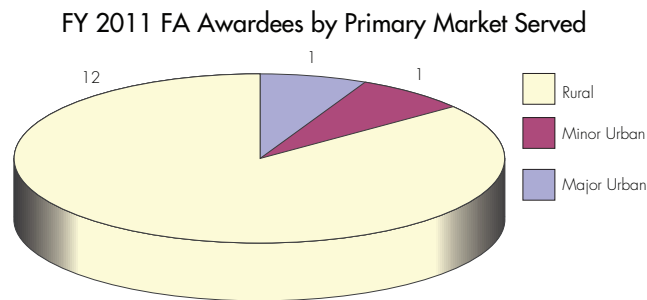
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Geographic Diversity Among NACA FA Awardees

The FY 2011 NACA FA awardees are headquartered in 11 states: Alaska, California, Hawaii, Maine, Michigan, Minnesota, North Carolina, New Mexico, Oklahoma, South Dakota, and Wyoming.

Financial Product Diversity Among NACA FA Awardees

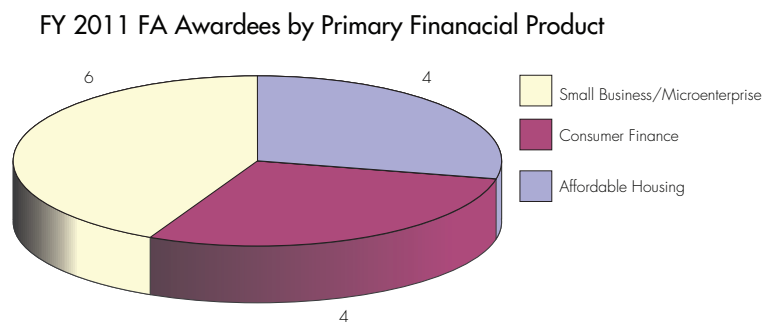
FY 2011 NACA FA awardees serve diverse markets: major urban, minor urban, and rural. As shown in the following graph, one of the awardees primarily serves major urban markets, one primarily serves minor urban areas, and 12 primarily serve rural areas.



Overall, the CDFI Fund received three eligible NACA Financial Assistance applications from organizations with primary markets serving major urban areas, five applications from organizations with primary markets serving minor urban areas, and 26 applications from organizations with primary markets serving rural areas. The final 14 FY 2011 NACA FA awardees represent 33 percent of the major urban applicants, 20 percent of the minor urban applicants, and 46 percent of the rural applicants.

Financial Product Diversity Among NACA FA Awardees

FY 2011 NACA FA awardees provide diverse financial products in communities with the majority providing affordable housing products and small business loans. As shown in the graph below, four awardees provide affordable housing products; six provide small business or microenterprise loans; and four provide consumer loans products.



Technical Assistance Award Highlights

Overview

The CDFI Fund makes Technical Assistance awards to both established and emerging Native CDFIs for the purpose of enhancing their capacity to serve their target markets. The grants are awarded based on a competitive application process, requiring a review of the Applicant’s Comprehensive Business Plan. This is the ninth annual funding round in which TA grants have been awarded since its inception in 2002.

Organizations receiving TA awards under the NACA Program serve a wide range of Native Communities, and reflect a diversity of institutions in various stages of development – from organizations in the early planning stages of creating a Native CDFI, to tribal entities working to certify an existing lending program, to established Native CDFIs in need of further capacity building assistance. Unique to the NACA Program is the ability of Sponsoring Entities to create and support fledgling Native organizations as they move toward certification.

The CDFI Fund made 21 NACA TA awards totaling more than \$2.7 million to CDFIs located in 12 states.

Key Statistics of FY 2011 NACA Technical Assistance Awardees

- 48 eligible organizations applied requesting over \$7.5 million in TA awards.
- 21 organizations were awarded \$2,735,725 in TA awards.
- The awardees consisted of 18 loan funds and three credit unions.
- Of the awardees, one primarily serves major urban markets, six primarily serve minor urban areas, and 14 primarily serve rural areas.
- Awards ranged in size from \$24,950 to \$150,000, with the average being \$130,273

Organizational Diversity

The CDFI Fund makes TA awards available to loan funds, credit unions, depository institutions, community development venture capital organizations, and other groups. Out of 21 organizations receiving a NACA TA award, 18 were loan funds and three were credit unions.

The following table shows the breakdown of the organizational diversity of the FY 2011 NACA TA applicants and awardees.

| Institution Type | # Requests | # Awards | \$ Requested | \$ Awarded |
|------------------|------------|-----------|--------------------|--------------------|
| Loan Fund | 42 | 18 | \$6,608,288 | \$2,411,214 |
| Credit Union | 6 | 3 | \$898,801 | \$324,510 |
| Total | 48 | 21 | \$7,507,089 | \$2,735,725 |

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

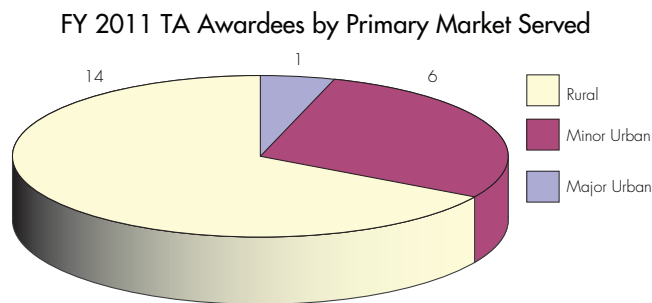
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Geographic Diversity Among NACA TA Awardees

The 21 TA awardees are headquartered in 12 states: Arizona, Hawaii, Michigan, Minnesota, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Texas, Washington, and Wisconsin.

Primary Market Diversity Among NACA TA Awardees

FY 2011 NACA FA awardees serve diverse markets: major urban, minor urban, and rural. As shown in the following graph, one of the awardees primarily serves a major urban market, six primarily serve minor urban areas, and 14 primarily serve rural areas.



Use of Funds Categories

The FY 2011 TA awardees received TA awards in one or more categories. The seven TA categories are: 1) Personnel (Salary); 2) Personnel (Fringe Benefits); 3) Training; 4) Travel; 5) Professional Services; 6) Materials/Supplies; 7) Equipment & Other Capital Expenditures; and 8) Other Costs. The following table shows the amounts and percentages funded for each category.

| Category | Amount | Percent of Total |
|--|--------------------|------------------|
| Personnel (Salary) | \$1,545,048 | 56.5% |
| Personnel (Fringe Benefits) | \$311,181 | 11.4% |
| Training | \$80,060 | 2.9% |
| Travel | \$129,531 | 4.7% |
| Professional Services | \$468,986 | 17.2% |
| Materials/Supplies | \$58,517 | 2.1% |
| Equipment & Other Capital Expenditures | \$29,630 | 1.1% |
| Other Costs | \$112,772 | 4.1% |
| Total | \$2,735,725 | 100% |