

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. 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. 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. Summary information on the NACD Program is provided in the chart, below.