



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

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May 7, 2010

Mr. Scott Berman
Acting Chief Operating Officer, CDFI Fund
U.S. Department of the Treasury
601 13th Street NW, Suite 200 South
Washington, DC 20005

Dear Mr. Berman,

The Council for Native Hawaiian Advancement (CNHA) respectfully submits comments in response to the request for public comment on the **Community Development Financial and Technical Assistance Awards, Native Initiatives, and Bank Enterprise Awards** issued by the Department of the Treasury and published in the Federal Register, Volume 75, No. 44 on Monday May 8, 2010.

CNHA is a national, member-based nonprofit of over 100 Native Hawaiian Organizations with a 15-member elected board of directors. Similar in purpose to the Alaska Federation of Natives and the National Congress of American Indians, CNHA achieves its mission through a strong policy voice, capacity building and connecting resources to the challenges in our communities. In January 2010, our organization received its certification as a Native CDFI.

Native communities struggle with a number of historical and policy factors that make such areas notoriously difficult to attract capital. Redlined by mainstream banking institutions or preyed upon by unscrupulous lending entities, the CDFI Fund's Native Initiatives has had a powerful impact on financial and community development in these areas. Consequently, we respectfully submit the following comments on issues impacting Native CDFIs:

- **Lower the match requirements for Native CDFIs.** Native CDFIs often struggle with meeting the matching funds requirement. The complexity of investing in Native communities and the rural and/or remote characteristics of many of our areas combined with historical and policy factors make it difficult to access other resources to match CDFI funding.
- **Authorize the Secretary or Fund Director to make determinations on when it is appropriate to waive match requirements.** In this particular matter, Congress is not well-suited to making determinations regarding waivers to the matching funds requirement. Such determinations would be more appropriately and effectively made by either the Secretary of the Treasury or the Fund Director.
- **NACA Awards should be included in the authorizing statutes.** NACA awards have been critical to increasing access to capital for Native communities and fueling Native-driven economic and community development. We strongly support placing NACA program language in the authorizing statutes.

- **Allocate 10% to the NACA Program for FA and TA.** Financial and technical assistance is critical to the development of Native CDFIs. Increasing the availability of these awards will greatly benefit Native CDFIs, allowing them to build capacity to serve their unique and often challenging target areas.
- **5% New Markets Tax Credit allocation for Native lands.** Establish a 5% set-aside within the New Markets Tax Credit (NMTC) program for projects located on Native trust lands and restricted fee lands. Although NMTC is not directly identified as an area for comment, NMTC is administered by the Fund and we believe that Native Initiatives may, and should, play a critical and effective role in increasing NMTC deployment to Native communities.
- **Automatic eligibility of projects on Native lands under New Markets Tax Credit.** There are viable and promising projects in Native communities that would greatly benefit under the NMTC program, but are currently considered ineligible as these Native lands are not located within the low-income Census tract areas. The legal and political complexity of Native lands make it all too easy for NMTC investors to eschew development projects in these areas in favor of more straightforward, less complex transactions. NMTC can be a powerful investment and development tool for Native communities, but without dedicated funding and allowing Native lands to be automatically eligible for NMTC deployment, the billions of dollars being funded for this program will continue to bypass Native communities.
- **Update the Native American Lending Study.** Current data is critical to understanding the landscape of lending and access to capital in Native communities, while also providing a means to identify how existing policies and regulations may need to be modified going forward.
- **Provide training and technical assistance (TTA) for established Native CDFIs.** Established and mature Native CDFIs face a unique set of challenges. As the CDFI movement, which is relatively new to Native communities, begins to grow and develop, many pioneering Native CDFIs require assistance to adapt and utilize new strategies, or explore more entrepreneurial opportunities to meet their target market's needs. Providing TTA for mature Native CDFIs will provide much needed support for these organizations to continue growing and expanding.

Mahalo (thank you) for the opportunity to provide comments on this matter. Native communities have benefited greatly from the emergence and success of Native CDFI business models. There is so much more room for growth in Native communities, and we look forward to working with the CDFI Fund in continuing to put this incredible model to work for Native communities across the country.

Sincerely,



Robin Puanani Danner
President and CEO