



April 8, 2022

Ms. Heather Hunt
Program Manager, Office of Compliance Monitoring and Evaluation (OCME)
CDFI Fund
U.S. Department of the Treasury
ccme@cdfi.treas.gov

Re: Certification of Material Events Form

Dear Ms. Hunt,

As financial leaders directly serving diverse communities, the African American Alliance of Community Development Financial Institutions (CDFIs) CEOs (“the Alliance”) submits the following comments in response to the updated Certification of Material Events Reporting Form released by the CDFI Fund. The Alliance is comprised of over 60 African American CEOs serving communities of color across the country Utilizing decades of experience, technical expertise, and access to capital, the Alliance focuses on wealth building, homeownership, and investments for entrepreneurs within the African American community. Our comments address the revised Certification of Material Events Form for all CDFI programs, generally, and the CDFI Bond Guarantee Program (BGP), specifically.

The CDFI Fund has played a pivotal role in increasing the capacity of Alliance members to provide capital, credit, and financial services to the underserved populations they serve. CDFIs use the Certification of Material Events Form to report potential material events to the CDFI Fund. A “material event” is an occurrence that affects an organization’s strategic direction, mission, or business operation and, thereby, its status as a certified CDFI and/or CDE, and/or its compliance with the terms and conditions of its assistance or allocation agreement. The Alliance supports the proposed revision to increase the period within which a material event must be reported from 20 days to 30 days, as this affords greater flexibility for our member CDFIs to report material events.

We would also note that our members currently and/or seeking to participate in the CDFI BGP have noted the costs to maintain and effectively meet the reporting requirements is a barrier to program access. The costly reporting requirements significantly increase the cost of capital from the BGP and deter this program’s intended purpose of providing an affordable and reliable source of funding. The first few years of participation in the BGP are particularly costly and difficult for CDFIs new to the program, as there are several unanticipated costs such as, extensive training on unique and often rigid programs and systems. To maintain the BGP federal compliance requirements, a CDFI must hire additional staff and consultants that are familiar with the accounting processes. The unexpected costs hinder the ability of our member CDFIs to release capital to those most in need.

The Alliance applauds the CDFI Fund’s efforts in reviewing reduction of paperwork for its many programs and, specifically, extending the period for which a material event must be reported from 20 days to 30 days. We appreciate the opportunity to comment on this important initiative and look forward to future opportunities to discuss CDFI Fund programs.

Regards,

Lenwood V. Long, Sr.
President/CEO
African American Alliance of CDFI CEOs