

August 6, 2025

Program Manager
Office of Compliance Monitoring and Evaluation
Community Development Financial Institutions Fund
U.S. Department of Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Via email: ccme@cdfi.treas.gov

On June 24, the CDFI Fund invited comments on whether the collection of information relating to material events is necessary for the proper performance and functions of the CDFI Fund, including whether the information has practical utility along with ways to minimize the burden of information collection on respondents.

“Material events” are broadly defined by the CDFI Fund as changes that could lead to the violation of an Assistance Agreement, law, or regulation or conditions that might cause an entity to no longer meet one or more certification criteria. A material event must be reported within 30 days of its occurrence. Failure to do so may be considered an event of default or noncompliance.

Changes to Elected Board Officers as Material Events

A credit union is governed by a volunteer board of directors elected by its members. Once elected, board officers (Chair, Treasurer, Secretary, etc.) are chosen by means of an internal election among those people elected to the board by the credit union’s members.

The CDFI Fund appears to consider a change in the position of Chair on the credit union’s board to be a material event. Many credit unions have adopted term limits on officer positions to prevent stagnation and ensure the health of the financial cooperative. The routine change in an internally elected board position does not rise to the level of an event that could break a law, regulation, the terms of an Assistance Agreement or imperil an entity’s certification.

Changes to Key Personnel as Material Events

Both the CDFI Fund’s certification application, its Financial Assistance grant and its Technical Assistance grant ask applicants to list key personnel. The CDFI Fund considers a change to key personnel to be a material event. While every staff member listed brings important skills

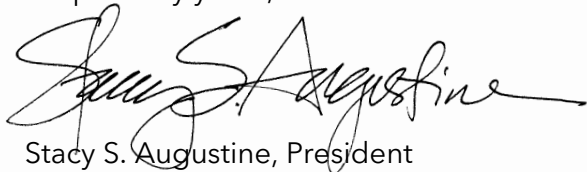
and abilities to the credit union that help the credit union effectively administer its CDFI credentials or grant, only the very smallest of credit unions would be materially affected by a change to a staff member. The average credit union has 71 employees and is required by regulation to develop a succession plan. While a condition that would impact the credit union's ability to remain certified or meet its Assistance Agreement obligations should rise to the definition of a material event and should be reported to the CDFI Fund, a change in staff does not rise to this level of concern.

Changing the CDFI Fund's definition of a material event to exclude a change in board leadership, change in board membership or change in key staff while maintaining the firm requirement that any event that could lead to the violation of an Assistance Agreement, law, or regulation or conditions that might cause an entity to no longer meet one or more certification criteria, would minimize unnecessary regulatory burden on CDFIs and reduce the time needed to review these changes by CDFI Fund staff.

In summary, we'd urge the CDFI Fund to move from a standard that requires the reporting of broad changes that are unlikely to truly be material, while maintaining the requirement to report changes that have a truly material effect.

Thank you for the opportunity to provide input. If you have any questions concerning these comments, please don't hesitate to reach out.

Respectfully yours,

A handwritten signature in black ink, reading "Stacy S. Augustine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stacy S. Augustine, President

Respectfully yours,

A handwritten signature in black ink, reading "Stacy S. Augustine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stacy S. Augustine, President
CU Strategic Planning