



August 22, 2025

CDFI Fund
US Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

RE: Certification of Material Events Form

To Whom It May Concern:

The Primary Care Development Corporation (PCDC) appreciates the opportunity to comment on the Community Development Financial Institution Fund's (CDFI) proposed changes to the "Certification of Material Events Form" or Material Events Form that, if adopted, could affect the ability for an organization to be certified as a CDFI. While transparency and efficiency should be the goal of both the CDFI Fund and the organizations it certifies as CDFI lenders, PCDC believes that the changes to the form would benefit from further clarification.

As background, PCDC is a national non-profit organization and certified community development financial institution founded and based in New York City. Our mission is to strengthen and build healthier communities through strategic primary care investment, expertise, and advocacy. Over three decades, PCDC has leveraged more than \$1.57 billion and partnered with over 1,000 organizations, reaching more than 5,400 health care practice sites. Across the country, these strategic community investments have built the capacity to provide 5.2 million primary care visits annually, created or preserved nearly 20,000 jobs in low-income communities, and transformed around 3 million square feet of space into fully functioning primary care and integrated behavioral health practices. Our staff have also trained and coached thousands of health workers to deliver superior patient-centered care. For almost 32 years, PCDC's work has impacted more than 62 million primary care patients across 46 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Clarifications on the changes to the Certification of Material Events Form

PCDC believes that modernizing administrative processes benefits not only the US Treasury and its agencies, like the CDFI Fund, but also those it directly serves. We support the goals of the material events form and believe it is necessary to report any changes to the organization to ensure that such changes do not violate any previously held award or certification with the CDFI Fund. However, some of the changes made to the Certification of Material Events Form have the potential of causing confusion and may require additional clarification from the US Treasury and CDFI Fund.

One such example would be to clarify the deadlines for when to submit the Material Event Forms. According to the proposed Material Event Form, "A Material Event must be reported within 30 days of the occurrence or as specified in the agreement(s) for the specific CDFI

Fund program.” While these instructions are clear, it is unclear when the CDFI Fund considers the “occurrence” that would cause the need for a CDFI to submit a Material Events Form to have begun. For example, if a CDFI’s Chief Financial Officer (CFO) has tendered their resignation but is still employed while a CDFI has received an award from the CDFI Fund, it is unclear based on the form’s instructions whether the 30-day deadline begins when the departure is announced or when the former CFO officially leaves. Unclear instructions like this could cause CDFIs who are otherwise in good standing to unnecessarily lose their certification.

PCDC urges the CDFI Fund to add clarification for a number of other sections within Part B which seeks to define what a material event would entail. This includes:

- Section 6 which outlines a “substantial change in the business of the Recipient/Borrower/Certified CDFI” as a material event. This is overly broad and a lack of a specific definition for the term “[insert the term that lacks a definition here]” could lead to confusion and negative consequences such as decertification.
- Section 8 which outlines “violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award or CDFI Certification status” as a material event. It isn’t clear whether a violation here means an informal accusation or finding, an indictment, or a conviction.
- Section 11 which outlines “existence of any non-compliance with the terms and conditions of any loan or other credit agreement with a creditor other than the CDFI Fund” as a material event. This is overly broad and should include a more detailed definition of what an act of non-compliance would include.
- Section 40 which outlines “any event or change that could result in a material change to the information in any Schedule to the CDFI Certification Agreement” as a material event. This is overly broad and should provide examples of what events or changes that the CDFI Fund believes could result in any schedule to a CDFI Certification Agreement.
- Section 43 which describes the CDFI Fund or another related entity “to be out of compliance with a Federal, State and/or local law or regulation” as a material event. This is overly broad and is missing an explanation or example of what non-compliance would meet the requirements of this section. In addition, PCDC urges the CDFI Fund to include examples of what federal, state, or local laws could be broken under this definition.

When CDFIs unnecessarily lose their certification, it not only inconveniences the CDFI but ultimately hurts the communities they serve and the CDFI Fund itself. Losing a certification requires the CDFI to reapply for recertification, which creates an additional administrative burden for the CDFI Fund’s staff who will have to review the application. This distracts CDFI Fund staff from focusing on reviewing applications from new CDFI applicants and creates an avoidable backlog of frivolous administrative tasks.

We also urge the CDFI Fund to be wary of administrative burdens that may deter lenders from seeking a CDFI certification. Administrative burdens can hinder a CDFI's ability to serve the communities in which they invest.ⁱ This is especially true for the smaller CDFIs, who do not have large staff that can take on the tasks mandated by new administrative burdens.ⁱⁱ

Conclusion

PCDC thanks the CDFI Fund for the opportunity to comment on its proposed changes to the "Certification of Material Events Form." We appreciate the CDFI Fund and the US Treasury's commitment to efficiency and support all efforts to streamline administrative burdens both the CDFI Fund and certified CDFIs.

However, we urge the CDFI Fund to consider the ramifications the newly proposed material events form can have on a lender's ability to remain certified. While we agree with the intent of the changes, it would be a disservice to the mission of CDFI Fund and the communities that all CDFI's serve if lenders in good standing were unnecessarily decertified.

Feel free to reach out to Aamir Mansoor, Director of Policy, at amansoor@pcdc.org, or Joe Telano, Senior Policy Manager, at jtelano@pcdc.org for any further information.

Sincerely,

Louise Cohen, MPH
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Primary Care Development Corporation

ⁱValentina Dimitrova-Grajzl, Peter Grajzl, Joseph Guse, Michou Kokodoko, Laurel Wheeler. Federal Reserve Bank of Minneapolis. *Cultivating Native Economies in the 21st Century*. found at: https://www.minneapolisfed.org/-/media/assets/events/2023/native-cdfis-lending-insights-best-practices-and-policy-considerations/slides_wheeler_et_al_cicd-2023-webinar.pdf

ⁱⁱ CDFI Coalition, *CDFI Certification Application*, found at: <https://www.reginfo.gov/public/do/DownloadDocument?objectID=127136502>