

March 26, 2020

The Honorable John Kennedy
Chairman
Subcommittee on Financial Services
& General Government
U.S. Senate Committee on Appropriations
Dirksen Senate Office Building, Room 136
Washington, D.C. 20510

The Honorable Christopher Coons
Ranking Member
Subcommittee on Financial Services
& General Government
U.S. Senate Committee on Appropriations
Hart Senate Office Building, Room 125
Washington, D.C. 20510

Dear Chairman Kennedy and Ranking Member Coons:

We write to request your support of the U.S. Department of Treasury's Native American CDFI Assistance (NACA) Program administered by the Community Development Financial Institutions (CDFI) Fund. In Fiscal Year 2020, \$16 million was appropriated for the NACA Program; the awards have not yet been announced. In Fiscal Year 2019, Native CDFIs requested more than \$29 million through applications, and were only awarded \$15.4 million in funds. Furthermore, a 2017 study by the Minneapolis Federal Reserve Board identified an additional funding need of \$48 million to fulfill program needs. Due to the high demand and need for the program, we respectfully ask that you provide at least \$30 million for the NACA Program in the Fiscal Year 2021 Financial Services and General Government appropriations bill. In addition, we ask that you include language to waive the non-federal match requirement for Native CDFIs seeking NACA program funding.

In 2001, the CDFI Native American Lending Study revealed 17 major barriers to investment in Native communities. The study highlighted a range of issues from discrimination and intercultural communication challenges between tribes and banks to geographic barriers to accessing credit and capital. For example, many financial institutions that serve the general public are too far away to be accessible to residents of Indian Lands and Hawaiian Home Lands. A 2017 study by First Nations Oweesta revealed that many Native CDFIs are undercapitalized and have limited engagement with traditional lending sources. As a result, many Native CDFIs are smaller in asset size and depend on the flexible capital that the NACA program provides.

Native CDFIs fill these gaps by providing financial services in Native communities and by extending technical assistance, trainings, and other resources to supporting organizations. Supporting Native CDFIs helps honor the U.S. trust responsibility to Native Americans by helping Native Communities grow and thrive.

The number of certified Native CDFIs has grown from 14 in 2001 to 69 in 2020, and many additional organizations are working towards Native CDFI certification. With the support of the CDFI Fund, these specialized, mission-driven organizations are financing businesses, creating

jobs, establishing and improving affordable housing, and providing financial services and counseling in Native communities across the country.

The President's Fiscal Year 2021 Budget would eliminate the CDFI Fund, including the NACA Program. Any cuts to the NACA Program would lessen the assistance that can be provided to Native communities across the country.

We appreciate your leadership and your attention to this important matter.

Sincerely,

Maria Cantwell
United States Senator

Brian Schatz
United States Senator

Mazie K. Hirono
United States Senator

Tina Smith
United States Senator

Kamala D. Harris
United States Senator

Bernard Sanders
United States Senator

Tom Udall
United States Senator

Tammy Baldwin
United States Senator

Amy Klobuchar
United States Senator

Catherine Cortez Masto
United States Senator

Elizabeth Warren
United States Senator

Ron Wyden
United States Senator

Jeffrey A. Merkley
United States Senator

Jacky Rosen
United States Senator

Jon Tester
United States Senator

Sherrod Brown
United States Senator