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May 15, 2012

Ruth Jaure
CDFI Program Manager
U.S. Department of the Treasury
601 13th Street NW, Suite 200 South
Washington, DC 20005

RE: Comments on CDFI Program Application

Dear Ms. Jaure:

I am writing on behalf of Hawaiian Community Assets (HCA), an emerging Native CDFI, to provide comments regarding the CDFI program application.

Since its founding in January 2000, HCA has been providing culturally-relevant financial education services and products to assist low-income individuals and families in Hawaii build and sustain economic self-sufficiency with a particular focus on Native Hawaiians. In October 2011, we received a CDFI TA award which is currently building our capacity to become certified as a Native CDFI. We project submitting our CDFI certification application by July 1, 2012.

Please see our comments below regarding the CDFI program application.

Is targeting CDFI Program award funds into highly distressed communities an appropriate use of CDFI Program funds? Yes. CDFIs are often located in, and have unique experience in serving, highly distress communities. With this level of expertise and established trust, CDFIs are able to create a bridge for low-income individuals and families to develop relationships with mainstream financial institutions.

In terms of economic stability, targeting CDFI program award funds to said communities provides the opportunity for job growth, sharing of financial knowledge in a place-based and culturally-appropriate manner, and development of evaluation tools and data reports to offer insight into the diverse needs of low-income communities across our nation.

With regards to Native CDFIs, we believe there is not only a need to target CDFI program award funds to highly distressed Native communities, but also to hold CDFIs accountable for identifying themselves in this way. Unfortunately, we have found that larger credit unions in our state, who lack representation of the Native Hawaiian community at the Board level and missions to serve our community, have received funds as Native CDFIs. This makes it extremely hard for nonprofit loan funds with appropriate community representation and missions

dedicated specifically to address the economic needs of Native Hawaiian community to compete for Native CDFI funds. Furthermore, with their financial expertise and large operating budgets, credit unions have potential to draw on funds that could help establish a more robust Native nonprofit community loan fund industry able to effectively partner with credit unions and therefore, spark greater collective impact by maximizing connections to, and within, our Native communities.

We encourage that the CDFI Fund review its policies and procedures with regards to the allocation of Native CDFI program award funds, prioritizing Native representation at the Board level and within mission statements to ensure accountability of Native CDFIs to their community. Additionally, we encourage the CDFI Fund to establish a process that would allow for Native CDFIs to partner, not compete with, credit unions for Native CDFI funds specifically, thus leading the way for greater collective impact with the available funds.

Are there ways that the fillable PDF application form can be improved that would ease applicant paperwork burden? We do not see the need for application improvement to ease the applicant paperwork burden at this time.

Should detailed Matching Funds documentation be collected later in the application review process and, if so, what would be a reasonable amount of time to expect an applicant to provide such documentation? Yes. As an Executive Director, it is much easier to utilize Federal financial support to attract non-Federal match funds. By collecting Matching Funds documentation later in the application review process or even after “tentative” award, CDFI Fund would allow CDFI leadership greater opportunity to establish funding partnerships with local private and government capital.

We encourage the CDFI Fund to review the Matching Funds requirement implemented by the Federal Administration for Native Americans and determine the feasibility of providing “tentative” awards dependent upon an awarded CDFI’s ability to raise necessary match funds within a specified time period.

Does the application ask the appropriate questions to determine applicant’s financial health and viability? Yes. The application asks appropriate questions to determine an applicant’s financial health and viability. We encourage no changes on this aspect at this time.

Thank you for the opportunity to provide our comments regarding the CDFI program application. Please feel free to contact me if you have any questions.

Sincerely



Jeff Gilbreath
Executive Director