



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

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In Response to Federal Register Request for Comments
CDFI Bond Guarantee Program

Submission

These comments are submitted by mail to Jodie Harris, Policy Specialist, CDFI Fund, U.S. Department of the Treasury, 601 13th Street, NW, Suite 200 South, Washington, DC 20005; or by e-mail to cdfihelp@cdfi.treas.gov; or by facsimile at (202) 622-7754.

Comment Topic

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) is soliciting comments regarding the design, implementation, and administration of the CDFI Bond Guarantee Program. The CDFI Bond Guarantee Program was enacted through the Small Business Jobs Act of 2010 (Public Law 111-240) on September 27, 2010. The CDFI Fund will serve as the program administrator and the Treasury Department will guarantee the full amount of notes or bonds issued to support CDFI's that make investments for eligible community or economic development purposes. The bonds or notes will support CDFI lending and investment by providing a source of long-term, patient capital to CDFIs.

CNHA Comments

The Council for Native Hawaiian Advancement (CNHA) is a nonprofit community development corporation and community loan fund. Founded in 2001, and certified by the U.S. Treasury in 2010, CNHA is the only certified Native CDFI serving a statewide Native Hawaiian target market, with a particular expertise on trust land transactions on Hawaiian home lands as established by the Congress under the Hawaiian Homes Commission Act (HHCA) of 1920. Similar to Indian allotments and Indian reservation lands, Hawaiian home lands have limited access to capital for economic opportunities.

Definition of Statutory Terms & Program Parameters

CNHA recommends the following:

1. Trust land transactions are avoided by the capital markets, further exacerbating the lack of access to capital on American Indian, Alaska Native and Native Hawaiian lands. We request consideration by the CDFI Fund to establish and budget for the delivery of targeted Technical Assistance to Native CDFIs through the Native CDFI Network, a national coalition of certified Native CDFIs.
2. As stated in item 1 above, and due to the federal trust relationship with Native peoples, we request consideration of the rural definitions to include language enacted under the 2008 Farm Bill for Substantially Underserved Trust Areas (SUTA), which describes all of the trust lands of Native peoples, to be included as eligible areas regardless of census tract data.
3. Low Income definitions should include "low wealth" definitions wherein households are at or below the national average household networth, currently at \$120,300.

Eligible Use of Funds

CNHA recommends the following:

1. Incentives implemented to raise awareness and opportunities for bond financing activities on Native trust lands, where a set-aside of a percentage of every \$100mm bond transaction must include due diligence attempts to identify and/or includes investments in projects located on trust lands.

Eligible Entities & Required Qualifications

CNHA recommends the following:

1. CDFIs must be certified for at least 1 year prior to participation in the program.
2. Trust land areas and communities are typically left behind by the capital markets and players. In addition, trust lands represent approximately 5% of the total lands in the United States, but hold 10% of the country's energy resources. We recommend that the CDFI Fund monitor and report on the annual impact of the CGBP in trust land areas of the country, or more appropriately, that the Secretary establish a percentage goal for the CGBP to have invested in trust land areas within the first 3 years of operation.

Mahalo for the opportunity to provide comments on the CDFI Bond Guarantee Program, anticipated for implementation by the CDFI Fund in 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. ...".

CNHA President & CEO

cc: William Fernandez, CNHA Policy Center Chairman
Policy Center Community Leaders