



August 15th, 2011

Jodie Harris
Policy Specialist
CDFI Fund
U.S. Department of the Treasury
601 13th Street, NW., Suite 200 South
Washington, DC 20005

Re: Comment on CDFI Bond Guarantee Program authorized by the Small Business Jobs Act of 2010 (PL111-240)

Dear Ms. Harris:

The First Nations Oweesta Corporation (Oweesta) appreciates the opportunity to comment on the implementation of the CDFI Bond Guarantee Program (CBGP) which was authorized in section 1141 of the Small Business Jobs Act of 2010. We believe the statute authorizes CDFIs of all types to be able to access this facility, and it represents an opportunity for diverse types of CDFIs with a wide range of loan and investment products to tap into pools of capital in larger amounts than hasn't been possible in the past. With this facility, CDFIs will be able to (provide?) more access to credit and capital to low income communities of all types and over the country. We at Oweesta are excited for this opportunity and want to make sure that this program is flexible enough to ensure that our Native American CDFIs will be able to participate.

Oweesta Corporation was created 11 years ago to address its parent company, First Nations Development Institute's (FNDI) recognition and understanding that the lack of capital and financial infrastructure was holding back economic development in Native communities.

Oweesta is a national nonprofit organization that works with Indigenous peoples living in some of the most rural locations in the United States, including American Indian reservations, traditional Native lands, Hawaiian homelands, and in Alaska Native villages. Oweesta has worked with hundreds of Native communities and organizations, from Alaska to Louisiana and Maine to Hawaii. The current 67 Native CDFIs and over 60 emerging Native CDFIs which Oweesta works with span 34 states.

Oweesta is the only existing Native CDFI intermediary offering financial products and development services exclusively to Native CDFIs and Native communities. Oweesta's mission (in Partnership with its parent company) is to provide opportunities for Native people to develop assets and create wealth by assisting in the establishment of strong, permanent institutions and programs, contributing to economic independence and strengthening sovereignty for all Native communities. They accomplish this mission by following an integrated asset-building strategy.

Historically the fund has recognized that Native American communities have very specific challenges in the capital investment and financial infrastructure. With specific fiduciary and judiciary responsibility the federal government has to Tribal communities the emergence of CDFIs in our communities has begun to change the landscape of life on Indian Reservations. When structuring the Policies of the CDFI Bond Program we ask that the Fund be cognizant of the following:

Certain general program parameters are essential if the CDFI Bond Program is going to ensure that Native American CDFIs are able to participate fully.

1. Tribal Trust Land

We ask that when legislation or underwriting criteria is developed that a Deed of Trust not be a part of the lien requirements. Reservation lands are in trusted to the Native Tribe and a lease hold mortgage must be take on lands and a not deed of trust. This should be documented ensuring that Native CDFIs are not penalized due to Federal Indian Law.

2. Legal jurisdiction

Being that Tribes are sovereign Nations having a Nation-to-Nation relationship to the Federal government it should be recognized that State laws do not pertain to many Tribal communities. Therefore, we ask that state and county requirement not be part of the Native American Bond Applications. For example, county census data being part of reporting requirements or eligibility requirements like in New Market Tax credits.

3. Fear or lack of understanding of Native Communities driving a higher price

In our 11 year history, Oweesta has never had a loan default to a Native CDFI and currently have no loans past due. We have showing a solid track record of using Tribal laws and discussions making to be a low risk return on investment. We ask that this be noted as some of our underwriting standards will be different then CDFI located on non-tribal lands but show the same strength that our other CDFI partners do throughout the country.

4. Flexibility in the Bond structures

Many structures have been brought forward and we ask that the fund be open to inventive, but sound structure when deploying the \$100 Million bond issuances.

5. Recognition of Tribal guaranties when evaluation Net Capital

In the case of some Native CDFIs, the Tribal governments are allowed some ownership and given the importance in the local communities, we believe when evaluating some Native CDFIs that consideration of Tribal guaranties should be allowed. This would be a balance sheet enhancement and will allow the Tribes to benefit directly in their local economies.



Through this approach, Native communities across the country should be able to participate in the program helping to emerge from a cycle of dependency that has spanned generations. This CDFI Bond Policy will assist in building healthy reservation economies with the goal of achieving economic sovereignty.

We at First Nations Oweesta would like to thank Opportunity Finance Network in their leadership with the CDFI Bond Alliance group, which we have been active members of, and support their position paper along with the comment letters from our other CDFI partners through out the country.

Thank you for the opportunity to comment on this extremely important program. Please feel free to contact at (303) 774-8838 or jon@oweesta.org.

Respectfully,

Jon Deacon Panamaroff
Executive Director
& Senior Vice President