

# FIRST NATIONS DEVELOPMENT INSTITUTE

*Educating Grassroots Practitioners – Advocating Systemic Change – Capitalizing Native Communities*

## DEVELOPMENT IN NATIVE COMMUNITIES

Native American Community Development Financial Institutions

C D F I

An Evaluation Report to the  
FB Heron Foundation of  
First Nations Development Institute's  
Grantmaking to New and Emerging CDFIs  
LITTLE EAGLE STAFF FUND

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NATIVE ASSETS RESEARCH CENTER  
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## I. Introduction

This report is an addendum to our previous report to the F. B. Heron Foundation, and provides additional information on five Native CDFIs recently funded by First Nations through their Little Eagle Staff Fund. Through the Little Eagle Staff Fund, with the generous support of the F.B. Heron Foundation, First Nations Development Institute has worked in concert with First Nations Oweesta Corporation to provide funding and technical assistance to new and emerging Native CDFI organizations. During fiscal year 2003-2004 the Little Eagle Staff Fund of First Nations funded 4 new CDFI organizations to provide start up grant capital, loan loss reserve funds and complementary technical assistance to new and emerging Native CDFIs to help them progress toward self-sufficiency. This report includes data on these four grantees, and also includes assessment and progress of the Heritage Capital Fund, which was a grantee from the first round of the initiative. The Heritage Capital Fund did not have data available for the last grantmaking evaluation report, so it is included in this report.

Since 2002, 11 Native CDFIs have been supported by the Little Eagle Staff Fund. This includes state-wide outreach efforts to 11 Native nations in nine states. The total number of grantees and some basic information about them is provided in Tables 1 & 2. First Nations Development Institute has funded organizations at differing levels of development and type. Throughout the grantmaking process, First Nations has collected a range of data from grantees in order to track change from a baseline of activity. We collected data in required baseline reports, progress reports, and final reports completed by the grantee. We also conducted phone interviews with grantees (when available) at six months and at the end of their grant period. The data collected include information on organizational characteristics, loan portfolios, loan activities, and technical assistance and training activities. We also collected information on the communities being served, and the types of impacts the organizations are having in their communities. We have a complete dataset from all grantees for FY 2004. An overview of each organization can be found in Appendix B.

The goal of this evaluation report is to provide information about the progress made by each grantee during the grant period, and to document both successes and areas for improvement. This evaluation report will also document promising practices and lessons learned to better inform our work with future Native communities to demonstrate the challenges of Native CDFIs in approaching complex social and community financial development. Most importantly, this report will attempt to provide information on the community impact of each of these grants, and will provide illustrations of the ways in which the grantees have made a difference in their local communities from the grantee perspective, by providing access to credit and other financial services in low-income Native American communities.

## II. Native Community Development Financial Institutions

Community Development Financial Institutions (CDFIs) are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. CDFIs can provide a wide range of financial products and services, including mortgage financing for first-time homebuyers, commercial loans and investments to start or expand small businesses, and financial services needed by low-income households and local businesses. In addition, these institutions provide services that help ensure that credit is used effectively, such as providing technical assistance to small businesses and financial education and credit counseling to consumers. CDFIs include community development banks, credit unions, loan funds, and microenterprise loan funds.<sup>1</sup>

First Nations' work in Native communities over the last 25 years has documented that lack of access to and lack of control of financial capital in reservation economies is a critical factor hindering economic development in Native communities. Native American communities, which suffer from a chronic lack of access to capital due to geographic isolation, historical discrimination and redlining by mainstream financial institutions, and a lack of locally owned and operated financial institutions, can benefit greatly from CDFI-like organizations. The development of such organizations reflects the need for tribes and Native communities to develop their own institutions (whether local or regional) and build their own capacity to manage and direct their financial assets in a way that supports local asset-based development. In the last 30 years, tribes have moved toward great self-determination and self-governance after a century of outside domination and control by the federal government. Economies that were once centrally planned and primarily controlled by the federal government sector are now moving toward a more mixed economy, with the development of private and nonprofit sectors. To support the development of these emerging economies, various types of capital financing are required. More and more reservation communities are developing local financial institutions guided by the CDFI model, and are working to find locally defined solutions to local problems. The goal of the F.B. Heron Foundation-funded Little Eagle Staff Fund Native CDFI initiative is to help these Native communities develop local financial institutions and find locally defined solutions to local problems.

As of April 2004, there were 48 certified Native American-owned and managed CDFIs across the nation, up from two just five years ago. Of the Native CDFIs there were 36 in 2002, 44 in 2003, and 48 in 2004. There are many more new and emerging organizations that have applied for funding from the U. S. Department of the Treasury's CDFI Fund over the past few years.<sup>2</sup> In 2004 the CDFI Fund for the first time offered Native specific

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<sup>1</sup> Nationwide, there are over 800 CDFI-like organizations, and the U.S. Treasury as of April 30, 2003 certified 678 of them. Certification by the U.S. Treasury is an advantage because it allows these CDFIs to receive directed technical assistance and funding from the U.S. Department of Treasury CDFI Fund. However, a CDFI does not have to be certified to provide services in a local community.

<sup>2</sup> The CDFI Fund was authorized by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative. The CDFI Fund was created to expand the availability of credit,

funding to assist “sponsoring entities” to start a Native CDFI; funds were also available to support emerging and certified Native CDFIs. The CDFI Fund of the Department of Treasury 2004 round of awardees hosted 41 recipients of Native American-targeted grants through the Native American Initiative of the Department of Treasury.<sup>3</sup> Awards were dispersed throughout 19 states and totaled \$6,713,983 in funding which was only a portion of the \$23.5 million requested by organizations<sup>4</sup>.

After many years of work in Native community development, First Nations Oweesta Corporation has given consideration to the varied compositions of community development financial institutions and community ‘like’ financial institutions that are serving Native populations across the country. The CDFI paradigm gave cause for Oweesta to view the contingency of CDFIs serving surrounding Native communities and corporations that establish subsidiaries to manage administrative financial lending operations. In 2004, a CDFI definition reference was adopted by Oweesta’s Board of Directors to further articulate what constitutes a Native CDFI according to the CDFI Fund of the Department of Treasury and First Nations Little Eagle Staff Fund CDFI initiative. See Appendix E for the Oweesta Native Financial Institution Definitions currently used by Oweesta to designate target financial institutions.

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investment capital, and financial services in distressed urban and rural communities, and provides financial resources for new and emerging CDFI programs to develop their lending portfolio and technical assistance programs.

<sup>3</sup> The CDFI Fund has several grant programs targeted toward Native Americans. These programs are Native American Technical Assistance (NATA) and a new program titled Native American Community Development (NACD) that provides technical assistance funding to organizations that are emerging and seek to begin a CDFI in the Native community.

<sup>4</sup> CDFI Fund. 2004. CDFI Fund Highlights of the FY 2004 Native Initiatives. Press Release. [www.cdfifund.gov](http://www.cdfifund.gov).

**Table 1: Organizations Funded by Little Eagle Staff Fund**

<b>FY 2003-2004</b>			
<b>Organization</b>	<b>Type of Organization</b>	<b>Grant Date</b>	<b>Amount Funded</b>
<b>Citizen Potowatomi Community Development Corporation</b>	Community development loan fund	7/29/2004	\$30,000
<b>Ho-Chunk Community Development Corporation</b>	Community development loan fund	6/30/2004	\$37,200
<b>Lumbee Revitalization &amp; Community Development Corporation</b>	Community development loan fund	10/22/2003	\$15,500
<b>Oglala Sioux Tribe Partnership for Housing Inc.</b>	Community housing development mortgage loan fund	4/25/2003	\$20,000
<b>TOTAL YEAR FUNDING</b>			<b>\$102,700</b>
<b>FY 2002</b>			
<b>American Indian Chamber of Commerce</b>	Statewide American Indian chamber of commerce	7/26/02	\$15,000
<b>Four Bands Community Fund</b>	Community development loan fund	1/31/02	\$15,000
<b>Four Directions Community Fund</b>	Community development loan fund	3/28/02	\$15,000
<b>Heritage Capital Fund</b>	Community development loan fund	1/8/03	\$15,000
<b>Lac Courte Oreilles Federal Credit Union</b>	Community development credit union	3/28/02	\$14,694
<b>Valley Credit Association</b>	Member owned credit association	1/31/02	\$12,000
<b>Wind River Development Fund</b>	Community development loan fund	2/27/02	\$15,000
<b>TOTAL YEAR FUNDING</b>			<b>\$101,694</b>
<b>TOTAL NATIVE CDFI FUNDING</b>			<b>\$204,394</b>

**Table 2: Communities Served by LESF-Funded Organizations**

Organization	State	Community served
<b>Current Grantees</b>		
<b>Citizen Potawatomi Community Development Corporation</b>	OK	Members of Oklahoma tribes statewide and tribal members who live out of state.
<b>Ho-Chunk Community Development Corporation</b>	NE	Native American population of Thurston County in Nebraska and Native American communities throughout the state.
<b>Lumbee Revitalization &amp; Community Development Corporation</b>	NC	Native Americans residing in Cumberland, Hoke, Scotland, and Robeson Counties in North Carolina.
<b>Oglala Sioux Tribe Partnership for Housing Inc.</b>	SD	Residents of the Pine Ridge Reservation, South Dakota
<b>Past Grantees</b>		
<b>American Indian Chamber of Commerce</b>	WI	The Native American population in the state of Wisconsin.
<b>Four Bands Community Fund</b>	SD	Residents of the Cheyenne River Reservation. The Cheyenne River Indian Reservation is home to four of the seven bands of the Tetonwan (Dwellers on the Prairie) Lakota Nation.
<b>Four Directions Community Fund</b>	ME	Native American population in Maine, including members of the Micmac, Maliseet, Passamaquoddy, and Penobscot tribes.
<b>Heritage Capital Fund</b>	MT	The community on and near the Fort Peck Indian Reservation (including members of the Assiniboine and Sioux tribes).
<b>Lac Courte Oreilles Federal Credit Union</b>	WI	Residents of the Lac Courte Oreilles reservation (including members of the Ojibwe tribe).
<b>Valley Credit Association</b>	NV	Residents of the Duck Valley reservation (including members of the Duck Valley Shoshone-Paiute tribe).
<b>Wind River Development Fund</b>	WY	Residents of the Wind River Indian Reservation (including members of the Eastern Shoshone tribe).

### III. A Snapshot View: Grantee Progress

In order to conceptually organize the data collected from our grantees to measure organizational change and development, First Nations has identified five phases a Native CDFI must complete before it has achieved organizational self-sufficiency. Table 3 provides an illustration of this conceptual model of the steps a new and emerging CDFI must go through to become fully functional and self-sufficient.

As can be seen in Table 3, in **Phase I**, the CDFI is in the “Start-Up” phase. Community members come together to get approval from the community (including in some cases the tribal government), conduct market research, and if they decide to move ahead, develop the articles of incorporation and bylaws. A mission statement should also be developed, start up funding should be secured, and key staff should be hired. In the current round of

grantees three had accomplished all or most of the steps in Phase I by the start of the grant period.

In **Phase II**, the organization is “Emerging” and works to gain 501(c)(3) status and begins to formulate its operating policies, including its personnel policies and its loan policies. At this phase training may be required for staff to help them develop the capacity to make loans effectively. The organization should also design and successfully implement a fundraising strategy, and begin to bring additional revenue to the organization to support staff salaries and capitalize the loan fund. In addition, the organization should begin to plan technical assistance activities, and may begin to develop an investment strategy for any revenue they may generate. Outreach into the community should be conducted to develop an interest and a market for the organization’s financial products.

**Phase III** is a significant jump forward for the emerging CDFI. In the “Growth” phase, the organization staff has reached the point where they can make their first loan, and they begin to implement their technical assistance and training programs. At the same time, the organization needs to have funding secured, but also must continue to successfully implement the fundraising strategy to attract more funds to the organization. This phase is both a giant leap forward for the organization, but is also a learning phase. Additional training may be required for staff as they consider lending options. Usually an organization spends a long time at Phase III, and generates many lessons learned about fundraising, capitalization of the loan fund, and developing loan policies, among other things, at this point in its development.

**Phase IV** is achieved when the organization has reached a level of professionalism that can only come from years of experience and learning. An organization that has reached the “Established” phase usually has a few years of experience providing loans, and has reviewed their loan policy and technical assistance policies and made any necessary adjustments. An organization in Phase IV generally has a good revenue stream and has funds to capitalize their loan pool, but it is also looking into other revenue generation activities as well, including new loan products and other financial products. Typically, an organization in Phase IV is ready to apply for certification from the CDFI Fund at the U.S. Department of the Treasury. As mentioned above, while certification is not necessary to function as a CDFI, certification is an advantage because it allows these CDFIs to receive directed technical assistance and more funding from the CDFI Fund. While reaching Phase IV is an accomplishment for any organization, many organizations still need a great deal of support and technical assistance at this phase, and still benefit from both education and training.

Finally, **Phase V** is accomplished when the organization has reached “Maturity” and has developed additional revenue streams, has a sizeable and stable loan portfolio, and is generating enough revenue to be self-sufficient. An organization only reaches this point when it has been in operation for some time, has successfully analyzed its market and developed products to effectively serve that market, and is guided by an effective business strategy that supports adequate revenue generation. There may still be

dependence upon grants and loans, but it is important for the CDFI to make the best use of these grants and loans to support its operation. The goal is for all Native CDFIs to reach this point. It is challenging for many Native CDFIs to reach this point partially because of their location in low population density, rural locations, and partially because they service a niche market with a low profit margin. Many of the grantees face similar barriers and set backs along their path towards self-sufficiency. The work conducted by the Native CDFIs reflects the resilient cadre of organizations who despite minimal resources in distressed Native communities overcome situations to continue their progress with support from the initiative.

**Table 3: Phases of Native CDFI Development**

<b>Phase</b>	<b>Activities</b>
<b>Phase I Start-up</b>	<ul style="list-style-type: none"> <li>• Conduct a community needs assessment/market research</li> <li>• Form an advisory committee with community members and key institutions represented</li> <li>• Create a board of directors</li> <li>• Develop articles of incorporation/charter</li> <li>• Develop bylaws</li> <li>• Develop mission statement</li> <li>• Identify initial funding</li> <li>• Hire staff</li> </ul>
<b>Phase II Emerging</b>	<ul style="list-style-type: none"> <li>• Receive 501(c)(3) status</li> <li>• Develop lending/financing policies</li> <li>• Identify loan committee</li> <li>• Provide training for board of directors, loan committee (training on underwriting, how to process loans, investment, and financial literacy) and other committees</li> <li>• Develop personnel policies and procedures</li> <li>• Design initial technical assistance and training program</li> <li>• Write a CDFI Fund TA grant (or something comparable)</li> <li>• Design and successfully implement fundraising strategy and receive initial funding</li> <li>• Conduct outreach in community</li> <li>• Conduct thorough market analysis</li> </ul>
<b>Phase III Growth</b>	<ul style="list-style-type: none"> <li>• Complete nonprofit business plan</li> <li>• Begin making loans</li> <li>• Begin implementing technical assistance and training program</li> <li>• Continue to successfully implement fundraising strategy and secure additional funding for operations and loan capitalization</li> <li>• Put a loan/portfolio tracking system of some sophistication in place</li> <li>• Provide additional training to staff as need arises (training on liens, for example)</li> </ul>
<b>Phase IV Established</b>	<ul style="list-style-type: none"> <li>• Get certified from CDFI Fund</li> <li>• Review loan policy and make necessary adjustments (possibly offer new loan products)</li> <li>• Explore other financial products and services</li> <li>• Review technical assistance and training plan and make necessary adjustments</li> <li>• Review investment strategy and make any necessary adjustments</li> <li>• Explore other revenue generation activities</li> </ul>
<b>Phase V Maturity</b>	<ul style="list-style-type: none"> <li>• Fully developed additional revenue streams</li> <li>• Lending pool has reached critical momentum</li> <li>• Loan portfolio is stabilized and consistently monitored</li> <li>• Generate enough financial resources to become financially self-sufficient.</li> </ul>

Table 3 provides a general heuristic for understanding the phases a Native CDFI goes through as it moves towards being an effective, self-sufficient organization. The CDFI moves through the Phases throughout its progress towards stability, one step links to the next, though not always in a smooth or simple process. In the case of Lumbee Revitalization Community Development Corporation, they concentrated their efforts in applying for and meeting operating entity criteria but were denied CDFI certification in their initial application. The Lumbee Corporation since has continued through the phases having almost completed all steps through Phase IV and part of Phase V. Ho-Chunk Community Development Corporation obtained funds to offer micro-enterprise loans, however, no loans could be offered due to the overwhelming and underestimated need for basic financial literacy education in the Ho-Chunk community. While challenges occurred, the step-by-step process involved has equipped the CDFIs to assess problem areas without losing stability in other areas. Most organizations progress along this continuum, and their activities and accomplishments over the last year can be graphed according to this table. All the organizations we funded had already developed articles of incorporation, secured start-up funds, created a board of directors, hired staff, and were starting to do work in the community. Our goal was to help these organizations move along the continuum towards becoming effective, self-sufficient organizations. A summary table of the grantees activities at baseline and activities accomplished during the reporting period can be found below in Table 4.

**Table 4**

■ Grantee Status at Beginning of Funding Period    ▨ Grantee Status at End of Funding Period

	Citizen Potawatomi Community Development Corporation	Ho-Chunk Community Development Corporation	Lumbee Revitalization & Community Development Corporation	Oglala Sioux Tribe Partnership for Housing Inc.
Phase I	■	■	■	■
Phase II	■	■	■	▨
Phase III	■	■	▨	▨
Phase IV	■	▨	▨	■
Phase V	▨	■	■	■

In Table 4 progress is shown across the grantees making headway towards outgrowth in partnering with local education/training and financial agencies to create further accessible services. Detailed activities were recorded on the progress of each grantee and are provided in Table 5. For two of the CDFIs, hiring staff was a top priority and key to obtaining administrative and grant writing support. Operations within a couple of the CDFIs were also changed through increased Board membership and a review committee that was assembled for policy and procedure quality control. Other programs wrote and revised policies to expand loan portfolios, and implement formal financial education courses. The Ho-Chunk Community Development Corporation hired a grant writer to research external loan fund opportunities with national foundations and in the same sense the Lumbee Revitalization Community Development Corporation used funds to partially support a loan officer position. There, the loan officer assessed financial assistance

resources that were being offered for home loan construction and matched the resource to the needs and in turn worked with the larger Lumbee organization to link construction with the financial administration services. The Oglala Sioux Tribal Partnership for Housing Inc. lost one board member and elected two more local community members that were experienced financial professionals. The Lumbee Revitalization Community Development Corporation was diligent in finding experts for their loan review committee, which now consists of bank representatives, an accountant, and a local business owner. As well, they developed a small business course curriculum based on needs associated with the market research analysis findings. The Citizen Potowatomi Community Development Corporation referred clients through a nurtured relationship to the Gordon Cooper Technology Center to attend formalized training courses called the Native American Business Development Workshop series. A more detailed analysis of the progress made by each of these grantees can be found in Appendix A.

The biggest challenges reported by Little Eagle Staff Fund grantees were similar to the challenges from the first round of CDFI grantees. Raising funds to capitalize their loan pool to meet the demand was a challenge for all CDFIs with exception of the Citizen Potowatomi that was successful in receiving essential loan capital funding. Another similarity to last round of grantees was related to basic financial literacy and eligibility among the community clientele. Limited loan funding has restricted lending to only those clients and individuals who meet regulatory criteria based on non-local structures for assets, collateral, and credit. This constraint forces CDFIs to reduce the number of loans offered and grant fewer entrepreneurial and micro-enterprise opportunities. Ho-Chunk Community Development Corporation, Heritage Capital Fund, and Citizen Potowatomi revised their financial education components to meet the varied levels of knowledge of their customers. Realizing the drastic differences in customer knowledge and need for multiple levels in training, they redesigned the intake process to get more information from the client at the start of the loan process. Other activities included one-on-one TA to provide personalized engagement and a learning center approach that was integrated into the educational component for on the job training, and hands-on practical demonstration. Much of the funds raised throughout the grant period have been raised solely by the strategic prowess of project managers and staff, however complete security has not been achieved for some grantees. A total of \$3,832,397 has been raised for both operations and loan fund capitalization at the time of the evaluation, which means the initial investment of \$95,500 including Heritage Capital Fund, has leveraged \$3,736,897. An additional \$526,000 in funds has been applied for, and \$20,000 in-kind support has been procured (see Appendix C for leveraging charts for more details).

**Table 5: Progress of Grantees over Grant Term**

 Baseline conditions when grantee funded

 Progress accomplished during grant term

Phase	Activities	Citizen Potowatomi	Ho-Chunk	Lumbee Revitalization	Oglala Sioux
<b>Phase I Start-up</b>	Conduct a community needs assessment/market research				
	Form an advisory committee with community members and key institutions represented				
	Create a board of directors				
	Develop articles of incorporation/charter				
	Develop bylaws				
	Develop mission statement				
	Identify initial funding				
	Hire staff				
<b>Phase II Emerging</b>	Receive 501(c)(3) status	(Not going to do)			
	Identify loan committee				
	Provide training for board of directors, loan committee (training on underwriting, how to process loans, investment, and financial literacy) and other committees				
	Develop personnel policies and procedures				
	Design initial technical assistance and training program				
	Develop lending/financing policies				
	Write a CDFI Fund TA grant (or something comparable)				
	Design and successfully implement fundraising strategy and receive initial funding				
	Conduct outreach in community				
	Conduct thorough market analysis				
<b>Phase III Growth</b>	Complete nonprofit business plan				
	Begin making loans				
	Begin implementing technical assistance and training program				
	Continue to successfully implement fundraising strategy				
	Put a loan/portfolio tracking system of some sophistication in place				
	Provide additional training to staff as need arises (training on liens, for example)				
	Get certified from CDFI Fund	(Prepared and applied)			
<b>Phase IV Established</b>	Review loan policy and make necessary adjustments (possibly offer new loan products)				
	Explore other financial products and services				
	Review technical assistance and training plan and make necessary adjustments				
	Review investment strategy and make any necessary adjustments				
	Explore other revenue generation activities				
	Fully developed additional revenue streams	(Trially centralized)			
<b>Phase V Maturity</b>	Lending pool has reached critical momentum				
	Loan portfolio is stabilized and consistently monitored				
	Generate enough financial resources to become financially self-sufficient.				

As mentioned above, not all organizations progress neatly along this continuum. However, it is possible to track progress toward self-sufficiency by mapping grantee activity over the last year. Most grantees show steady progress. The Citizen Potawatomi Community Development Corporation is in its mid-year point reporting period which began with many aspects of the CDFI lending and organizational structure in place. The chart does not reflect all the work being done towards financial literacy outreach and partnerships development with other Native and non-Native organizations. This kind of activity involves more community members to create a larger client pool. Most other organizations have made significant progress along the continuum over the last 12 months.

Table 6 provides a summary of which organizations have received certification and have raised funds from the CDFI Fund, and provides a summary of total funds raised (a more detailed discussion of grantee fundraising can be found in Appendix C).

**Table 6: CDFI Status of Grantees and Funds Raised**

Organization	Type of Organization	Received CDFI status?	Received funding from CDFI Fund?	Total Funds Raised?
<b>Citizen Potawatomi Community Development Corporation</b>	Community development loan fund	Yes. Received CDFI status September 2004.	Yes. NACTA \$45,000	\$45,000
<b>Ho-Chunk Community Development Corporation</b>	Community development loan fund	No.	Yes. CDFI Technical Assistance \$76,000	\$76,000
<b>Lumbee Revitalization &amp; Community Development Corporation</b>	Community development loan fund	No. Applied Nov. 2004 and denied. Appeal in process.	No. Applied for CDFI Technical Assistance March 2005 and denied. Appeal in process.	\$0
<b>Oglala Sioux Tribe Partnership for Housing Inc.</b>	Community housing development mortgage loan fund	*Yes. Received CDFI status September 2004.	Yes. NACTA \$79,100.	\$79,100
<b>**Heritage Capital Fund</b>	Community development loan fund	Yes. Received CDFI status January 2003.	NATA \$62,000.	\$62,000
<b>TOTAL FUNDS RAISED</b>				<b>\$262,100</b>

*\*Oglala Sioux Tribe Partnership For Housing Inc. set-up a stand-alone affiliate, Mazaska Owecaso Otipi Financial, Inc., which was certified by the U.S. Treasury Dept. as a CDFI. See Grantee Snapshot Progress page 14.*

*\*\*Heritage Capital is added to the reporting here due to timing of final report that was not included in previous report.*

While it is clear that the majority of the Native CDFI-like organizations funded by the Little Eagle Staff Fund have made progress toward self-sufficiency and have experienced organizational growth, it is also important to document the community impact of the organizations over the past 6 and 12 months of the grant term. The next section provides an overview of the impact of the grants, and the impacts each organization has had in its respective community.

#### IV. The Impact of the Little Eagle Staff Fund Grantees in the Community

As mentioned above, the Little Eagle Staff Fund grantees represent four CDFI-like organizations in four states, five including Heritage Capital Fund. The Little Eagle Staff Fund grantees provide a range of products, including housing related loans, small business loans and microenterprise loans (see Table 7).

**Table 7: Loan Products Provided by Little Eagle Staff Fund Grantees**

Organization	Individual consumer loans	Housing loans	Small business loans	Micro-enterprise loans	Ranching or agricultural loans	Other
Citizen Potawatomi Community Development Corporation						Loan packaging assistance.
Ho-Chunk Community Development Corporation						
Lumbee Revitalization & Community Development Corporation						Rehabilitation housing loans.
Oglala Sioux Tribe Partnership for Housing Inc.						
*Heritage Capital Fund						

*\*Heritage Capital is added to the reporting here due to timing of final report that was not included in previous report.*

These Little Eagle Staff Fund grantees have provided a total of 32 loans totaling \$1,404,136 over the past 12 months, in many cases serving low-income, Native American, or female clients who may not have been able to access credit elsewhere. Loans were provided for home construction, home purchases and rehabilitation, microenterprise start-up, and small business start-up (see Table 8).

**Table 8: All Loans Provided by Little Eagle Staff Fund Grantees in Last Year**

Organization	# of Loans	Amount of Loans	What were loans used for?
Citizen Potawatomi Community Development Corporation	15	\$895,909	Microenterprise loans that assisted starting a statewide asphalt paving company, and helped to create 2 other businesses. Small Business loans were granted to 2 other new businesses.
Ho-Chunk Community Development Corporation	0	\$0	
Lumbee Revitalization & Community Development Corporation	2	\$20,000	All loans were for the rehabilitation of homes that were going to be resold.
Oglala Sioux Tribe Partnership for Housing Inc.	13	\$66,790	12 loans were for housing that were transferred from OSTPH and accepted as written. 1 housing loan was originated by the CDFI.
*Heritage Capital Fund	6	\$152,128	There were 2 short-term loans made to a Native owned business and corporation. 1 other loan was used for the purchase of a café/grocery business. 4 loans were dedicated to provide down payment assistance for the purchase of houses.
<b>TOTAL</b>	<b>32</b>	<b>\$1,134,827</b>	

\*Heritage Capital is added to the reporting here due to timing of final report that was not included in previous report.

### ***Small Business and Microenterprise Loans***

A total of 18 small business or microenterprise loans were granted by Little Eagle Staff Fund grantees over the last year, totaling \$1,044,037. Small businesses such as an asphalt paving business that has expanded services beyond its region and a café grocery store on the reservation have been supported among others (see Table 9). Although the Ho-Chunk Community Development Corporation has not given out small business loans, clients that have come into the office for TA to qualify for a small business loan included a food business, services related businesses such as providing transportation for elders and health care to remote individuals, and for arts and goods production. Many other loan applications for small businesses are pending (see Appendix B). In Oklahoma, Citizen Potawatomi Community Development Corporation received 9 loan applications and gave out 5 loans of which 3 Native owned businesses were created in the region. No defaults have occurred and no loans were declared non-recoverable by these businesses, a sign of effective loan follow-up and technical assistance. The Heritage Capital Fund approved and gave out 2 low interest short-term loans to local Native American owned corporations to pay off material costs to complete a contract that has supported further business in the area. The café and grocery store purchase created jobs and stopped the closing of the business. The CDFI established a \$147,800 economic investment in the business community and kept open the only café and rural grocery store in the area. Micro enterprise loans were made in Oklahoma with 19 applications received, resulting in 10 accepted for loan approval. Eight micro businesses were provided supplemental funding to increase business capacity and two new businesses were created. The Lumbee Revitalization & Community Development Corporation and Oglala Sioux Tribe Partnership for Housing Inc. do not offer small business or micro business loans.

**Table 9: Small Business/Micro Enterprise Loans Provided by Little Eagle Staff Fund  
Grantees in Last Year**

<b>Organization</b>	<b>Number of Small Business/Micro Enterprise Loans</b>	<b>Amount of Small Business/Micro Enterprise Loans</b>	<b>Examples of Businesses Supported</b>
<b>Citizen Potawatomi Community Development Corporation</b>	10/5	\$792,903 / \$103,006	Micro enterprise loan that assisted in starting a statewide asphalt paving company. 2 had already started a business and 3 new businesses were started.
<b>*Heritage Capital Fund</b>	3	\$148,128	3 New businesses were started as a result of funding and 1 was used for the purchase of a café/grocery business with 2 others for operations.
<b>TOTAL</b>	<b>18</b>	<b>\$1,044,037</b>	

***Increased Homeownership***

The Little Eagle Staff Fund is also helping empower, prepare, and support interested homebuyers in grantee Native American communities. In three of the communities, homeownership has assisted in meeting critical housing needs for couples and families with down-payment costs and initial development costs to repair dilapidated homes. The Heritage Capital Fund gave out 2 down-payment assistance loans that resulted in the purchase of two homes, a permanent structure and mobile home. One loan has been paid in full since the start of the granting period in 2002 and another loan approved in 2003 to follow. A total of \$152,128 was granted in housing support for the Fort Peck Indian Reservation with pending applications to continue this progress. The Lumbee Revitalization Community Development Corporation has obtained funding through their parent Lumbee Regional Development Association (LRDA) from the Native American Housing Assistance and Self Determination Act (NAHASDA). This funding accounted for 2 of the housing projects which were pre-sold homes built by the Development Corporation. In turn the homeowners had the option to resell for further collateral and credit, a form of incentive that balances the outcomes for both the lender and customer. The Oglala Sioux Partnership for Housing (OSTPH) CDFI acquisitioned 13 transferred and written mortgage loans. OSTPH is the larger corporation of the CDFI, which transferred its loan portfolio at the start of the CDFI. These loans gave borrowers with credit problems a chance to acquire assistance that was not available to them under government and conventional credit standards. The mortgages resulted in the purchase of 13 new homes on the Pine Ridge reservation from 13 applications that were all approved through the vision of OSTPH CDFI, which states:

*The lending philosophy of the CDFI is to provide buyers with a portal to homeownership and then with the skills to secure financing from a conventional source. The benefits of the community include increasing the number of home-owning families,*

*increasing the housing stock, increasing the rate of financial literacy and helping families create wealth.*

### ***Increased Access to Personal Credit***

Access to credit in Native American communities presents barriers for financial institutions to qualify and substantiate loan recipient credit histories and financial assets. Lack of capital and alternative means of income make-up a limited economic base Native CDFIs deal with and ascribe local ways to evaluate clients to afford them a chance to change their financial futures. The Citizen Potowatomi Community Development Corporation has provided access to financial training through technical assistance designed and implemented by knowledgeable community representatives. This contributed to \$994,881 in credit made available to many of the financial training graduates. The Lumbee Corporation provided a housing loan to a client and the client with support has done well in the repayment. The approach that was taken to expand indirect opportunities for individual credit development through housing was successful by working with a construction company from the larger corporation and making available the finance for home construction. This helped families get into a home and build collateral for increased credit. 8 low-income clients and 5 clients with poor credit were able to receive support from the Heritage Capital Fund after having attempted to get financing from other conventional resources with no success.

### ***Increasing Access to Capital***

Many of the Little Eagle Staff Fund grantees provide access to credit to a population that could not access credit elsewhere or could only gain access to credit with high interest rates or fees. A good example of this was reported by the Citizen Potowatomi Community Development Corporation, which reported serving 118 individuals from the community, with 80 of these individuals also receiving technical assistance, training or a loan. In FY 2003-2004 a total of 16 loans were originated by the CDFI totaling \$994,881 in loan money to the community. In addition the CDFI received a \$750,000 loan from the USDA IRP for more capital to be used by the community. Also successful in providing access to capital was the Oglala Sioux Tribal Partnership for Housing which served 13 Native American clients and lent 12 loans to low-income borrowers. The Partnership also received a \$250,000 HUD Resident Opportunities and Self-Sufficiency (ROSS) grant that will be administered by the CDFI to help rejuvenate the local residential area. Ho-Chunk Community Development Corporation received loan capital to offer loans for micro-business enterprises. Due to the low rate of individual credit and financial education among first time customers from the local market, the CDFI was not able to offer any loans. It was reported that the tendency for many Native customers is to withdraw from the loan process if they were asked to complete personal and lengthy applications that included providing business plans and budgets. This aspect of developing a micro-business or enterprise requires some training. Realistically, the technology to devise simple spreadsheets and standard budget formats may not be accessible in remote and rural communities. Shown in Tables 10, 11, and 12, the Little Eagle Fund grantees have

provided distinct target populations within the Native community, such as the low-income and female populations, with opportunities to build their credit. In addition, many loan recipients were female with two of the corporations reported as much as 35% and 23% of the clients served as being female. All loans made by Little Eagle Staff Fund grantees went directly to Native American clients, of whom 19% were female, and 39% were low income.

**Table 10: Loans Provided by Little Eagle Staff Fund Grantees to Native American Clients**

<b>Organization</b>	<b>Number of loans made in last year</b>	<b>Number of loans made to Native American clients</b>	<b>Percent Native American clients</b>
Citizen Potawatomi Community Development Corporation	15	15	100%
Ho-Chunk Community Development Corporation	0	0	0%
Lumbee Revitalization & Community Development Corporation	2	2	100%
Oglala Sioux Tribe Partnership for Housing Inc.	13	13	100%
Heritage Capital Fund	6	6	100%
<b>TOTAL</b>	<b>36</b>	<b>36</b>	<b>100%</b>

**Table 11: Loans Provided by Little Eagle Staff Fund Grantees to Female Clients**

<b>Organization</b>	<b>Number of loans made in last year</b>	<b>Number of loans made to female clients</b>	<b>Percent female clients</b>
Citizen Potawatomi Community Development Corporation	15	Not collected	Not collected
Ho-Chunk Community Development Corporation	0	0	0%
Lumbee Revitalization & Community Development Corporation	2	*2	100%
Oglala Sioux Tribe Partnership for Housing Inc.	13	5	38%
Heritage Capital Fund	6	Not collected	Not collected
<b>TOTAL</b>	<b>36</b>	<b>7</b>	<b>19%</b>

\* The female clients applied with spouse as a couple.

**Table 12: Loans Provided by Little Eagle Staff Fund Grantees to Low-Income Clients**

<b>Organization</b>	<b>Number of loans made in last year</b>	<b>Number of loans made to low income clients</b>	<b>Percent low-income clients</b>
Citizen Potawatomi Community Development Corporation	15	Not collected	Not collected
Ho-Chunk Community Development Corporation	0	0	0%
Lumbee Revitalization & Community Development Corporation	2	2	100%
Oglala Sioux Tribe Partnership for Housing Inc.	13	12	92%
Heritage Capital Fund	6	Not collected	Not collected
<b>TOTAL</b>	<b>36</b>	<b>14</b>	<b>39%</b>

## *Technical Assistance*

Every Little Eagle Staff Fund grantee provides some form of technical assistance to their clients, such as business planning or financial literacy training. As previously mentioned it was acknowledged by several of the grantees that financial education is the number one attribute linked to poor financial credit and management. Technical assistance was fervently addressed in communities like in the Ho-Chunk community where the level of financial skills found in the community was under estimated. In response, the CDFI set-up a rigorous one-on-one TA to intercept background information to better meet the needs of each client from the start. The trainer was then more informed of individual needs, whether it was basic financial skills or business plan training, this enhancement streamlined the TA process. One such client was greatly affected by the access to training in the community. A Native female community member with a young daughter received TANF support and attended the financial assistance classes and technical assistance courses the Ho-Chunk Corporation offered. Upon completing the courses the young woman was inspired to further her education by attending the tribal college, with just barely a GED, and prepare herself for studies in business development. The Community Development Corporation has also obtained funding from HHS-Office of Community Services to begin a Native American gallery and learning center to make the technical assistance effort three-fold. It is planned that the learning center will house a retail outlet and on the job training that will take the client through every aspect of the business training, such as marketing, management and financial accounting. In addition finance seminars and business development courses are expected to be a part of the learning center.

In the Citizen Potawatomi Community Development Corporation progress report, they report that the ongoing need for technical assistance was critical to the success of the businesses. They forged a very successful partnership with the local education center, the Gordon Cooper Technology Center. This partnership allowed Citizen Potawatomi clients access to effective formalized classes and one-on-one assistance with loan packaging, business plan development, and the development of projections. In fact, the augmented training led to a well-received Native American Business Development Workshop Series with 31 clients having already received specialized training. The Heritage Capital Fund found that the lack of financial management was a priority for staff efforts to provide assistance to clients in various phases of the credit process, with an average of 5 hours dedicated to each client. This type of training that occurs during the lending process is unique to Native CDFIs in that clients are worked with before the actual loan is approved and shows that the financial institute is more than a lender to clients, but is also an educational resource.

Technical assistance was also provided to CDFI staff and board members across the Heritage Capital Fund (HCF), Citizen Potawatomi Community Development Corporation (CPCDC), and Oglala Sioux Tribal Partnership for Housing (OSTPH) grantees. HCF staff attended HUD's section 184 loan guarantee training and the Montana Home

Ownership Seminar for preparation in lending for housing. The staff has also participated in on-line courses to use Micro-Soft Office applications such as Excel and Access for CDFI operations. The CPCDC had its staff participate in a virtual learning center training session provided by the National Community Capital Association. Lastly, OSTPH board and staff members attended a three-part training offered by First Nations Oweesta Corporation and the National Community Capital Association for further assistance in developing core training in community development.

First Nations Oweesta Corporation through its Financial Capacity Building component has worked with many of the grantees to date. Their technical assistance mission is to enhance through training and materials development the capacity of tribes, Native organizations and individuals to better manage their financial assets. As evidenced by the number of Native CDFI organizations that Oweesta has worked with in this round of grantees and the previous round, additional guidance has assisted in the acquisition of funding from the Department of Treasury's Native CDFI initiatives and other resources. See Appendix E for a national list of the CDFI Funds' Native American CDFI program awards. As noted earlier, according to Oweesta's definition, there are 32 Native American CDFIs in the Nation that are serving Native American clients.

**Table 13: Technical Assistance Provided by Grantees**

Organization	Is TA or training offered?	What are the major training and technical assistance needs of clients?
Citizen Potawatomi Community Development Corporation	✓	A partnership has been built with the Gordon Cooper Technical Training Center that is close by that is an easily accessible resource for clients. The ongoing need for technical assistance is critical to the success of the business. Post loan assistance is also important to get through the day-to-day ups and downs.
Ho-Chunk Community Development Corporation	✓	A learning center approach that has on-the-job training, personal finance and business curriculum to help the client gain practical knowledge and tools to complete a business plan has helped to meet the needs of clients.
Lumbee Revitalization & Community Development Corporation	✓	According to the marketing analysis completed by the University of Carolina at Pembroke and the LRCDC, community members requested assistance to improve credit history, loan consolidation, budgeting, basic financial literacy and the need for start-up business training. Some training and assistance should come from current business owners in the community.
Oglala Sioux Tribe Partnership for Housing Inc.	✓	In order to achieve financial competency a lending strategy to assist clients and buyers to qualify for a conventional or government loans through a shorter 5 year mortgage loan that amortizes over 30-33 years will allow more focus on training.
Heritage Capital Fund	✓	Financial literacy remains the number one need of Native people on the reservation. Extremes in training needs are apparent with some having no knowledge about managing financial matters with other requests to learn how to prepare business plans. A focus to address the credit process and the various stages has been put into place.

***Business Development and Job Creation***

The impact of the services provided by the Little Eagle Staff Fund grantees, including small and micro business training, and technical assistance, have had a significant impact on local communities and community tribal members. The Lumbee Revitalization Community Development Corporation has made impact on the business community through the development and dissemination of their “Small Business Financial Literacy Course.” This course has been completed or attended by 3 clients who received technical assistance by the Tribal Housing Director, and Financial Officer. Both the Tribal Housing Director and the Financial Officer researched and selected the core components of the training and are local qualified staff who can train emerging business owners. The formalized training course offered eleven, four and two week classes that give in-depth instruction and practical exercises on developing personal business plans; learning exercises on credit use, management and repair; saving techniques on interest and finance charges; avoiding predatory lenders; home buying practices and how to get the lowest interest rates; and how to understand closing costs. Although the initial success of the courses was met by tough competition by local colleges, the CDFI plans on offering the courses continually in the coming months. During the grant period the LRCDC has interviewed small business development clients and expect to qualify the business loans in the near future. Also in the Lumbee community as previously mentioned, LRDA the

parent organization started a construction company that has prospered from the home improvement/construction lending that has taken place.

The Citizen Potawatomi Community Development Corporation received 19 small business loan applications during the grant period and made 10 loans to approved clients. 8 of these loan recipients had an existing business, and 2 businesses were started. One client struggled to make loan payments due to a severe motorcycle accident and lost his right leg at the knee. CPCDC worked with the client in his compromised situation and loan status. So without applying for disability or forbearance on the loan, the client put himself through vocational education and shortly after started an asphalt business. The paving company now has contracts with state, local and tribal governments throughout Oklahoma and has created 11 jobs. CPCDC also saw one other business created which supported 3 more new jobs in the community.

Technology in local CDFIs varied from larger organizations to start up companies. Financial data tracking is usually comprised of server networks and advanced application-acceleration methods across financial institution networks that secure database information. For two of the CDFIs this direction for information technology capacity expansion has begun. The Oglala Sioux Tribal Partnership for Housing (OSTPH) did initial research to find a software program for financial servicing that would suite their service needs and was affordable. Unsuccessful in finding the right software for the size of their company, OSTPH called upon its in-house experts to develop a computer-based application and data management system. The system that was developed tracks loan payments and provides automated principal, interest, and insurance disbursement breakdowns that are directly entered into the system for reporting. In Oklahoma the Citizen Potawatomi Community Development Corporation brought technology to its staff through a virtual learning center. The training was provided by National Community Capital Association and offered sessions on rural entrepreneurs, projections, and underwriting. The Ho-Chunk Community Development Corporation has accumulated contact information on local artisans and created an entrepreneurial database that tracks current and potential business loan clients assisting the referral process across county service areas. A listserv was also generated to announce other trainings in the Ho-Chunk community, Winnebago, and Omaha reservation areas.

### ***Community Impact of Grant – From the Grantee Perspective***

In conducting the evaluation of the Little Eagle Staff Fund grantees, we asked them to tell First Nations, in their own words, what they believed the impact of the grant was in their community. Grantees revealed the level of need each community demonstrated from expanding loan portfolios to meet local businesses, to seeing how a client base that has the motivation needs training and education to stimulate lending as a resource – the responses varied greatly. A summary of their comments is provided below in Table 14.

**Table 14: What Was the Community Impact of the Grant?**

Organization	What was the community impact of the grant?
Citizen Potawatomi Community Development Corporation	<p>The CPCDC serves all Native Americans in Oklahoma, representing 39 tribes and Oklahoma tribal members throughout the nation. Included is the Citizen Potawatomi Nation that has almost 25,000 enrolled members and is the ninth largest Tribe in the US. Through a concentrated financial effort that affords access for the diverse and intermingled OK tribal population CPCDC has generated partnerships that link resources. The partnerships with small business development centers, other tribal nations, and the American Indian Chamber of Commerce created a web of entry points, which are accessed by the communities' most financially vulnerable. Each of these entities aligned together establishes a financial stronghold that can meet the many low-income, educational, and portfolio needs of community members. The financial education that is offered by the CPCDC assesses the level of skill and capacity of the potential loan recipient to focus lending to meet needs of the little to no collateral individuals to the emerging business entrepreneurs.</p> <p>CPCDC has filled gaps in the lending system as a referral resource for Native Americans of the Cherokee Nation that do not have the means to utilize distant financial providers or do not qualify due to jurisdictional boundaries.</p> <p>CPCDC has been able to expand its loan portfolio since FY 2003 to current financial support in January 2005 to \$1,165,218. The fund has gradually accumulated and was partially financed by a \$750,000 capital loan from USDA-Intermediary Relending Program for rural areas.</p>
Ho-Chunk Community Development Corporation	<p>HCCDC has impacted the multi-tribal communities of the Winnebago and Omaha reservations in Nebraska, and have made impacts through outreach to the Santee Sioux tribe. Community impact was measured according to:</p> <ul style="list-style-type: none"> <li>• The organization's capacity to market its financial products and services to Native American clients;</li> <li>• Increase in the level of financial skills of Native American clients; and</li> <li>• The organizational sustainability enhanced commercial business lending and development capacity leading to increased access to financial services and products for Native American clients, and opportunity for commercial and business development for Native American communities.</li> </ul> <p>HCCDC in their first 6 months has designed a brochure using a local Native American web design and brochure company. This type of outreach will help inform the community on services not previously readily available to interested community members. HCCDC has provided an outreach component that addresses business-motivated topics such as "Building a Business Plan," and has made attempts to reach its constituency at cultural venues.</p> <p>The financial skills building outcomes gave community impact through contact to 19 community members with 9 completing or continuing their financial skills education. The training focused on writing for a business plan, business description, marketing research and strategy, capitalization requirements, financial analysis and pro forma projections as well as constructing an executive summary letter, and has built skills for small and first time Native business owners on these reservations. The loan fund and loan loss reserve has not yet had an impact as the concentration to getting basic financial skills training was completed first.</p> <p>HCCDC was able to hire a new grant writer position that has been successful in expanding the services of HCCDC within the community through a grant from the Department of Health and Human Services, Office of Community Services. This grant will allow the organization to house a retail outlet, offer on the job training, and educational component to artisans wanting to or own their own business. The Native American Galleria and Learning Center created by this funding will have great impact in the community that heightens the prospect for more exposure for all of the products in the retail outlet as well as create a centralized access area for products of Native artisans. The FNDI CDFI funding has given leverage in the application for IRP USDA funding with success that has made the first step towards long term sustainability in providing credit to the local community for small business development.</p>
Lumbee Revitalization & Community Development Corporation	<p>LRDCDC has impacted four counties in North Carolina that have a concentrated population of Lumbees and have made impacts in financial literacy and partnership building measured by:</p> <ul style="list-style-type: none"> <li>• Refined and updated lending policies with information gained from making the initial loans for both housing and small business development;</li> <li>• A curriculum for small business management and an operations instructional course that will be required of all recipients of business loans;</li> <li>• Developed policy manual for small business lending to augment lending policies that are specific to business loans that can be used to market the CDFI's Financial &amp; Development Services;</li> <li>• In-house loan management system used by trained staff; and</li> <li>• Begin implementation of a capitalization strategy to increase loan pool.</li> </ul> <p>LRDCDC has created a five-member loan committee consisting of two bank representatives, a CPA, a business owner, and representative of the client community. This has given the organization a broader</p>

	<p>perspective from the inside out based on the consensus of the loan committee regarding community issues. Marketing for LRDC has been developed to improve on its technological response to community members who access the web for information. The fundraising prospectus featured on the website, www.lrcdc.com, has given the loan pool capital access to outside markets. Based on the findings from a market research analysis conducted by the University of North Carolina gave further development for curriculum based courses using financial literacy as a key component. Customizing the courses for the Native community will help the retention and interest based on actual needs of the community.</p> <p>The initiative to partner with the Lumbee Tribe has been underway and can begin the step toward a more united effort for a larger area of the population.</p>
<p>Oglala Sioux Tribe Partnership for Housing Inc.</p>	<p>OSTPH presence has impacted the Pine Ridge tribal community in South Dakota through the creation of a CDFI that concentrates on financial administration of the business created by the larger development corporation. Its focus is to look at decreasing cost of housing on the reservation through homeownership and increase number of homes owned by tribal members. Community impact was measured according to:</p> <ul style="list-style-type: none"> <li>• Acquired loan-servicing technology;</li> <li>• Developed /strengthened mortgage underwriting guidelines, and loan policies/procedures;</li> <li>• Optimal legal structure researched for the CDFI by separating the lending from development components of the parent organization;</li> <li>• Developed secondary market strategy;</li> <li>• Implementation of a capitalization/fundraising strategy;</li> <li>• Training for staff and board; and</li> <li>• Staffing arrangement (patterns) for organization.</li> </ul> <p>More specifically, the technical assistance of First Nations Oweesta Corporation helped to give a scope of work for the new CDFI to better impact the community based on these goals:</p> <ol style="list-style-type: none"> <li>1. Decrease the cost of housing: In originating loans directly, the CDFI will be able to decrease the cost of housing by an average of \$5,000 per home. While third party lenders require costly construction elements, the new CDFI will focus on approving mortgages for quality homes without added frills.</li> <li>2. Increase the number of homes owned: The CDFI will originate at least 15 mortgages each year, assisting at least 15 families each year in purchasing their own homes.</li> <li>3. Reduce the number of substandard units: By originating 15 mortgages and assisting at least 15 families each year in purchasing new, quality homes, the CDFI will reduce the number of substandard units.</li> <li>4. Increase the number of credit-worthy tribal members: The CDFI Consumer Credit Counselor will assist at least 20 tribal members each year in improving their credit histories, and repairing credit issues.</li> </ol> <p>The lending philosophy of the CDFI was to provide buyers with a portal to homeownership and then with the skills to secure financing from a conventional source. This in turn benefited the community through increased number of home-owning families, increased the housing stock, and increased the rate of financial literacy helping families create wealth. The First Nations grant helped set this in motion.</p> <p>OSTPH was able to study how best to provide mortgage-lending services to the tribal community, to train staff and board members and to begin the process of organizing the CDFI that will have long-term outcomes not yet fully scene. In addition creating a viable interest from outside lenders or off-Reservation donors and investors to promote their outreach to businesses on the reservation.</p> <p>Workforce labor was facilitated by subcontracted jobs to build the houses OSTPH funded through the CDFI. Of these subcontracts 95% were reservation based.</p>
<p>Heritage Capital Fund</p>	<p>The Heritage Capital Fund gave impact to the communities of the Fort Peck Indian reservation by offering credit opportunities to those who may not otherwise have such access. Impact to the community were measured by:</p> <ul style="list-style-type: none"> <li>• Development of a markets needs assessment and analysis;</li> <li>• Taking advantage of staff and board training opportunities;</li> <li>• Development of a home loan program;</li> <li>• Continued development of the strategic plan;</li> <li>• Obtainment of additional operating and capital funds; and</li> <li>• Development of a mortgage market system.</li> </ul> <p>Even with the limitations of loan capital, the Fund was able to impact the local community through the use of funds available. The Fund was able to provide capital for businesses, which in turn created employment opportunities for the Native American population. The HCF served 31 clients in 2003. Six of</p>

	these clients received a loan, 14 received TA, and 6 of these clients received both a loan a TA. There were eight low-income clients served, 13 Native American clients, and 7 women. There were no first-time borrowers, while 5 of the borrowers exhibited poor credit. Many of the clients who were unable to get financing at conventional sources has little or no collateral and/or poor credit histories.
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## V. Lessons Learned from Little Eagle Staff Fund Grantees

The complex area of tribal community development and the evaluation of this round of grantee outcomes has revealed several barriers faced by CDFIs providing financial resources to barren markets in remote and rural areas. One finding that was reported by the Heritage Capital Fund and Lumbee Revitalization Community Development Corporation related to applying to the Department of Treasury’s CDFIs funding. The Heritage organization found that a “catch 22” exists in demonstrating sustainability in the start-up phase of the CDFI and the purpose of the funding that initiates start-up Native American CDFIs. The Heritage Capital Fund also came to a realization that the excess of “demand” for existing “supply” was short of meeting the needs of the community. The Lumbee Revitalization Community Development also experienced a challenge of not having enough funding. They worked with the community to outreach to qualifying clients. When word got out that there was funding that might be available from the federal government, much of the community expected a large amount of loan fund applications to be accepted. In reality, capital funds were dispersed almost as soon as money came in, and because of the long process that it takes to receive federal funding under other CDFI fund programs, people were frustrated by the lack of loan funds. Also in the Lumbee community an important lesson was learned about working with the larger entity to create a more significant force when it came to CDFI lending and in this case the tribal entity. It was recommended by a local economist knowledgeable of the situation the CDFI was in concerning the organizations’ tribal status as a state recognized tribe and stated, “the goal to unite with the larger Lumbee Tribe would ultimately expand a cooperative initiative that allow both entities to maintain equal partnership in the community without one organization being subservient to the other.”

Important to note in a comparison with the first round of grantees was that lending on reservation trust lands presented unique problems to the CDFIs regarding tribal codes and regulations. The Oglala Sioux Tribal Partnership for Housing provided financing for 13 mortgages, of these 3 loans are awaiting a resolution of a disagreement between the US Department of Interior, BIA, and the Department of Agriculture, Rural Development, concerning a common problem about land rights issues on the reservation and lease language for allotted land. This has hampered these individuals from being able to build their assets and with support from the Native CDFI, further assistance will be dedicated to regulating prompt responses on land resolutions. In determining the best approach for CDFIs to build prosperous, sustainable and progressive economies the initiative of the developing community leadership has been successful in making the process work, despite setbacks beyond the CDFIs control.

In Table 15 the CDFIs have developed a strong foundation to expand their lending practices requiring standard criteria to be in place. The work involved for the Ho-Chunk Community Development Corporation took place beginning in 2000 when the board of directors passed the International Building Codes and since are now creating and reviewing UCC codes for financial lending. They have also put a UBC code in place while foreclosure and mortgage codes have brought together the efforts of Ho-Chunk Community Development Corporation, a joint zoning board with the Ho-Chunk tribal council, and a small tribal lending provider.

**Table 15: Tribal Codes to Facilitate Lending and Debt Collection**

Organization	Does tribe have UCC code?	Mortgage and foreclosure codes?	Land use of zoning ordinances?	Tribal court?	Debt collection codes?
Citizen Potawatomi Community Development Corporation	✓	✓	✓	✓	✓
Ho-Chunk Community Development Corporation	Under Development	✓		✓	✓
Lumbee Revitalization & Community Development Corporation	✓	✓	✓	✓	✓
Oglala Sioux Tribe Partnership for Housing Inc.		✓			
Heritage Capital Fund	Not reported	Not reported	Not reported	Not reported	Not reported

When asked about problems with predatory lending, Little Eagle Staff Fund grantees gave insight to the dichotomy of getting immediate financial help with high interest versus the longer timely approach to work through financial credit building that may not guarantee approval for a loan. Each grantee acknowledged that qualified financial institutions offset targeted predatory advertising and the misrepresentation often used to get customers into a lending situation that further depresses their economic credit capital. Table 16 provides a review of the responses we received from our grantees.

**Table 16: Is Predatory Lending a Problem in Your Community?**

Organization	Problems with predatory lending?
Citizen Potawatomi Community Development Corporation	Yes. The partnerships and marketing outreach conducted by CPCDC has been very successful. CPCDC is the only legitimate financial outreach that targets Native people in Indian country for OK, and are the only resource in the area that provides loaning financial opportunities.
Ho-Chunk Community Development Corporation	Predatory lending is a problem in the community. The Winnebago reservation doesn't have a bank and that is why people have to go to South Sioux City or Sioux City to get access to financial resources and needed items such as cars and appliances. The "Rent-A-Centers" have primarily been the most damaging, as well as automobile dealers that sell cars with high interest rates to desperate buyers. With the opening of a used car dealership in the Ho-Chunk community that is owned and operated by a community member, the enterprise has been able to offset some of the need to go to predatory car sales lots through financing cars more affordably.

Lumbee Revitalization & Community Development Corporation	The Board of Directors made strategic efforts to outreach to the local financial institutions and targeted the local credit union. A presentation was made to the credit union for funding. After observation by the LRCDC staff the Self Help Credit Union advertised as a self-help program for homeowners of the Lumbee community when in reality it came to be known in the community and by other financial resource personnel as a predatory lender. The loans offered by the credit union to homeowners' have higher interest rates than the going market. The requested funding was dropped.
Oglala Sioux Tribe Partnership for Housing Inc.	We have watched this closely—the houses sold by OSTPH are heavily subsidized, creating significant equity at the time of sale. We are not aware of equity lenders making too much of this yet, but it is a tempting target. In general terms, many people on the Reservation pay higher interest rates on consumer loans than they should. Buyers that go through our counseling programs are taught how to negotiate better interest rates and avoid abusive credit situations.
The Heritage Capital Fund	With the apparent overwhelming need for loans by Native and non-native community members this easily creates a targeted market for predatory lenders and low-income housing lenders.

Finally, we asked grantees to provide an overview of the biggest lessons learned over the past 12 months. Table 17 provides a review of their responses. Some themes have emerged from grantees that include the following:

**THE LEVEL OF SMALL BUSINESS READINESS AND FINANCIAL LITERACY AMONG COMMUNITY**

**MEMBERS IS LOW.**

The level of financial education among the Native American communities was underestimated in the Citizen Potawatomi and the Ho-Chunk communities where they have shown need for services at extreme levels from basic literacy to the more complex. According to Citizen Potawatomi, there are generally two (2) kinds of customers that are being served 1) customer is highly educated and has a quality project that comes through the doors and 2) lacks financial literacy and little collateral to offer. This represents the extremities that are in the community but are the likely customers that inquire. However, most clients need a great deal of business training and training on personal finance.

**BUSINESS EDUCATION IS IMPORTANT.**

Business education and post education was a demonstrated need in the Citizen Potawatomi and Ho-Chunk communities. In order to lend to the small business owner there must a certain level of financial accountability that is learned through small business or entrepreneur training. Ho-Chunk has worked more intensely with the artisan community to develop their business education.

**IT IS DIFFICULT TO ACQUIRE CAPITAL FUNDS AS A START-UP CDFI ORGANIZATION.**

The Heritage Capital Fund and the Lumbee Revitalization & Community Development Corporation have been challenged by the limitations funders place on CDFIs in low-income communities. The criteria used to qualify loans and approve individual credit is strict compared to the financial equity and capacity of reservations and rural Native community members. Applying for capital funds as a Native CDFI

can be daunting since the consumer base must change to have a CDFI supported by investment from the community.

**● FINANCIAL ORGANIZATIONS MUST PURSUE MULTIPLE RESOURCES FOR FUNDING.**

Each grantee has made efforts to support or expand loan and education services through multiple funders. Federal funding sources have made changes to the application and criteria for CDFIs to obtain funding from various programs. Building relationships with other financial organizations has helped to leverage the lending products but require constant fundraising. The Heritage Capital Fund has hired a part time grant writer to offset the staff time and actively pursue funding support.

**Table 17: What Were Lessons Learned?**

Organization	What were the most important lessons learned?
Citizen Potawatomi Community Development Corporation	The on-going need for technical assistance is critical to the success of the business. Post loan assistance seems to be more important in assisting the business through the day-to day ups and downs of owning a business and more needed in the way of mitigating loan losses for the CPCDC. There are generally two (2) kinds of customers that are being served 1) customer is highly educated and has a quality project that comes through the doors and 2) lacks financial literacy and little collateral to offer. This represents the extremities that are in the community but are the likely customers that inquire.
Ho-Chunk Community Development Corporation	There was a misconception of the level of small business readiness or capacity among community members to conduct their own financial planning. The community has extremities within the financial skills knowledge base from the basic training track to the business plan assessment and one-on-one counseling. Doing small business lending that supports core program needs were needed more than anything else.
Lumbee Revitalization & Community Development Corporation	The Lumbee Revitalization and Community Development Corporation believes that the CDFI Fund has over sold the program in its initial outreach to Native communities. A misconception of the amount of funding available was promoted and the effects of this were in the number of Native CDFIs that applied (over 25) and the actual amount of funding for Native funding that was not nearly enough at \$8 Million. Tribes that are state recognized often have difficulty applying for federal funding. The LRCDC will work closely with the larger Lumbee Tribal organization to gain support and partnership.
Oglala Sioux Tribe Partnership for Housing Inc.	The two most important factors for successful lending seem to be (1) solid, repeated homebuyer trainings, and (2) the maintenance of close personal relationships with customers.
The Heritage Capital Fund	Financial literacy remains the number one need of Native Americans on the reservation, as many may have no knowledge about managing financial matters. The demonstrated challenge of excessive “demand” (applicants) for the existing “supply” (loan funds) has made the Fund seem short of funds. HRC has loaned out its total capital funding relatively without advertisement in a short period of time. Native CDFIs can find themselves in a “catch 22” at the start-up phase without the ability to demonstrate sustainability and less accessibility to loan capital.

## VI. Conclusion

The four new grantees and one previous grantee reported in this evaluation actualized various levels of community wide development on reservations and surrounding areas as a result of Little Eagle Staff Funding. Their growth was measured by the individual successes of each organization and heightened by the contributing programmatic and lending success of the Native CDFIs. Through the combination of financial education; strategic lending structure implementation; and from dedicated resources within the communities, grantees wholly impacted the communities they represent by implementing tribal economic investment in community and developing financial institutions. These impacts stemmed from grantees who aggressively sought out federal funding from US Department of Treasury's Native CDFI fund initiatives and from the localized partnerships that garnered in-kind support to link financial assistance in education and development guidance. First Nations Development Institutes' grantmaking through the Little Eagle Staff Fund Initiative together with First Nations Oweesta Corporation have empowered these emerging financial institutions to pursue asset development in Native communities that meets the rigor of standard capital corporations. The First Nations CDFI initiative has supplied just a fraction of the needed funding in Native communities, which has stretched a long way to serve guidance and nurturing for these institutions. The result was expanded opportunities for tribal communities that will continue making investments that lead to improved credit and welfare. All of the grantees reported that the funding has greatly impacted their communities, if even to support small organizational staff positions or to offer learning approaches to build board member skills to better serve the tribal community. In addition, the funds provided loan security through a loan loss reserve fund. The postulate examined by the CDFIs is that the barriers that exist in Native American communities such as the low economic base, little to no access to credit and suitable collateral, and business entrepreneurship that lacks sufficient knowledge in business development, can be improved by supporting a community based initiative that is designed from the collective resources of the community. The Little Eagle Staff Fund round two grantees facilitated capital and credit using distinct networks to centralize their asset building efforts. This has led to policy enhancements and a degree of common intent among community-based financial catalysts and has contributed to leveraged resources totaling \$4,138,049. Moreover, these leveraged funds directly benefited CDFI operations and technical assistance activities that engaged local experts with community members to ensure successful follow-up and repayment outcomes and an additional \$20,000 in-kind resource. Currently these five Native communities have access to loan investment funds amounting to \$2,861,627 dedicated loan capital financing with potentially \$293,000 to be added from pending applications and commitments.

Through improved loan processing the CDFIs approved 32 loans, actualizing \$1,134,827 in financial support of Native owned businesses, homeownership and the construction/rehabilitation of homes in the grantee Native communities. The loans assisted Native entrepreneurs in starting 6 new businesses and supported 2 other businesses in operating funding. Ten micro business loans supplanted the need to use "payday" loans in the community and offered a better means for these business enterprises to build on their talents and artistry.

Financial credit building has been an uphill struggle for many of these Native communities, but major steps to increase financial education and skills to manage funds have begun. In order to address the varied levels of education needed, collaborative efforts and community outreach linked the educational component of the CDFIs to community learning centers to provide formalized class settings.

Presented here are both economic and social outcomes that have given further information on the effectiveness of CDFIs as change agents. Versatile in reaching their communities, the significance of these pillars of financial property for Native Americans can be measured in both quantitative and qualitative terms. The impacts of F.B. Heron Foundation's funding of Native CDFIs through the Little Eagle Staff Fund for this round of grantees is obvious from the reporting and CDFI investment totals. Transparent are the benefits from controlling the assets reclaimed by community members that now own houses, have new businesses and additional employees, and have secured funding that will help in the start up of business planning. The work conducted by the CDFIs staff, board members, and its community resources signify the resiliency of Native communities to assist others that strengthens the axis of financial independence and economic sustainability.



# APPENDIX A: GRANTEE PROGRESS DURING GRANT PERIOD

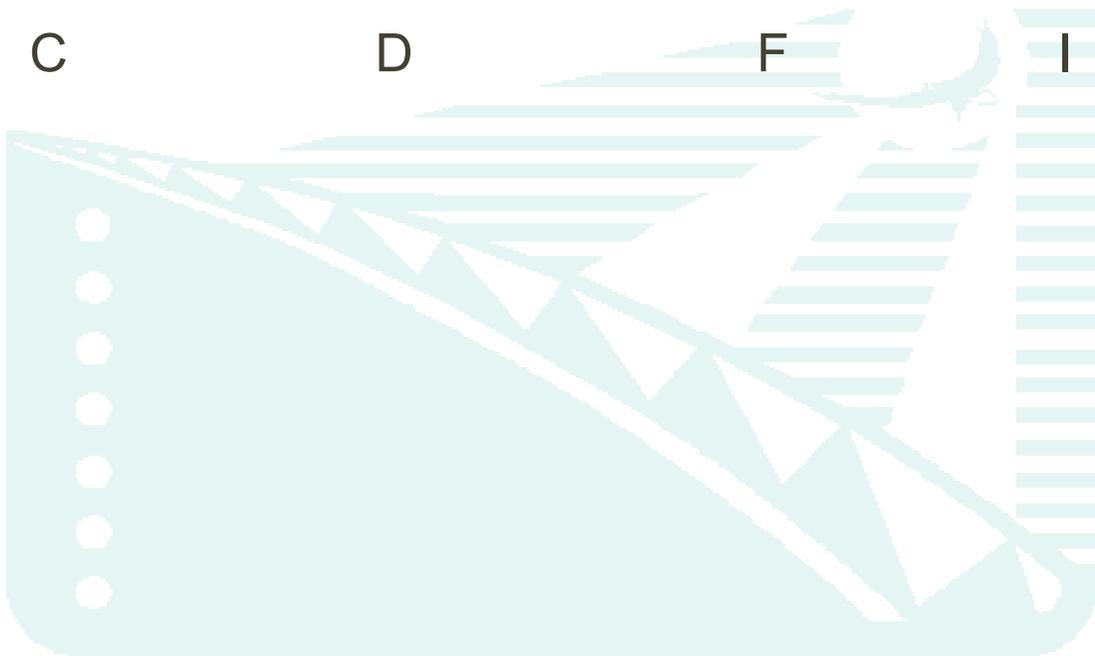
## Native American Community Development Financial Institutions

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<b>Grantee</b>	Citizen Potawatomi Community Development Corp.
<b>Location</b>	Shawnee, OK
<b>Date granted</b>	7/29/2004
<b>Total amount granted</b>	\$30,000.00
<b>Grant description</b>	This grant provided support to create and capitalize a loan loss reserve for the Commercial Lending Program, which will assist in mitigating loan portfolio risk. The CLP will expand the capacity of Native small businesses and entrepreneurs by providing access to capital through loans. The \$30,000 grant is approximately 17.6% of the total organization's projected budget of \$1,691,000 in February 2004.
<b>Change in Operations</b>	In the first six months strategic partnerships were developed that allowed further market outreach. The CDFI received financial support of \$43,750 from the Citizen Potawatomi Nation for core and operations funds.
<b>Change in Loan Portfolio</b>	The organization has received \$750,000 for its capital fund from USDA – IRP, making the total available capital amount close to 1.1 million. The number of Small businesses has increased with 8 loans, enabling 3 of these loans to leverage their finances. Additionally, 3 Micro businesses were also started as a result of CDFI funding.
<b>Change in TA and Training</b>	Staff has participated in the virtual learning center training sessions on topics such as rural marketing, projections, and underwriting for small business loans. The National Community Capital Association provided the trainings. One-on-one technical assistance with clients is offered with an average of 1.5 hours that goes towards working with each client. A local TA partnership with the Gordon Cooper Technology Center was established and has provided additional support for clients to expand access to resources.
<b>How did First Nations grant help?</b>	The First Nations grant provided stability to the CPDCD Loan Pool. Due to the risk and market in accomplishing the CPDCD mission, creating a loan portfolio that is self-insured allows the financial provider to better plan for capacity growth. The CPDCD was able to secure a loan portfolio by taking appropriate measures beginning with guidelines and a portfolio risk rating system to mitigate further risk.
<b>How did First Nations grant help the community?</b>	The grant provided necessary provisions to implement technical assistance and financial literacy training to aspiring entrepreneurs and Native American business owners. A change for the better in a growing Indian economy was built through the creation and expansion of businesses, as well as job creation and employee retention.
<b>How did the CDFI bring new funds into the community?</b>	The Citizen Potawatomi Nation provided the Community Development Corporation with \$43,750

**How did the CDFI promote small businesses in the local community?**

for general operating costs. A USDA-IRP loan was obtained to add to new funds to the community in the amount of \$750,000.

19 applications for small business loans were received with 10 completing the process and receiving a loan. 8 of these loans went to promoting existing small businesses with 2 more that created new businesses. Local jobs were supported and new jobs created to add to the local economy.

**Grantee** Heritage Capital Fund

**Location** Wolf Point, MT

**Date granted** 12/12/2002

**Total amount granted** \$15,000.00

**Grant description** This grant provided general operating support for this emerging Native CDFI. It helped pay for the salary of the executive director and other administrative needs. The goal of this grant was to build management capacity of the organization in order to develop more financial services, and attract other funds to the organization for administration and capitalization of the loan fund. The \$15,000 grant was 7.5% of the total organization's projected operating budget of \$199,865 for 2003.

**Change in Operations** The Fund has faced the challenge of the community's demonstrated need for capital that is far more than the Fund or any other institution in the near by area can provide. The Fund adopted new loan policies after the Board revised its existing loan policies. Using recommendations made by the Community Reinvestment Fund to adapt to meet Fund requirements, new policies were incorporated. This included a risk-rating formula for new loans. An outside consulting firm is putting a 5-year capitalization plan in place by January 2004. The Board of Directors increased to eight members with the resignation of one member and the election of two others. One of the new board members is a loan officer and vice-president at a local bank with expectations to expand their networking.

**Change in Loan Portfolio** There were additional housing loans made, two loans were for down-payment assistance to purchase a home, and one loan that was made in 2002 that is in repayment. The total amount of these loans were \$152,128. As reported the inundated response in the community requesting loans still continues with limited funding. The Fund has 5 pending inquiries and applications for loans totaling \$250,000.

**Change in TA and Training** There is not a considerable change in the TA and training areas of operation however the Fund contends that financial literacy remains the number one need of Natives on the reservation.

**How did First Nations grant help?** The Heritage Capital Fund has been progressing well. In the year 2003, there has been an excess of "demand" (applicants) for exiting "supply" (loan funds). The Fund is somewhat short of meeting the operating budget for the upcoming year. The new HUD grant will help to cover operating costs until additional funding is secured. A subcontract with a government contractor for consulting and management services is possible, as several proposal gave been submitted. As there are few CDFIs nationwide that have attained self-sufficiency, the Heritage Capital Fund, in comparison is performing as expected.

**How did First Nations grant help the community?** The First Nations funding has allowed the Heritage Capital Fund to spend additional time on working to

obtain capital and operating monies for the operation. This time was used to obtain funding from HUD RHED energy efficiency loan program, which will have great impact for the Funds capacity to facilitate these types of loans in the community.

**How did the CDFI bring new funds into the community?**

Many applications for support have been submitted including an application in 2004 to the Department of Treasury for TA totaling \$83,000 and an equity investment of \$50,000 from the Mercy Partnership Fund. Additionally, the Fund has received funding from the Housing and Urban Development RHED energy efficiency loan program totaling \$399,848. The Fund still faces a shortage of capital and continues to seek out sources for it. New sources for operating funds will be sought in the next year from a variety of potential funding sources. As budgeted, the Fund will need to augment existing operating funds and plans to solicit other private and public organizations as well as government agencies for operating and revolving loan funds. The Fund submitted an application to First Nations Oweesta Corporation which has received preliminary approval and pending \$100,000 (interested payment only) loan capital investment. The Fund is attempting to secure a service contract with a government contractor that will help reduce operating cost needs.

**How did the CDFI promote small businesses in the local community?**

Support from First Nations has also allowed the Fund to meet some of the capital needs in the community and has helped to promote business development by enabling the Fund to provide capital to new and existing businesses. The Heritage closed 3 small business loans during the grant period. One loan was for the purchase of a café and two operating capital loans were made to a Native American owned corporation. These loans assisted in the creation of 12-15 jobs. The total dollar amount the loans was \$148,128.

<b>Grantee</b>	Ho-Chunk Community Development Corporation (HCCDC)
<b>Location</b>	Walthill, NE
<b>Date granted</b>	6/30/2004
<b>Total amount granted</b>	\$37,200.00
<b>Grant description</b>	This grant provided support to increase the organizational capacity to market its financial products and services to Native American clients; increase the level of financial skills of Native American clients; and increase organizational sustainability by enhancing commercial business lending. The \$37,200 grant is just less than 25% of the total organization's projected budget of \$148, 674 in January 2004.
<b>Change in Operations</b>	A new position was created to write grants. The person who filled the position has been successful in obtaining federal funding support. In 2000, the board of directors passed HCCDC's International Building Codes and has UCC codes under development. This includes adding language for micro and small business loans. In addition, larger revolving loan language will be added in preparation to receive loan funds.
<b>Change in Loan Portfolio</b>	The loan loss reserve fund was supported by the FNDI grant and now has gained \$55,759 toward its loan capital. HCCDC enhanced its lending range by taking advantage of opportunities that created the Community Galleria and Learning Center. Applying for and receiving federal funding brought the community a micro and small business resources. They will house small artisan businesses through the commercial department of HCCDC. The loan program application policies were modified to include \$5,000-\$15,000 'micro step-up' loans. These loans are designed for a local target market and artisans that otherwise do not meet the eligibility criteria of micro and small business loans.
<b>Change in TA and Training</b>	The Director of Commercial Programs provides one-on-one TA to clients in an initial assessment. A broader base of clients has been able to use TA services. This includes clients at a basic level to more advanced. Potential clients are given a 45-question intake survey. During the registration the advisor talks in-depth with the client concerning their business idea(s), and decides what services to offer. In order to receive funding from HCCDC the client must have a business plan. This is also a standard policy across other funding institutions. Technical assistance for business plan development is crucial if more businesses are to be considered.
<b>How did First Nations grant help?</b>	The FNDI grant has supported enhancement changes in HCCDC's outreach, financial literacy and service capacity. This has strengthened linkages for financial education offered to emerging business owners and Native producers. The training position that was created has proven to be an effective customer service position. The position has an important role in providing information and streamlined referral resources for TA.

**How did First Nations grant help the community?**

The TA services that were provided by the FNDI funding involved multiple reservations that took part in the educational component of the CDFI. Native American residents of the Winnebago and Omaha reservations and Sioux City are seeing the changes in the community across different financial areas. The number of applicants and client interest has increased. Some of these applicants have never before sought services or considered loan solutions. TA class members that graduated were empowered through financial education and will now actively pursue personal credit building.

**How did the CDFI bring new funds into the community?**

The grant writing position generated funding from multiple sources using a variety of funders in community development. HCCDC created leverage by applying for and successfully received a USDA IRP grant. The purpose for this funding was to provide intermediary community development projects loans for rural communities. The loans are used to fund a revolving loan program with financial assistance to community development projects.

**How did the CDFI promote small businesses in the local community?**

HCCDC has applied and received funding from HHS Office of Community Services for a Native American Galleria and Learning Center. This will have a direct impact on enhancing commercial business lending and development capacity. This will eventually increase access to financial services for small business owners and entrepreneurs. The learning center approach facilitates all levels of clients with no credit history, no collateral, and entrepreneurs that are apprehensive to start a business.

<b>Grantee</b>	Lumbee Revitalization & Community Development Corp
<b>Location</b>	Pembroke, NC
<b>Date granted</b>	10/22/2003
<b>Total amount granted</b>	\$15,500.00
<b>Grant description</b>	The grant provided a loan officer position for the emerging Native CDFI in Pembroke. The \$15,000 grant is approximately 16.2% of the total organization's projected budget of \$92,410 in August 2003.
<b>Change in Operations</b>	The CDFI has made progress in establishing a coordinated internal system to add to its organizational structure. Filing and tracking data has improved. LRDA has provided accounting systems and generates quality controlled audits annually through a CPA. Board members have participated in training programs offered by First Nations Oweesta Corporation and the National Community Capital Association. The board appointed a five-member loan committee that consists of two bank representatives, a CPA, a business owner and a community member. The newly formed committee has made tremendous strides in developing loan policy procedures and was able to approve the CDFI's first loan.
<b>Change in Loan Portfolio</b>	Loan pool money was obtained through Lumbee Regional Development Association from Native American Housing Assistance and Self Determination Act (NAHASDA) funding. The first loan has been completed for a housing rehabilitation project for a Native American family with another loan to be approved.
<b>Change in TA and Training</b>	A small business financial literacy course curriculum was developed and designed as a practical tool to allow students to learn at their own pace. Three courses were offered that varied in length from eleven, four and two week courses. The areas covered were small business development techniques, financial literacy instruction, credit and home mortgages. The classes were advertised for November 2004 and unfortunately met much competition from the neighboring college and university courses being offered. Based on findings from the market analysis conducted by the University of North Carolina Pembroke, the need for basic financial literacy among community members is great. It is intended that the small business course curriculum will add basic financial literacy as a focus in training.
<b>How did First Nations grant help?</b>	Under the direction of the Housing Director and Financial officer community clients have received training to further their financial goals. The financial literacy offered has achieved goals in assisting clients to understand financial matters and independent planning for a better way of life. Having clients become accountable for their paperwork throughout work with the CDFI, which raises expectations for positive outcomes that will last beyond the training period. Outreach efforts in the community were expanded and refined to target key financial organizations that are likely to produce further

collaboration and funding support.

**How did First Nations grant help the community?**

State recognized tribes often have difficulty qualifying for set aside funding due to their tribal status. In overcoming barriers to access these tribal funds the CDFI is working to create a seamless relationship between the larger Lumbee Tribe. This alliance will secure funds that recognize state tribes and tribal partnerships to meet needs in the Native American community in North Carolina. In turn an equitable outcome that benefits both tribal entities that avoids one group being subservient to the other will lessen adversarial political activities.

**How did the CDFI bring new funds into the community?**

The Lumbee Revitalization Community Development Association has formed a construction company that is able to provide services to Native families. This presented an opportunity to the LRCDC loan officer to provide technical assistance to families to obtain financing for their home who are ineligible or have a long waiting time before being approved by the Native American Housing Assistance and Self Determination Act assistance. This process has helped bring in \$874,279.00 in housing development to the community.

**How did the CDFI promote small businesses in the local community?**

The LRCDC has applied for \$60,000 in funding from the Z. Smith Rentals Foundation, which is the largest foundation in the area that supports financial literacy. If funded appropriate financial literacy courses would be offered that meet the needs of all community members. Announcements for this funding will be announced in April 2005

<b>Grantee</b>	Oglala Sioux Tribe Partnership for Housing, Inc.
<b>Location</b>	Pine Ridge, SD
<b>Date granted</b>	4/25/2003
<b>Total amount granted</b>	\$20,000.00
<b>Grant description</b>	This grant provided the general operating needs of the institution in developing their CDFI program and achieving CDFI certification. The organizational focus was on mortgage lending, homeownership counseling, and self-help construction. The \$20,000 grant is approximately 7.9% of the total organization's projected budget of \$252,480 in 2003.

**Change in Operations**

OSTPH set out to research and develop operational processes to help get the CDFI up and running. Through out the funding period lending and financing policies have been developed. Underwriting guidelines have also been implemented. Upgrades to the current basic loan policies are in process. Revenue streams are being considered and will be integrated in the planning of the loan policies. Staff and board members have participated in First Nations Oweesta Corporation and National Community Capital Association under the Native Communities Financing Initiative. A Native American Community Technical Assistance grant was awarded in 2002. Research was conducted to find software to manage loan accounting and tracking. Available software was more than the CDFI could afford at this stage. In order to capture the necessary information for ongoing and daily operations an internal database and tracking system was developed by local staff. Components of the database maintenance in particular were payment record histories, assigned loan amounts to principle tracking and interest and insurance coverage data. This information allowed OSTPH to track interest paid for reporting to customers and the IRS and tracking of payments into and out of the homeowners' insurance escrow. In addition monthly statements are generated through the system.

**Change in Loan Portfolio**

The lending and development components of the parent organization were reorganized to create a stand-alone financial affiliate. All mortgage loans will be transferred to the new entity, Mazaska Owecaso Otipi Financial, Inc. Incorporated September 2004, the affiliate received its CDFI certified by the US Department of Treasury. Following the restructuring a revised lending strategy was implemented, in part, to eliminate the secondary market. By limiting the loan term to five years, amortized over 30-33 years, the CDFI is able to focus on the financial credit and skills building of the client to refinance within the five years, with other outside loan companies. The economic basis was to limit the term of the mortgage in order to maximize the limited available capital, and center its effort on technical assistance.

**Change in TA and Training**

The TA component of the project is conducted by OSTPH under contract with the CDFI. This partnership has worked very well to balance the demand and capacity expansion in progress. The organization provides formalized classes in homebuyer training and pre and post purchase. Barriers in providing TA stem from

federal scrutiny towards trust and BIA lands. Of the 13 mortgages written or assumed by the CDFI, 3 are awaiting resolutions concerning disputes between the Department of Agriculture and the BIA. These types of lending issues develop and leave qualified families without control to build personal assets. The leasing language for the allotted land disrupts the technical assistance process when lending issues grow beyond the control of the lender and borrower. This scenario eventually detours community consumers to pursue further land asset building opportunities.

**How did First Nations grant help?**

The OSTPH project was able to develop a CDFI through concentrated program research and training. Objectives that were met assisted in formalizing segments of the loan process to allow the CDFI create refined policies to begin lending. This includes the culmination of mortgage underwriting, loan policies and procedures, legal structures to create an affiliate, a market strategy, and to draw upon capital funding resources.

**How did First Nations grant help the community?**

Structuring a lending process that both meets the needs of the community and is a viable mechanism that created revenue for financial institutions to continue community-focused initiatives, assists mobilization in development on the reservation. Important factors for successful lending were revealed 1) solid, repeated homebuyer trainings, and 2) the maintenance of close personal relationships with customers are a insight to building Native communities.

**How did the CDFI bring new funds into the community?**

OSTPH received federal NACTA funding for \$79,100 and oversees homebuyer counseling, credit counseling and repairs and predatory lending counseling. OSTPH anticipates bringing in new funds from a variety of off-reservation donors and investors.

**How did the CDFI promote small businesses in the local community?**

Only to the extent that 95% of the subcontracted labor in the houses built by OSTPH and funded by the CDFI is reservation based. The CDFI lending is limited to mortgage loans.

# APPENDIX B: PROFILES OF LITTLE EAGLE STAFF FUND GRANTEES

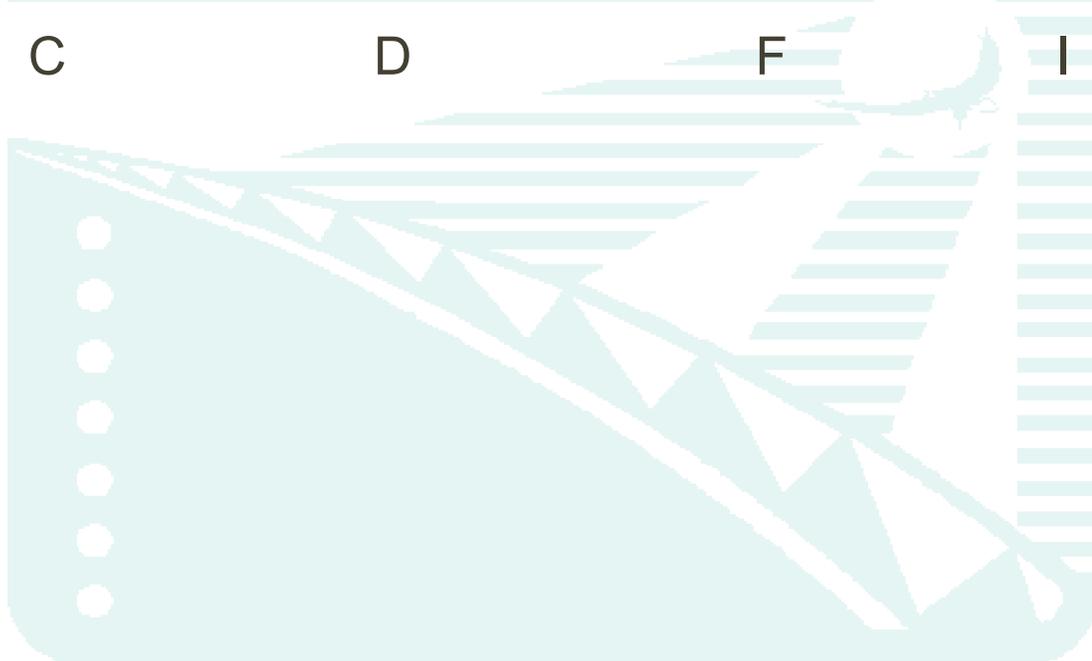
## Native American Community Development Financial Institutions

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<b>Grantee</b>	<b>Citizen Potawatomi Community Development Corp.</b>
<b>Location</b>	Shawnee, OK
<b>Date granted</b>	7/29/2004
<b>Total grant amount</b>	\$30,000.00
<b>Grant description</b>	This grant provided support to create and capitalize a loan loss reserve for the Commercial Lending Program, which will assist in mitigating loan portfolio risk. The CLP will expand the capacity of Native small businesses and entrepreneurs by providing access to capital through loans. The \$30,000 grant is approximately 17.6% of the total organization's projected budget of \$1,691,000 in February 2004
<b>Project Summary</b>	<p>Citizen Potawatomi Community Development Corporation (CPCDC) was incorporated as a tribally chartered not for profit corporation in May of 2003 as a response from the Citizen Potawatomi Nation Business Committee to address business needs for Native American business owners. In recent economic development history of the Nation, the purchase of the First National Bank and Trust Co., a local financial institution was undertaken and supported by the community to create access to financial resources. This purchase did not fulfill the needs of the community as regulatory restrictions and capital constraints would not allow the low-income Native American community to receive business loan support. Therefore in response CPCDC was created.</p> <p>The mission of CPCDC is to provide access to capital through loan fund support and business development services designed to expand small business capacity and aspiring entrepreneurs. The target population for the CPCDC is the Citizen Potawatomi Nation and other Native Americans in Shawnee, Oklahoma.</p> <p>CPCDC administers the small business revolving loan program and has led training workshops on small business start-up, business plan development. CPCDC also conducts one-on one business development consulting contributing to approval of loans and an increase of jobs. Specifically, support for businesses, which display Job Creation - Wealth Creation and Asset Generation for Native Americans. This means jobs for low-income Native Americans that are competitive with living wages; with opportunities to advance through job training and developmental opportunities; and created by new and existing businesses that strengthen low income Native American communities to become more economically viable.</p> <p>CPCDC has linked funding resources from US Department of Housing and Urban Development, Rural Housing and Economic Development grants funds, and Native American Community Technical Assistance (NACTA) grants of the CDFI Fund. Other contributions to the organization have come from the National Community Capital Association and an extensive relationship with First Nations Development Institute's First Nations OWEESTA Corporation. OWEESTA has provided consulting in community development across multiple levels. The CPCDC has also received Board of Directors and Loan Committee training for the CDFI certification process.</p>
<b>Impact</b>	The CPCDC serves all Native Americans in Oklahoma, representing 39 tribes, and Oklahoma tribal members throughout the nation. Included is the Citizen Potawatomi Nation that has almost 25,000 enrolled members and is the ninth largest Tribe in the US. A concentrated financial effort has afforded access to the diverse and intermingled OK tribal population. As well CPCDC has generated

partnerships that link community resources. Partnerships with small business development centers, other tribal nations, and the American Indian Chamber of Commerce created a web of entry points that are accessed by the communities' most financially vulnerable. Each of these entities aligned together established a financial stronghold that meets low-income, educational, and portfolio community member needs. The financial education offered by the CPCDC assesses the level of skill and capacity of the potential loan recipient. This focuses lending to meet needs of individuals with little to no collateral to emerging business entrepreneurs. As a referral resource CPCDC has filled gaps in the lending system for Native Americans of the Cherokee Nation that do not have the means to utilize distant financial providers or do not qualify based on jurisdictional boundaries. CPCDC has been able to expand its loan portfolio since FY 2003 to current financial support in January 2005 to \$1,165,218. The fund has gradually accumulated capital, which was partially financed by a \$750,000 capital loan from USDA-Intermediary Relending Program for rural areas.

<b>Grantee</b>	<b>Heritage Capital Fund</b>
<b>Location</b>	Wolf Point, MT
<b>Date granted</b>	12/12/2002
<b>Total grant amount</b>	\$15,000.00
<b>Grant description</b>	This grant provided general operating support for this emerging Native CDFI. It helped pay for the salary of the executive director and other administrative needs. The goal of this grant was to build management capacity of the organization in order to develop more financial services, and attract other funds to the organization for administration and capitalization of the loan fund. The \$15,000 grant was 7.5% of the total organization's projected operating budget of \$199,865 for 2003.
<b>Project Summary</b>	<p>The Heritage Capital Fund was organized in September 2001 and began operations in October 2001. The mission of the Heritage Capital Fund is to provide capital and technical assistance to businesses and community projects on and near the Fort Peck Indian Reservation. The Fund sees the extension of credit as a means to create employment opportunities, self-empowerment opportunities, increase family incomes, and to provide low-income households the opportunity for homeownership. The Heritage Capital Fund strives to bridge the credit gap between the economic mainstream and economically disadvantaged peoples and communities. While there are some credit opportunities available in the region, they are mostly for loans of \$10,000 or less. Heritage Capital Fund believes that these small loans have not had a significant impact on job creation.</p> <p>The Fort Peck tribes will start a major water project funded by the federal government in the next year, which will inject \$200 million into the local economy over the next 10 years. Heritage Capital Fund believes that this project will create the need and opportunity for many service businesses such as catering and lodging, as well as other businesses related to construction and ancillary industries. They hope to capitalize on this opportunity to promote more small business creation.</p> <p>The Heritage Capital Fund works closely with its affiliate, the Heritage Institute, in both designing programs and leveraging resources.</p> <p>The Heritage Capital Fund received 501(c)(3) status from the IRS on July 29, 2002, and in late 2003 applied for CDFI certification from the U.S. Department of the Treasury. They received CDFI status in January, 2003.</p>
<b>Impact</b>	<p>The Heritage Capital Fund has had an impact on the community in many different areas. At the most basic level, they have provided business start up credit opportunities on the reservation where before there were few. This process has provided an alternative to banks off the reservation, and has provided an opportunity for tribal members to access credit for small business development.</p> <p>The following is a summary of other impact areas:</p> <p>Loans:</p> <p>There has been considerable interest in the Fund since it began even though the fund has not advertised for clients. The Fund has had limited resources to provide loans, and was able to provide six (6) loans for down payments to purchase</p>

houses and a mobile home. Their first loan provided one loan for \$29,666 on April 2002. This loan was for a new Native American owned business that services and cleans furnaces with the equipment purchased by loan proceeds. This loan will result in the immediate creation of one full-time employment position and two or three part time positions.

There have been several other inquiries about loans, including a request for \$131,000 to buy a wholesale food distributor, a request for \$25,000 to start a new photography business, a request for \$15,000 to purchase an existing small grocery store, a request for \$45,000 to construct a small quota repair shop, and a request of \$480,000 to construct and expand a privately operated senior citizens assisted living group home. The Heritage Capital Fund is seeking funding so they will be able to begin processing loan requests. Progress has been made to meet the excess of "demand" (applicants) for existing "supply" (loan funds).

Technical Assistance:

The Heritage Capital Fund currently provides technical assistance and business planning training to clients. The Fund is developing a business training class, which will attempt to match a prospective client with an existing business.

<b>Grantee</b>	<b>Ho-Chunk Community Development Corporation (HCCDC)</b>
<b>Location</b>	Walthill, NE
<b>Date granted</b>	6/30/2004
<b>Total grant amount</b>	\$37,200.00
<b>Grant description</b>	This grant provided support to increase the organizational capacity to market its financial products and services to Native American clients; increase the level of financial skills of Native American clients; and increase organizational sustainability by enhancing commercial business lending. The \$37,200 grant is just less than 25% of the total organization's projected budget of \$148,674 in January 2004.
<b>Project Summary</b>	<p>Ho-Chunk Community Development Corporation (HCCDC) is a nonprofit lending and community development organization that serves the population of Thurston County, Nebraska. HCCDC received its 501(c)(3) status from the IRS in August 2001. HCCDC is a partner of Ho-Chunk Incorporated (HCI), a tribal for profit entity, that is the developer for the Ho-Chunk Village Project, a community project to create a town center, among other development endeavors. By partnering with HCI the organization will work within the new 40-acre mixed-use subdivision that will create residential and commercial space, a development expansion that has never taken place in this area before.</p> <p>HCCDC's mission is to raise the socio-economic and educational levels and provide all clients in the service area with access to services, business and technology training, and capital in order to increase their capacity and potential to achieve personal goals, improve their financial situation, and positively affect the local economy. Primary functions of the HCCDC are to be an alternative lender and technical assistance provider to empower the Native American communities by providing financial services Native Americans living on or near the reservation communities of the Santee Sioux, Winnebago, and Omaha reservations.</p> <p>The project will expand opportunities for commercial, industrial, business and enterprise development by forming a Loan Fund with support for their operations and loan loss reserve. The Loan Fund has an emphasis on developing commercial entities located in the Ho-Chunk Village. In partnership with the Winnebago Tribe, HCCDC secured a \$800,000 Indian Community Development Block Grant, (HUD) to construct infrastructure in the Ho-Chunk Village subdivision and received a Micro-Enterprise Partnership Fund award from the state of Nebraska, for \$32,500, with \$25,000 of it dedicated to micro-lending business loan lending. In August 2002, HCCDC received a \$76,000 CDFI Technical Assistance grant award from the CDFI Fund that made possible board approval of a Loan Policy and Procedure Manual, Underwriting Training Guidelines, Entrepreneurial Training program, capitalization plan and strategy, and a marketing plan. HCCDC also received funding from Rural Housing and Economic Development, (HUD) for micro loan funding support, Loan Manager salary, commercial development activities and operational resources.</p>
<b>Impact</b>	HCCDC has provided alternative education and financial lending to help shape the socio-economic status of the Ho-Chunk, Winnebago, and Omaha reservation communities. Statewide outreach included the Santee Sioux tribe. Native American owned start-up and micro businesses were provided access to the revolving loan entity. HCCDC products and services were marketed and have generated awareness among Native American community members. This instills

the idea that each business contributes to economic growth from the grassroots level and up. A tracking system was implemented to monitor services rendered to the client population. This will help identify prevalent financial literacy and lending trends for ongoing service planning. Statewide lending organizations have been reluctant to include Nebraska's minority constituencies. This occurs especially in Native American communities that have coalitions that are inclusive to non-minority entities making decisions on behalf of Native Americans not present. The issues facing rural and agricultural communities should include all constituents. HCCDC has made advocacy efforts to change the impasse of negligent leadership by strengthening the Native American voice in creating economic development that effects multiple reservation communities and surrounding cities.

<b>Grantee</b>	<b>Lumbee Revitalization &amp; Community Development Corp</b>
<b>Location</b>	Pembroke, NC
<b>Date granted</b>	10/22/2003
<b>Total grant amount</b>	\$15,500.00
<b>Grant description</b>	The grant provided a loan officer position for the emerging Native CDFI in Pembroke. The \$15,000 grant is approximately 16.2% of the total organization's projected budget of \$92,410 in August 2003.
<b>Project Summary</b>	<p>The Lumbee Revitalization &amp; Community Development Corporation (LRCDC) is a 501(c)(3) organization established in 2000 by the Lumbee Regional Development Association (LRDA). The purpose and mission of the LRCDC is to promote and foster economic and community development activities that improve the social and economic conditions of Lumbee Indians that include affordable housing, job creation and business development; to increase equity, wealth and income among the low to moderate income population through such instruments as low interest loans, improving credit and borrowing ability, and training in responsible credit use and business management.</p> <p>LRCDC, a Native CDC- CDFI, plans to establish a two dimensional program with a financing entity and a development service component that provides credit and financial counseling to facilitate home ownership and technical assistance to business borrowers. The target market area consists of Native Americans residing in Cumberland, Hoke, Scotland, and Robeson Counties of North Carolina. A recent research survey conducted by the Office of Economic Development at UNC, reports these communities lack access to capital, training and small business development technical assistance, making LRCDC a crucial financial resource for these areas of North Carolina. Recognizing the importance of critical data LRCDC conducted an additional study, which gave information that indicated housing loan services, and financial and technical assistance to start small businesses were the communities' development priorities.</p> <p>At the onset of the project LRCDC conducted eleven community meetings where community members further defined development priority concerns in housing services, new homes, rehab, and job producing activities. This resulted in LRCDC's current focus in business startup, housing rehab and new home construction assistance as well as gap financing to be offered. LRCDC has established a loan committee to guide its vision and to implement policies. LRCDC has loan policies and procedures for gap financing, personnel policy, by laws and articles of incorporation and plans to develop loan policies for other loan types. A contract with National Community Reinvestment Coalition (NCRC) has been signed to identify victims of predatory lending and who are subject to lose their homes because of high interest rates. Part of the brokered contract is to identify eligible applicants and assists them in completing the application with all supporting documentation to provide a lower monthly payment market rate loan from NCRC.</p> <p>The board of directors for LRCDC are all Lumbee Indians residing in Robeson County, NC, as such that act as the governing body of the organization with two individuals that are local banking officials.</p>
<b>Impact</b>	Through its outreach and planning efforts the CDFI has created resources for financial prosperity in the Lumbee tribal community. As stated in its mission

LRCDC provides a linkage towards stable growth in assets and credit building through its housing assistance. Clients who are first time borrowers and have poor credit benefit most from CDFI services. Clients include couples that contribute to the Lumbee community economy from an array of interactions at local schools, markets and local government. Small business development outcomes were achieved through course work offered in business planning and through the partnership developed with Robeson Community College. Although attempts have been made to obtain CDFI certification the augmentation of organizational services have made considerable impacts for housing and financial literacy education. Impact is seen in the leveraging of funds the loan officer acquired in housing development in the Lumbee community in the amount of \$874,279. Current proposals are pending that will add to the growing loan capital.

<b>Grantee</b>	<b>Oglala Sioux Tribe Partnership for Housing, Inc.</b>
<b>Location</b>	Pine Ridge, SD
<b>Date granted</b>	4/25/2003
<b>Total grant amount</b>	\$20,000.00
<b>Grant description</b>	This grant provided the general operating needs of the institution in developing their CDFI program and achieving CDFI certification. The organizational focus was on mortgage lending, homeownership counseling, and self-help construction. The \$20,000 grant is approximately 7.9% of the total organization's projected budget of \$252,480 in 2003.
<b>Project Summary</b>	<p>The Oglala Sioux Tribe Partnership for Housing Inc. (OSTPH), established in 1999, is a 501(c)(3) Native Housing Development Corporation that provides mortgage loan packaging, homeownership counseling, and self-help construction.</p> <p>OSTPH's mission, with their primary service market on the Pine Ridge reservation in South Dakota, is to establish linkages and partnerships with public and private financial intermediaries and to provide financial services and assistance. These services include, but are not limited to, homeownership loans, down payment buy-downs, lease-purchasing options, revolving loan funds, and loan loss reserve services. Since its inception Tribal members have been able to access mortgages originated by third-party lenders, provide counseling to borrowers, and became the developer of construction for homes to be purchased by mortgages and soft-second mortgages.</p> <p>As a start up loan fund the project had already made achievements in gaining commitments to increase the loan fund budget from resources such as Native American Community Technical Assistance (NACTA) grants of the CDFI Fund, Rural Housing and Economic Development (RHED) of the US Department of Housing and Urban Development (HUD) and capital commitment from Native American Housing Assistance and Self-Determination Act (NAHASDA) Block grant. The soft-second mortgage fund allowed OSTPH to subsidize the high cost of construction on the reservation for borrowers and helped to make the loans more affordable. A significant resource for the CDFI gave \$499,999 that assisted 49 borrowers initially and has progressed with another award for \$128,000 for 16 more borrowers. Along with the loan fund capital available, homebuyer education classes were offered which encountered 100 families.</p>
<b>Impact</b>	The administrative services of OSTPH have impacted the progress to institutionalize a Native CDFI on the Pine Ridge Reservation in South Dakota. As a linkage to financial intermediaries for the reservation, OSTPH is a consistent resource for housing development, mortgages, and subsidizes construction costs that benefit new and poor credit homebuyers on the economically disadvantaged Pine Ridge reservation. The natural connection between the housing developer and the newly formed CDFI created a strategy that enabled greater funding resources for lending in the area. The CDFI that was implemented, Mazaska Owecaso Otipi Financial, Inc provides the administrative arm run by a CDFI structure. This has created a financial mechanism to streamline federal and legal structures to secure sustainable financial business, a conduit for monies to go directly in the economy. The grant provided funds to allow the partnership to study how best to provide mortgage-lending service, to train staff and board members and to begin the process of organizing the CDFI.

## APPENDIX C: LEVERAGING OF FUNDS

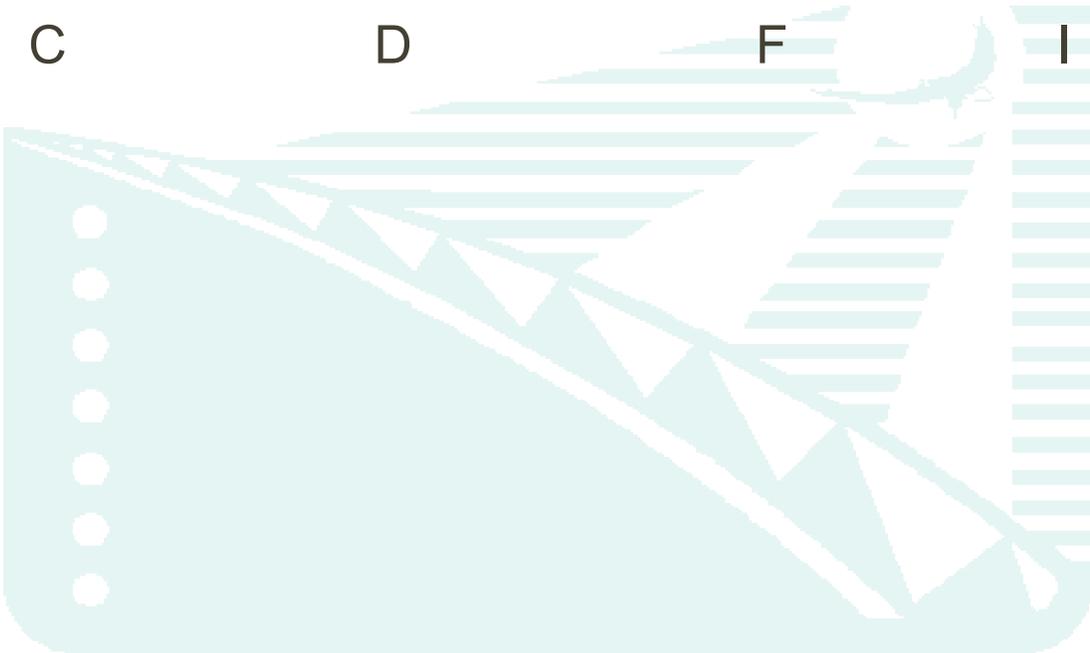
### Native American Community Development Financial Institutions

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Note: Funds leveraged include both operating funds and loan pool funds (often low interest loans to the organization). Both are listed in the following sheets.



*Supporting Native CDFIs*

## Leveraging of Resources

**Grantee Name:** **Citizens Potawatomi Community Deveopment Corporation**

Source A. Internal	Received Directly by Grantee for Operations or Technical Assistance Activities		Received Directly by Grantee for Loan Capital		Pending Applications/Commitments	
	Financial Resources	In-kind Resources	Financial Resources	In-kind Resources	Operations	Loan Fund
USDA IRP	\$150,000.00	\$ -	\$ 750,000.00	\$ -	\$ -	\$ -
Citizen Potawatomi Tribe	\$ -	\$ -	\$ 43,750.00	\$ -	\$ -	\$ -
Bank Deposit Interest	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ -
Fees & Loans	\$ 12,670.00	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 30,591.00	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	<b>\$193,661.00</b>	<b>\$ -</b>	<b>\$ 793,750.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Source B. External</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	<b>\$ 58,661</b>	<b>\$ -</b>	<b>\$ 793,750</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL:</b>	<b>\$ 252,322</b>	<b>\$ -</b>	<b>\$ 1,587,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOTAL FINANCIAL RESOURCES:** \$ 1,839,822  
**TOTAL IN-KIND RESOURCES:** \$ -  
**TOTAL PENDING APPLICATIONS:** \$ -

<b>FNDI Grant:</b> \$30,000
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*Supporting Native CDFIs*

## Leveraging of Resources

**Grantee Name:** **HO-CHUNK COMMUNITY DEVELOPMENT CORPORATION**

Source A. Internal	Received Directly by Grantee for Operations or Technical Assistance Activities		Received Directly by Grantee for Loan Capital		Pending Applications/Commitments	
	Financial Resources	In-kind Resources	Financial Resources	In-kind Resources	Operations	Loan Fund
DHHS Office of Community Services	\$500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	<b>\$500,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Source B. External</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -
	\$ -					
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL:</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOTAL FINANCIAL RESOURCES:** \$ 500,000  
**TOTAL IN-KIND RESOURCES:** \$ -  
**TOTAL PENDING APPLICATIONS:** \$ -

<b>FNDI Grant:</b> <b>\$27,200</b> Paid to date
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*Supporting Native CDFIs*

## Leveraging of Resources

**Grantee Name:** LUMBEE REVITALIZATION COMMUNITY DEVELOPMENT CORPORATION

Source A. Internal	Received Directly by Grantee for Operations or Technical Assistance Activities		Received Directly by Grantee for Loan Capital		Pending Applications/Commitments	
	Financial Resources	In-kind Resources	Financial Resources	In-kind Resources	Operations	Loan Fund
Z. Smith Rentals Foundation	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00	\$ -
Loan committee and BOD	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source B. External</b>						
Financial loan companies	\$ -	\$ -	\$ 874,279	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	\$ -	\$ -	\$ 874,279	\$ -	\$ -	\$ -
<b>TOTAL:</b>	\$ -	\$ 20,000.00	\$ 874,279	\$ -	\$ 60,000	\$ -

<b>TOTAL FINANCIAL RESOURCES:</b>	\$ 874,279	<b>FNDI Grant:</b>	<b>\$15,500</b>
<b>TOTAL IN-KIND RESOURCES:</b>	\$ 20,000		
<b>TOTAL PENDING APPLICATIONS</b>	\$ 60,000		

*Supporting Native CDFIs*

## Leveraging of Resources

**Grantee Name:** OGLALA SIOUX TRIBAL PARTNERSHIP FOR HOUSING

Source A. Internal	Received Directly by Grantee for Operations or Technical Assistance Activities		Received Directly by Grantee for Loan Capital		Pending Applications/Commitments	
	Financial Resources	In-kind Resources	Financial Resources	In-kind Resources	Operations	Loan Fund
CDFI Fund TA Grant	\$ 79,100.00	\$ -	\$ -	\$ -	\$ -	\$ -
First Nations OWEESTA Loan	\$150,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	<b>\$229,100.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Source B. External</b>						
(OSTPH) RD- TSA	\$25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
(OSTPH) HUD ROSS	\$250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -					
<b>Subtotal:</b>	<b>275,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL:</b>	<b>504,100.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>TOTAL FINANCIAL RESOURCES:</b>	\$ 504,100	<b>FNDI Grant:</b>	<b>\$20,000</b>
<b>TOTAL IN-KIND RESOURCES:</b>	\$ -		
<b>TOTAL PENDING APPLICATIONS</b>	\$ -		

*Supporting Native CDFIs*

## Leveraging of Resources

**Grantee Name:** HERITAGE CAPITAL FUND

Source A. Internal	Received Directly by Grantee for Operations or Technical Assistance Activities		Received Directly by Grantee for Loan Capital		Pending Applications/Commitments	
	Financial Resources	In-kind Resources	Financial Resources	In-kind Resources	Operations	Loan Fund
CDFI TA	\$ -	\$ -	\$ -	\$ -	\$ 83,000.00	\$ -
Oweesta	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -
Mercy Partnership	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ -
HUD RHED	\$ -	\$ -	\$ 399,848.00	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal:</b>	\$ -	\$ -	\$ 399,848.00	\$ -	\$ 233,000.00	\$ -
<b>Source B. External</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -
	\$ -					
<b>Subtotal:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL:</b>	\$ -	\$ -	\$ 399,848	\$ -	\$ 233,000	\$ -

<b>TOTAL FINANCIAL RESOURCES:</b>	\$	399,848	<b>FNDI Grant:</b>	<b>\$15,000</b>
<b>TOTAL IN-KIND RESOURCES:</b>	\$	-		
<b>TOTAL PENDING APPLICATIONS</b>	\$	233,000		



## APPENDIX D: CDFI WEBSITE PAGES

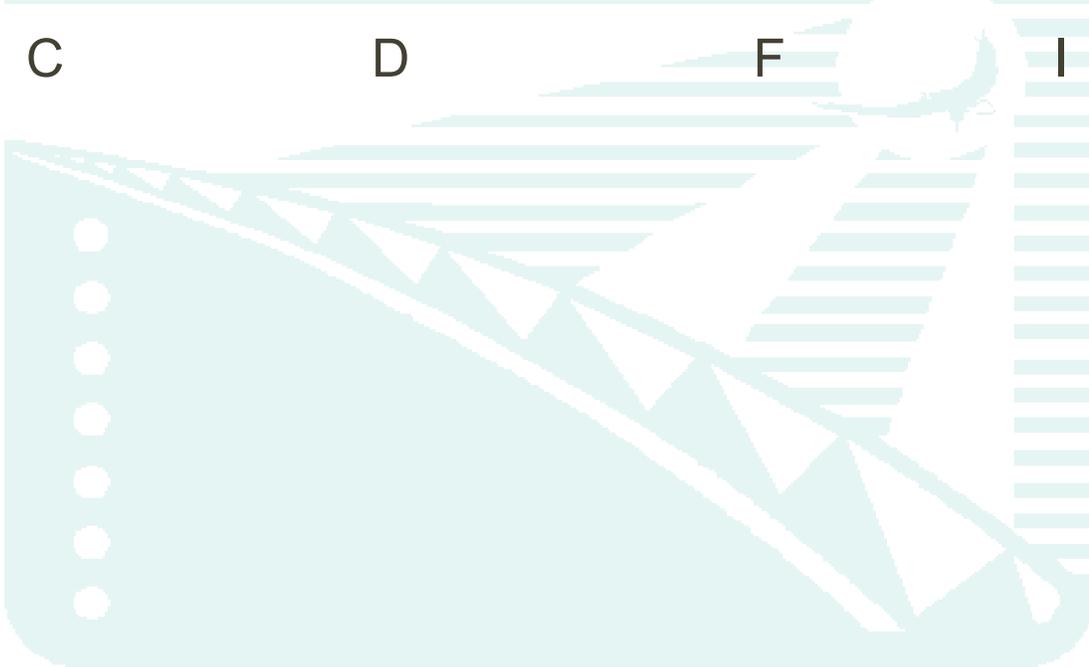
### Native American Community Development Financial Institutions

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Ho-Chunk Community  
Development Corporation  
Walthill, NE

[www.hochunkcdc.org](http://www.hochunkcdc.org)

**Ho-Chunk**  
community development corporation

- About Us
- Active Living
- Business Development
- Community Development
- Funder Acknowledgement
- Housing Development
- Ho-Chunk Village
- Ho-Chunk Technology Club
- Impact Stories
- Make a Donation
- Community Development Fund
- Links



Oglala Sioux Tribe  
Partnership for Housing  
Pine Ridge, SD

<http://www.indianyouth.org/ostph.html>

**HOME**

# Running Strong

for American Indian Youth®

## Oglala Sioux Tribe Partnership For Housing (OSTPH)

[Donate Now!](#)

The Oglala Sioux Tribe Partnership For Housing (OSTPH) provides homeownership opportunities to families on the Pine Ridge reservation. Participating families learn about all aspects of the homeownership process, culminating in their helping to build and move into their own home.

OSTPH is unique in that it includes families in all phases of home construction, including floor plan design. This involvement enables families to incorporate traditional family and cultural values, with houses that face East and the choice to build one's home in close proximity to extended family members or tiospaye. Families receiving housing assistance can also select their own family plot or a tract of tribal trust land, unlike other housing assistance programs that move families to selected sites. While the need for affordable housing on Pine Ridge remains vast and very few assistance programs for low-income families are available, the Oglala Sioux Tribe Partnership for Housing continues to prove priceless, providing families with a place they can call home.

Selected Photos by Marty LaVor



Lumbee Revitalization & Community  
Development Corporation  
Pembroke, NC

[www.lrcdc.com](http://www.lrcdc.com)



Lumbee Revitalization  
&  
Community Development  
Corporation

[Board of Directors](#)

[CDFI](#)

[Company Information](#)

[Contact Information](#)

[OCS Business Planning](#)

[Small Business Financial](#)

## Our Mission

The purpose of the Lumbee Revitalization and Community Development Corporation is to promote and foster economic development activities among the Lumbee Indians to include:

- Affordable Housing
- Job Creation
- Business Development,
- To increase equity, wealth, and income among the low to moderate income population through such instruments as:
  - Improving Credit and Borrowing Ability
  - Training in responsible credit use and business management
  - Low interest loans of last resort

[ [Home](#) ] [ [Board of Directors](#) ] [ [OCS Business Planning](#) ] [ [CDFI](#) ] [ [NCRC Housing Project](#) ] [ [Contact](#) ] [ [Company Information](#) ]

Send mail to [info@lrcdc.com](mailto:info@lrcdc.com) with questions or comments about this web site.  
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Last modified: November 4, 2004

Citizen Potawatomi  
Community Development Corporation  
Shawnee, OK

<http://www.potawatomi.org/Services/Small+Business+Loan+Program/Main/default.aspx>



The screenshot shows the website for the Citizen Potawatomi Nation. At the top left is the organization's logo, which features a circular emblem with a torch and a bow. To the right of the logo, the text "Citizen Potawatomi Nation" is displayed in a serif font. Below this is a horizontal navigation menu with the following items: Home, Government, Services, Culture, Enterprises, and How Ni Kan. On the left side of the page, there is a vertical sidebar menu with a list of links, each preceded by a tilde symbol (~). The main content area is titled "Community Development Corporation" and features a red banner with a white silhouette of a Native American woman holding a torch. Below the banner, there is a list of links: "About - Business Loans - Consulting Services", "Business Resources - Success Stories - Calender of Events". The main text describes the organization as a Non-Profit Community Development Financial Institution founded in 2003. It details three programs: the Micro Business Loan Program (loan range \$2,500-\$25,000), the Commercial Lending Program (loan maximum \$150,000), and the Business Development Program (technical assistance). At the bottom, there is an "Online Application" section with a link to a packet application and a note about downloading the application packet and mailing it back to the CPCDC.

**Citizen Potawatomi Nation**

Home | Government | Services | Culture | Enterprises | How Ni Kan

~ Home  
~ Government  
~ Services  
~ Housing  
~ Health Services  
~ Employment and Training  
~ Women, Infants and Children  
~ Veterans  
~ Child Development Center  
~ Police Department  
~ Firelodge Children and Family Services  
~ Health Aid Foundation  
~ Tribal Rolls  
~ FireLake Wellness Center  
~ Small Business Loan Program  
~ Main  
~ About CPCDC  
~ Business Loans  
~ Consulting Services  
~ Business Resources  
~ Success Stories  
~ Calender of Events  
~ Title VI and Transportation  
~ Culture  
~ Enterprises  
~ How Ni Kan  
~ News  
~ Events  
~ Photographs  
~ Search  
~ Downloads

## Community Development Corporation



**CITIZEN POTAWATOMI**  
COMMUNITY DEVELOPMENT CORPORATION

About - Business Loans - Consulting Services  
Business Resources - Success Stories - Calender of Events

The Citizen Potawatomi Community Development Corporation is a Non-Profit Community Development Financial Institution founded in 2003 to provide access to capital and business development services to Native Americans designed to expand the capacities of small businesses and aspiring entrepreneurs.

**Micro Business Loan Program**  
Loan range: \$2,500-\$25,000. Use of Funds: Working capital, equipment, inventory, supplies, furniture and fixtures. Real estate purchase is not allowed through this program. The Citizen Potawatomi Community Development Corporation does not make personal loans to individuals. Terms: Up to 5 years, no penalty for early payment.

**Commercial Lending Program**  
Loan maximum of \$150,000. Use of Funds: Equipment and Inventory, Working Capital, Building Improvements, Real Estate Acquisition, Debt Refinancing (Evaluated on a case-by-case basis). The Citizen Potawatomi Community Development Corporation does not make personal loans to individuals. Loans may be amortized up to 5 years.

**Business Development Program**  
The Citizen Potawatomi Community Development Corporation technical assistance supports our primary lending activities by strengthening potential and existing borrowers. Potential borrowers of the Citizen Potawatomi Community Development Corporation go through an initial consultation visit to identify needs and prepare a customized plan of action. Through one-on-one consultation and workshop instruction participants will learn how to prepare a business plan, finance a small business, set-up a bookkeeping system, conduct market research, prepare effective advertising, government contracting, and understand business legal issues.

**Online Application**  
To obtain a loan application, please download the packet application linked below. Application packet is in .PDF format, if you do not have Adobe Acrobat Reader you can download it here: [www.adobe.com](http://www.adobe.com)

Here is the application packet, please print this document and mail back to the CPCDC Attn: Kristi Coker

[CPCDC Application Packet](#)  
[CPCDC Business Directory Application](#)

# APPENDIX E: NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

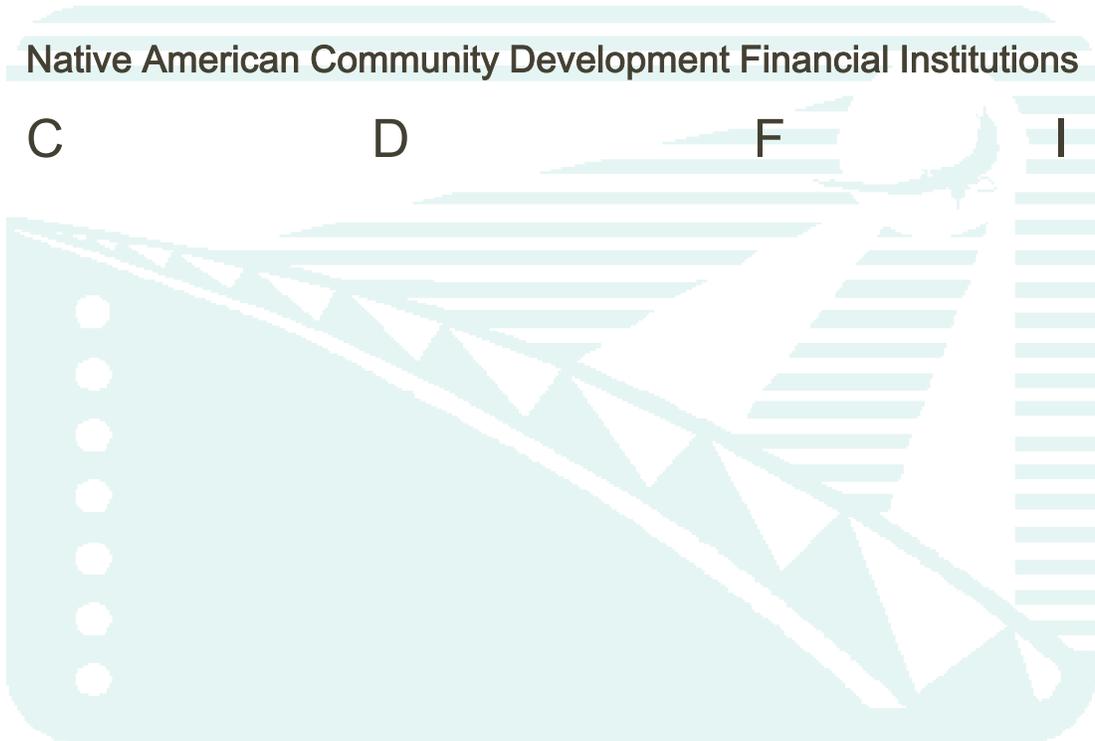
Native American Community Development Financial Institutions

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## Native Financial Institution Definitions

(In reference to and in addition to definitions used by the CDFI Fund and other Native-directed programs, grants, organizations, etc.)

### General Definition:

**Native** (past and present) = Native American (Indians, North and South America), Alaska Native, Native Hawaiian and Native Pacific Islander – individuals, groups, tribes, communities, organizations, corporations – federally recognized, state recognized and unrecognized

### Organizational Definitions for Native Financial Institution:

- Organization is wholly owned by the tribe (for profit) or controlled by the tribe (not-for-profit)
  - and/or
  - Organization is subsidiary of tribally owned corporation or Native corporation
  - and/or
  - Organization is owned by enrolled member(s) of Native group (recognized and non-recognized)
  - and/or
  - Founding organization or group is Native, tribal administration, government, etc. (showing sure outgrowth from Native community or tribe)
  - and/or
  - 75% of managing board of directors is Native and/or a permanent resident of the reservation, community or region (considers individuals married to tribal members and adopted members accepted by the tribe or community, as well as the sometimes small pool of individuals willing and able to serve on boards/committees)
  - and/or
  - 60% of the staff is Native and/or permanent resident of the reservation, community or region (considers individuals married to tribal members and adopted members accepted by the tribe or community, as well as the sometimes small pool of individuals to fill specialized positions)
- AND
- **75% of recipients of financing activities (loans, investments, accounts, etc.) and/or TA activities (financial education, business development training, homebuyer education, etc.) must be Native.**

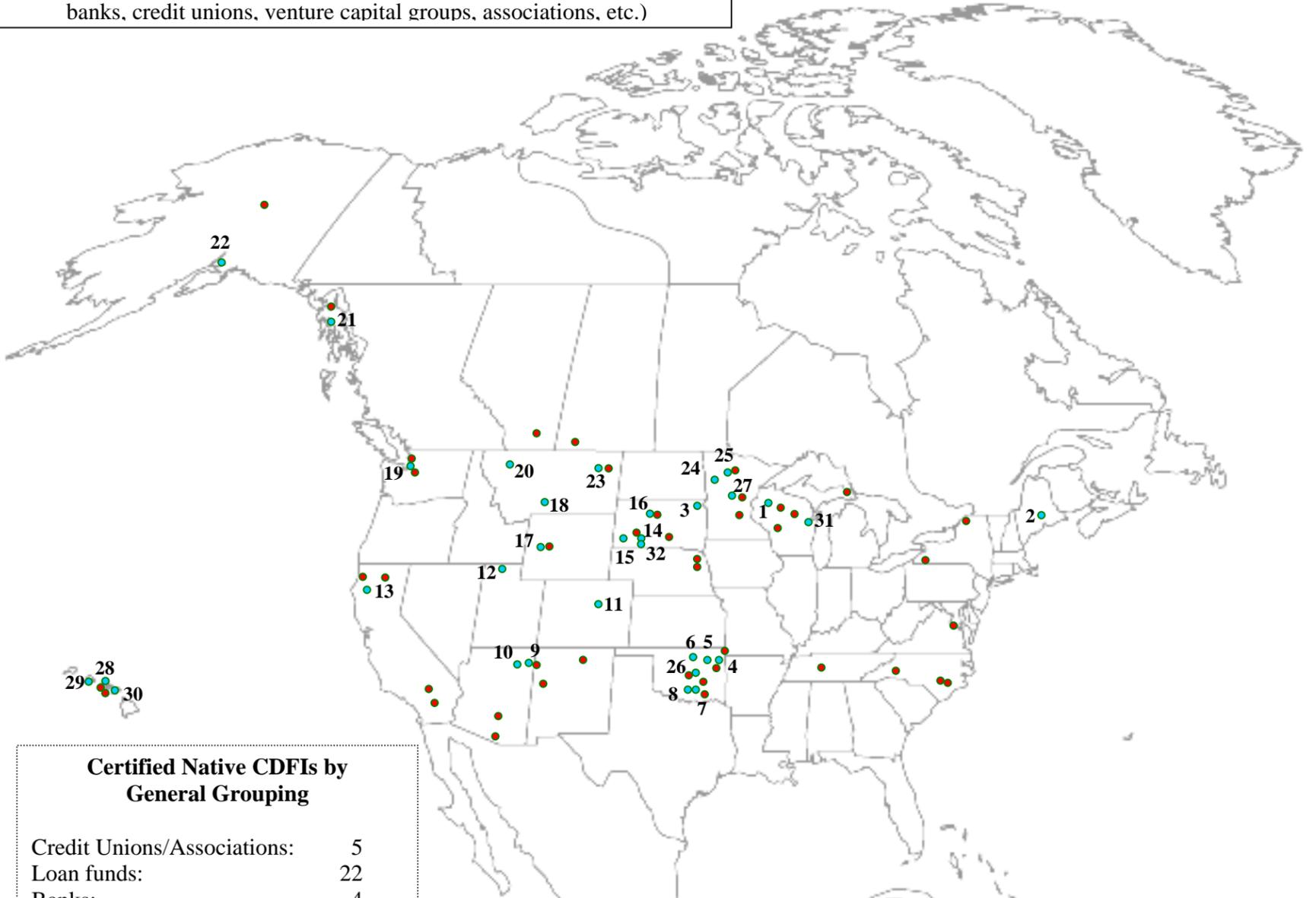
These definitions will become part of a form that organizations will fill out in the future as we move towards membership on website, grantmaking or investments.

# Native Financial Institutions

## Certified NCFIs, Non-certified NCFIs, Banks, Credit Unions, VC Groups, etc.\*

**Key**

● CDFI Fund Certified Native CDFIs  
● Non-certified Native CDFIs Native financial institutions (tribal banks, credit unions, venture capital groups, associations, etc.)



**Certified Native CDFIs by General Grouping**

Credit Unions/Associations:	5
Loan funds:	22
Banks:	4
Intermediary:	1

**Certified Native CDFIs by CDFI Fund Grouping**

Bank or bank holding company:	4
Business loan fund:	16
CDFI intermediary:	1
Credit unions:	3
Housing loan fund:	6
Housing/facilities loan fund:	1
Microenterprise loan fund:	1

**Certified Native CDFI Growth By Year**

Year End	Number of Certified Native CDFIs
1996	1
1997	1
1998	2
1999	1
2000	6
2001	9
2002	15
2003	25
2004	30
2005	32

\*To present date

- Key:  
Certified Native CDFIs**
1. Lac Courte Oreilles Federal Credit Union
  2. Four Directions Development Corporation
  3. Sisseton Co-Op Federal Credit Union
  4. Adair County Indian Credit Association
  5. Bank of Cherokee County
  6. Osage Financial Resources
  7. Cherokee Nation Economic Development Trust Authority
  8. First National Bank
  9. Navajo Partnership for Housing
  10. Hopi Credit Association
  11. Native American Bank
  12. Valley Credit Association
  13. Hoopa Development Fund
  14. The Lakota Fund
  15. First Nations OWEESTA Corporation
  16. Four Bands Community Fund
  17. Wind River Development Fund
  18. Native American Development Corporation
  19. ATNI Economic Development Corporation
  20. Sovereign Leasing & Financing
  21. Haa Yaakaawu Financial Corporation
  22. Alaska Growth Capital
  23. Heritage Capital
  24. Community Development Bank, FSB
  25. MN Chippewa Tribal Housing Corporation
  26. Citizen Potawatomi CDC
  27. American Indian Economic Development Fund
  28. Molokai Community Federal Credit Union
  29. Hawaii Community Loan Fund
  30. Lokahi Pacific
  31. First American Capital Corporation
  32. Mazaska Owecaso Otipi Financial

\*As of May 2005



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# DEVELOPMENT IN NATIVE COMMUNITIES

## CDFI Fund - US Department of the Treasury

### Native Initiatives 2004 Award Recipients

#### Native American CDFI Assistance (NACA)

Affiliated Tribes of Northwest Indians Revolving Loan Fund	Edmonds, WA	\$855,000	X
Council for Native Hawaiian Advancement	Honolulu, HI	\$130,000	X
First Nations Oweesta Corporation	Kyle, SD	\$865,000	X
Fort Berthold Healthy People In Healthy Communities	Garrison, ND	\$131,700	
Four Bands Community Fund, Inc.	Eagle Butte, SD	\$440,000	
Four Directions Development Corporation	Orono, ME	\$855,000	
Hoopa Development Fund	Hoopa, CA	\$144,000	
Hopi Credit Association	Keams Canyon, AZ	\$440,000	X
Katikitegon Community Development Corporation- Revolving Loan Fund	Watersmeet, MI	\$115,000	X
Leech Lake Band of Ojibwe	Cass Lake, MN	\$150,000	X
Minnesota Chippewa Tribal Housing Corporation	Cass Lake, MN	\$961,783	
Minnesota Indian Economic Development Fund	St. Paul, MN	\$1,130,000	
Navajo Partnership for Housing, Inc.	St. Michaels, AZ	\$240,000	X
Oti Kaga, Inc.	Eagle Butte, SD	\$100,000	X
White Earth Investment Initiative	Ogema, MN	\$156,500	X

First Nations Oweesta Corporation has assisted many of the current federally funded Native American CDFIs in receiving awards for the following programs.

#### CDFI Fund 2004 Round Awardees

##### Native Initiatives:

##### Organizations Selected For Funding

##### Native American CDFI Assistance

- NACA Program

##### Native American CDFI Development

- NACD Program

##### Native American Technical Assistance

- NATA Program

#### Native American CDFI Development (NACD)

Akwesasne Housing Authority	Hogansburg, NY	\$64,500
Alabama-Quassarte Tribal Town	Wetumka, OK	\$35,000
Blackfeet Reservation Development	Browning, MT	\$86,300
X Bristol Bay Native Association	Dillingham, AK	\$45,000
X Colville Tribal Enterprise Corporation (CTEC)	Coulee Dam, WA	\$71,000
X Hawai'i Maoli	Honolulu, HI	\$65,000
X Housing Authority of the Choctaw Nation	Hugo, OK	\$50,000
X Indian Land Tenure Foundation	Little Canada, MN	\$179,800
Intertribal Economic Alliance	Boulder, CO	\$50,000
X Lac du Flambeau Chippewa Housing Authority	Lac du Flambeau, WI	\$99,800
X Navajo Nation Division of Economic Development	Saint Michaels, AZ	\$81,000
X Northern Circle Indian Housing Authority	Ukiah, CA	\$67,340
X Northwoods Niijii Enterprise Community, Inc.	Crandon, WI	\$88,530
X Salt River Pima Maricopa Indian Community	Scottsdale, AZ	\$70,500
Tanana Chiefs Conference	Fairbanks, AK	\$51,000

#### Native American Technical Assistance (NATA)

X Adair County Indian Credit Association	Stilwell, OK	\$25,000
Bank of Cherokee County	Tahlequah, OK	\$75,000
X Emerging Native American Business Lending	Poplar, MT	\$27,500
First Nations Oweesta Corporation	Kyle, SD	\$87,300
X Four Bands Community Fund, Inc.	Eagle Butte, SD	\$78,000
Heritage Capital Fund	Wolf Point, MT	\$62,000
Molokai Community Federal Credit Union	Kaunakakai, HI	\$29,930
Native American Development Corporation	Billings, MT	\$16,500
X Omaha Nations Fund, LLC	Walthill, NE	\$89,000
X Sovereign Leasing & Financing, Inc.	Polson, MT	\$72,000
Wind River Development Fund	Fort Washakie, WY	\$113,100

U.S. Department of the Treasury. 2005. CDFI Fund, 2004 Native American Initiatives, List of Awardees PDF file. Accessed from the world wide web March 15th, 2005 at:  
<http://www.cdfifund.gov/awardees/2004/2004completeNAIawards.pdf>

- X Oweesta Corporation TA engagement
- Little Eagle Staff Fund grantee and Oweesta Corporation TA engagement



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