

May 13, 2019

Ms. Jodie Harris
Director, Community Development Financial Institutions Fund
U.S. Department of Treasury
1500 Pennsylvania Avenue NW.
Washington, DC 20220

**RE: Notice and Request for Public Comment: CDFI Program and NACA Program
Financial Assistance and Technical Assistance Applications [FR Doc. 2019-04440]**

Dear Ms. Harris:

On behalf of NeighborWorks America (statutorily the Neighborhood Reinvestment Corporation) I want to thank the CDFI Fund for the opportunity to provide comments regarding the applications for the funding opportunities provided by the CDFI Fund. Please note that these comments have not been submitted to or approved by NeighborWorks America's Board. They reflect the view of NeighborWorks America management and do not necessarily represent the views of its Board members, either collectively or as individuals.

NeighborWorks America is a Congressionally-chartered nonprofit organization established in 1978. We support a network of nearly 250 local and regional nonprofit affiliated housing and community development organizations. The NeighborWorks America's network of affiliated organizations includes 81 certified CDFIs. This certification, and the access to capital that it offers, is a key asset for these organizations and plays an important role in the work that they do to create opportunities for people to live in affordable homes and improve their communities.

Loans made by NeighborWorks network CDFIs have tremendous local impact. In FY 2018, these CDFIs made 9,545 residential loans totaling \$347 million. In addition, NeighborWorks America CDFIs made \$177 million in commercial loans, split between economic development (31 percent), real estate development (35 percent), and other types of projects (34 percent). In addition to the principal investment, these commercial loans leveraged \$368 million in additional investment.

NeighborWorks appreciates the CDFI Fund's efforts to reduce paperwork and respondent burdens in its application processes. We share the Fund's goals of making the applications for assistance as streamlined as possible while still ensuring that they provide the Fund with sufficient information to make its award determinations.

To inform the development of these comments, NeighborWorks America solicited input from CDFIs within our network as well as internal staff expertise. NeighborWorks America is pleased to offer the following comments in response to the questions presented in the Federal Register notice.

Although the Federal Register notice requests comments on a broader range of questions, NeighborWorks has elected to focus our response on the following questions.

1) Question #2/Question #13:

Generally, NeighborWorks supports the CDFI Fund's efforts to reduce burden and improve the information collected through the various applications for assistance. One key pathway for reducing duplication would be through the Fund's Awards Management Information System (AMIS). As currently constructed, AMIS does not interface with any of the applications. If this functionality were to be incorporated into the system, users of AMIS would no longer need to duplicate data entry. According to one network organization, when AMIS was first introduced the organization invested significant time and resources into building out volumes of information, but upon realizing that the information cannot be transferred across systems the organization has ceased using AMIS as a primary portal for information management.

Another organization pointed out that annual certifications require a great deal of information that doesn't feed into the applications. This user reflected that the workbook templates which the CDFI Fund had previously distributed were preferable to the current system. AMIS does not allow for entry of multiple years' data, limiting users' ability to analyze trends across years.

2) Question #14:

Changing the eligibility threshold for FA applicants to be certified by the date of the NOFA publication rather than the award date would impact Emerging CDFIs. While we recognize the value of a date certain for purposes of eligibility determinations, we believe that the value of maintaining the maximum flexibility and inclusion of the later date will allow additional organizations to benefit from this valuable resource.

3) Question #15:

The FA application would be improved by the inclusion of a distinct line of business focused on residential mortgage lending rather than consolidating it under the Affordable Housing category. By including residential mortgage lending as its own category, the application would move away from a tilt towards project-based work instead of mortgage lending, providing a level playing field for these activities.

4) Question #18:

It is important to maintain the eligibility of supplies and equipment as TA expenses. For Emerging CDFIs, purchasing systems, hardware, and software is a critical capacity building function, allowing them to develop the organizational capacity to manage effectively and efficiently as a CDFI. Technology is essential to a CDFI's ability to underwrite and service loans, and start-up costs for these systems can be a major hurdle for CDFIs organizations as they enter this space. Particularly for organizations working in low-income or persistent poverty areas, raising the capital to purchase and implement these systems can be prohibitively expensive. Disallowing purchases of computers, tablets, network hardware, and related software systems would negatively impact the capacity of CDFIs.

5) Question #23:

The TA application should be broadened to allow Core CDFIs who seek to expand their focus to other lines of business. Core CDFIs serving statewide target markets which include native lands would benefit from TA to develop unique products and services to expand to serve these communities. Adding this as a fifth objective would increase services to these native lands.

6) Additional Feedback:

NeighborWorks encourages the CDFI Fund to enhance the transparency and feedback offered through the application process. One major opportunity for improvement is with respect to the decision letter which CDFIs receive notifying them of the outcome of their funding applications. NeighborWorks recommends that the Fund develop a mechanism not only to share the decisions, but also to allow applicants to read the comments from the application reviewers in order to better understand how to strengthen future applications.

We greatly appreciate the opportunity to provide comment on the applications for these valuable funding opportunities and look forward to continuing our work together to ensure that all communities across the country have access to community development capital.

Sincerely,



Kirsten Johnson-Obey
Senior Vice President, Public Policy and Legislative Affairs