Looking at the Benefits of the Native CDFI and How Services Offered Impact the Community

Presentation by First Nations Oweesta Corporation

July 20, 2012
Unable to hear through computer? Please call in …

- Call in audio 877-273-4202
- Conference ID 4989308
Training Series

- U.S. Department of Housing and Urban Development Office of Rural Housing and Economic Development
Welcome

Virtual Classroom Basics

Your Presenters

Kristi Bias
Senior Advisor for Programs & Development
kristi@oweesta.org

William Guevara
Director of Programs & TA
bill@oweesta.org
Poll Question #1 - Expectations

• What information are you most interested in learning about from this webinar?
Who Is Oweesta?

- Native
- CDFI
- National
- Intermediary
- Mohawk word for money or item of exchange

- Training, Capacity Building, Consulting
- Capitalization
- Research, Policy & Advocacy
Poll # 2 – Current Status

• Does your community currently have a CDFI?
What is a CDFI?

- Community
- Development
- Financial
- Institution
Types of CDFIs

- Community Development Credit Union
- Community Development Bank
- Community Development Loan Fund
- Community Development Venture Capital Fund
- Community Development Holding Company
## CDFI Industry

<table>
<thead>
<tr>
<th>CDFI TYPE</th>
<th># NATIVE CERTIFIED</th>
<th>TOTAL #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Fund</td>
<td>52</td>
<td>617</td>
</tr>
<tr>
<td>Community Development Credit Union</td>
<td>13</td>
<td>221</td>
</tr>
<tr>
<td>Community Development Bank</td>
<td>5</td>
<td>82</td>
</tr>
<tr>
<td>Holding Company</td>
<td>2</td>
<td>54</td>
</tr>
<tr>
<td>Venture Capital</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>TOTAL</td>
<td>72</td>
<td>999</td>
</tr>
</tbody>
</table>

*Source: CDFI Fund - as of June 30, 2012*
Native CDFI Movement

Source: CDFI Fund - as of June 30, 2012
CDFI Certification

• What does it get you?
  – Access to CDFI Fund dollars
  – Credibility

• What is it?
  – Meet CDFI Fund eligibility criteria
    • Primary mission
    • Financing entity
    • Target market
    • Development services
    • Accountability
    • Non-government entity
Types of CDFI Loan Products

• Small Business Lending
  – Micro loans (typically $500 - $5,000)
  – Small business loans (typically > $5,000)

• Mortgage Lending
  – Down payment assistance loans
  – Closing cost loans
  – 1st mortgages
  – Home equity lines of credit

• Other
  – Credit builder loans
  – Consumer loans
  – Community facilities
What are Development Services?

CDFI Fund Definition:
Development Services are training or technical assistance that help borrowers/investees access a CDFI’s Financial Products, and may include: individual credit counseling; homebuyer education classes; business mentoring services; or construction financing advisory services. Development Services may be provided by the CDFI directly, through an Affiliate, or through a contract with another provider. - 2010 CDFI grant application
Financial Literacy

- Financial Education
- Credit Counseling
- Homebuyer Education
- Individual Development Accounts (IDA)
- Earned Income Tax Credit (EITC) Outreach
- Volunteer Income Tax Assistance (VITA)
Entrepreneurship Development

• Training
  – Where does a Native person interested in starting a business go to obtain entrepreneurship education?

• Technical Assistance
  – What type of assistance do aspiring or current business owners need?

• Capital
  – How does one identify and secure financing for their business venture?
Successful Development Services Model

• Partner with a local agency
  – Do not recreate the wheel

• Research programs and determine which works best for you
  – Combine programs to create your own
Oweesta Resources

Training and Technical Assistance

• CDFI Development
• Financial Education & Asset Building
• Enterprise & Entrepreneurship Development

Lending & Capitalization

• Various Loan Products
CDFI Development

Community decides local capital access is needed.

Organizing groups creates task force and gets “buy-in” from community.

Task force/organizing groups conduct market analysis.

Organizing committee charters an eligible entity.

Create lending products, TA products, lending policies, develop capitalization plan, apply for 501(c)(3), organizational procedures, identify staff.

Board/staff raise operating funds & lending capital, develop/train loan committee & staff.

Begin lending.
Financial Education & Asset Building

Building Native Communities Suite of Resources

• Native IDA (Individual Development Account)
• Investing for the Future
• Tribal Leaders Guide to Launching an Earned Income Tax Credit (EITC) Campaign
• A Guide to Claiming EITC
• Financial Skills for Families
  – 4th edition complete
  – New tools to compliment!!
• Financial Skills for Teens
Entrepreneurship and Enterprise Development

Oweesta NEED Model

• Community: Culture, Development Infrastructure and Natural Environment
• Local Entrepreneurship Climate and Policy
• Tribal and Social Business Sector
• Entrepreneurship and Enterprise Education and Training
• Technical Assistance and Coaching
• Networks
• Access to Capital
Lending & Capitalization

Oweesta Loan Product

• Capital Loan – up to $700,000 in loan capital for a variety of business, housing and real estate needs. This loan requires interest only payments, currently 2.5%-5% for 3-5 years with easy renewal options

• First-in – a small initial investment, up to $75,000 in loan capital for a start-up or emerging loan fund or other financing entity. This loan requires interest only payments, currently 4%-8% over 2 years with easy renewal options

• More on the way ….
Poll # 3 - Impact

• What are some reasons to evaluate your current services?
Measuring Impact Tools

- Surveys
- Pre and Post assessment tests
- 3 and 6 month follow up
- “Exams” for completing phases
Evaluation – proven benefits

• Most funding proposals require a section of the proposal be on impact, how will you know that you are having an impact?
• The stronger the outcome measure the better to compete in limited funding
• Evaluation will help show what needs/wants are not being met
• Evaluation allows for accountability, the program needs to work to continue
Additional Evaluation and Impact

• CFED Pre-conference session on Wednesday September 19, 2012 in Washington DC
• Measuring impact and the benefits will be shared more in depth
Upcoming Trainings

• **July 24-26, 2012**
  – BNC Train the Trainer 4th edition
    • Billings, MT

• **August 22-23, 2012**
  – Tribal Secured Transactions Codes Addressing Barriers to Business and Consumer Credit in Native Communities
    • Webinar – Must attend 2 days!

• **September 17-19, 2012**
  – BNC Train the Trainer 4th edition
    • Oakville, CA
Upcoming Trainings Continued

• **September 20-21, 2012**
  – Indianpreneurship Train the Trainer
    • Oakville, CA

• **September 19-21, 2012**
  – CFED Assets Learning Conference
    • 1 day Native pre-session (Wednesday September 19)
    • 2 day CFED Conference

• **October 15-19, 2012**
  – Opportunity Finance Network Annual Conference
    • San Antonio, TX
Poll Question #4 – Future Trainings

• What web-based training opportunities would be most beneficial to you and your organization?
Online Survey
Future Trainings

• Please write this link down and complete the survey regarding future trainings

– https://www.surveymonkey.com/s/TZBHPV5
Questions??

Thank you!

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