



# 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

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# 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?

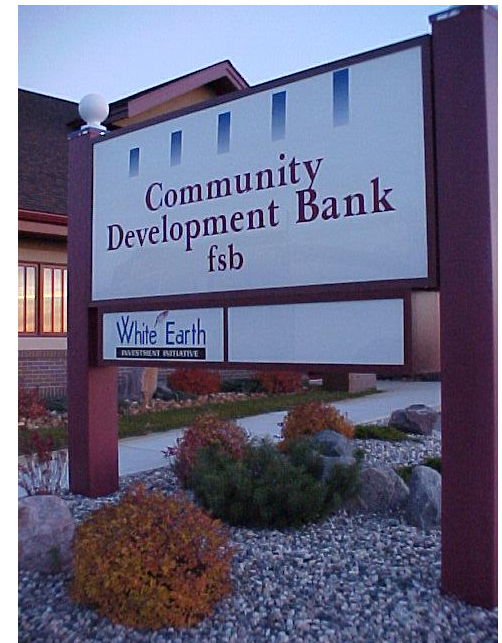
- Community
- Development
- Financial
- Institution





# Types of CDFIs

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

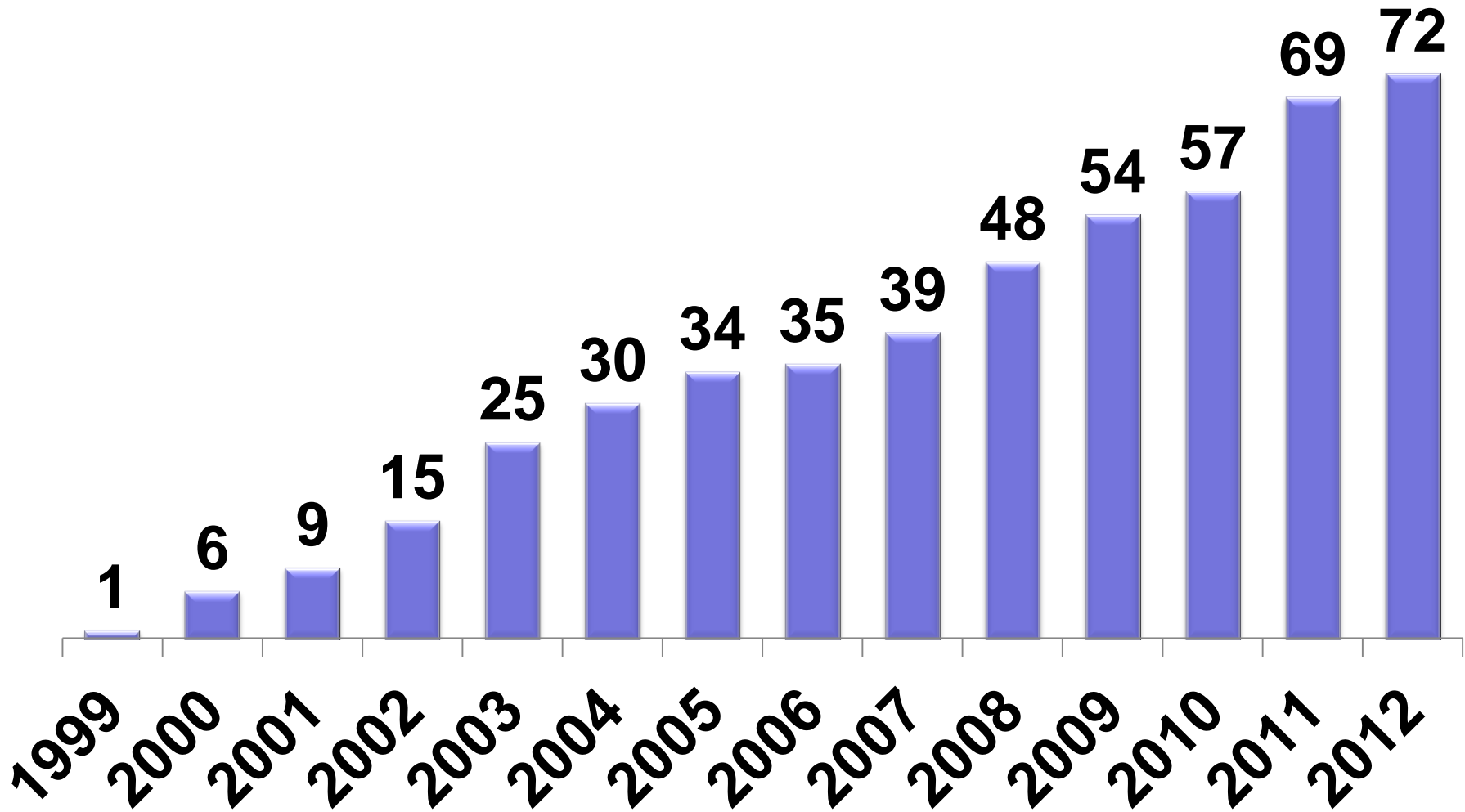


# CDFI Industry

CDFI TYPE	# NATIVE CERTIFIED	TOTAL #
Loan Fund	52	617
Community Development Credit Union	13	221
Community Development Bank	5	82
Holding Company	2	54
Venture Capital	0	25
TOTAL	72	999

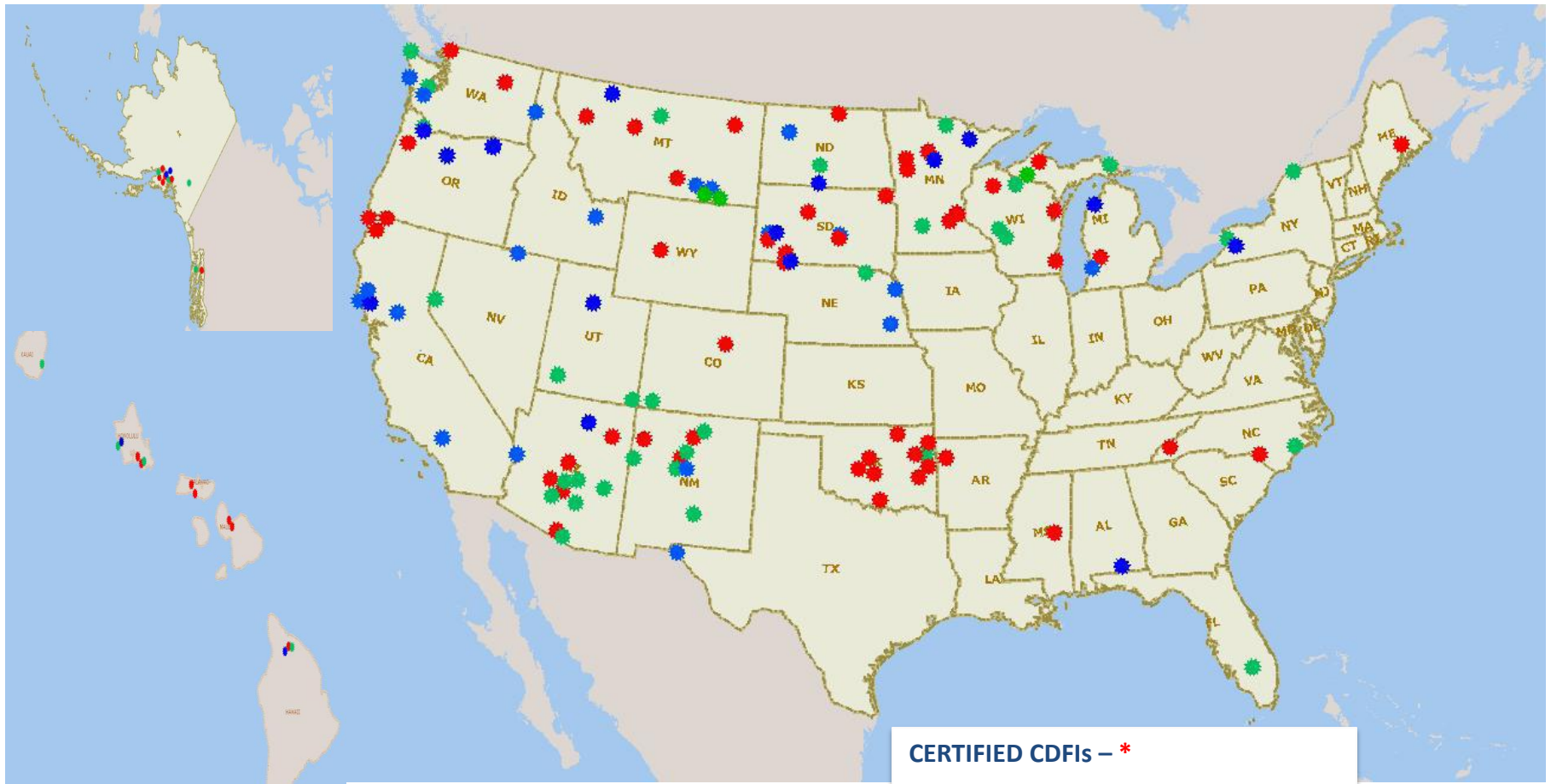
**Source: CDFI Fund - as of June 30, 2012**

# Native CDFI Movement



Source: CDFI Fund - as of June 30, 2012

# Native CDFI's and Financial Education Programs



CERTIFIED CDFIs – \*

EMERGING CDFIs – \*

EED/FEAB Orgs not CDFIs – \*



# 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
  - 1<sup>st</sup> 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**

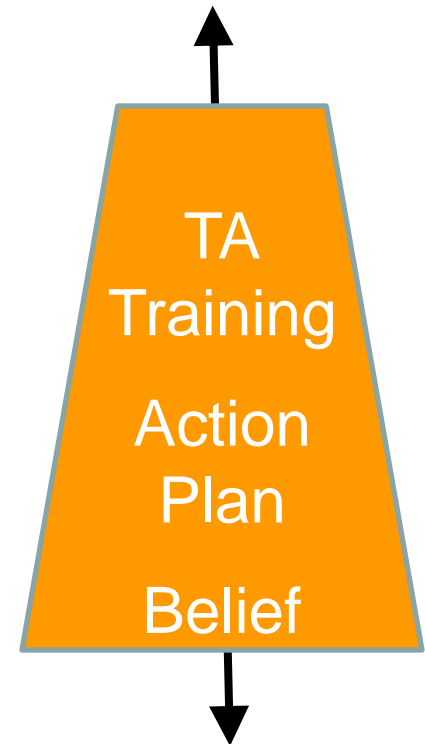
**Organizing committee charters an eligible entity.**

**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.**

HOW?



# 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
  - 4<sup>th</sup> 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 4<sup>th</sup> 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 4<sup>th</sup> 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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