

Pamela Williams  
Program Operations Advisor  
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Washington, DC 20005  
Via fax: 202.622.7754

May 1, 2006

Dear Pamela:

Opportunity Finance Network (formerly the National Community Capital Association) appreciates the opportunity to comment on the Fund's draft survey of CDFIs to gather feedback on its programs (71 FR 10597). We share with the Fund a commitment to ensuring that the Fund's programs serve the needs of the varied CDFI industry, and we fully support the Fund's embarking on this survey project.

The survey that the Fund intends to conduct will provide valuable insight into CDFIs' use of the Fund programs. Beyond the CDFI Fund, the survey's findings should offer a picture of the capitalization and technical assistance needs of the opportunity finance industry. For this reason, it is critical that the survey ask appropriate questions. It is also important that the Fund share the survey findings broadly and in a timely manner.

Opportunity Finance Network reviewed the survey in several capacities: as an awardee and certified CDFI; as a provider of training and technical assistance; as a network of Member CDFIs with experience with and interest in the Fund's programs; and as a leading advocate for the industry and the Fund. We believe that the survey will capture the information the Fund seeks, and have only a few suggestions for improvement to a small number of questions.

### **Improvements to the Survey**

*Question B7 (p. A-11):* Add, "Significant market or environmental changes occurred between the time of application and of receipt of the award." A shift in market demand, the entry of a new player into a CDFI's market, a bank merger, or the loss of a state or local funding stream could all affect a CDFI's ability to meet its assistance agreement, and the CDFI might not foresee these changes at the time of application.

*Questions B14a and B15 (pp. A-13-14):* Prior to 2003, the Fund did not ask CDFIs to group planned uses of funds into specific categories or types of lending. CDFIs whose only experience with the Core or Financial Assistance program was before 2003 will likely be unable to answer these questions, as they may not have approached the application in those terms.

*Question B19 (p. A-15):* Feedback from our Member CDFIs in 2003 and 2004 indicated that many chose not to apply or believed that their application was denied because they did not meet the Fund's arbitrary program priorities or standards. All of the options in this question point to failures on the part of the CDFI, though we believe that during this particular period, the Fund's evaluation methods were flawed. We suggest the addition of, "Did not meet Fund's guidelines for financial soundness," and "Plans did not match CDFI Fund's program priorities;" or otherwise rewording the options in a way that allows CDFIs to say that they believe they did not meet the Fund's standards without casting doubt on their soundness or strategies.

*Question B19a (pp. A-15-16):* Add an option for, "Did not believe the organization could meet the Fund's Program Priorities or Hot Zone Requirements." This was the reason for not applying that we heard most often from our Members in 2003 and 2004.

*Question B23 (p. A-18):* Add an option for, "Do not require CDFIs to designate specific plans for and tracking of the funds; instead support the CDFI's overall strategy."

*Question D2c (p. A-30):* Add an option specific to the use of the Fund's mapping system. Our Members who *have* applied for CDFI Fund certification and funding have reported that they find the mapping and geocoding systems cumbersome and difficult to use. Organizations new to the Fund are likely to have the same difficulty and may have been discouraged from completing an application, and the Fund should be made aware if this is the case.

### **Dissemination of the Survey Findings**

While you designed the survey to focus on the CDFI Fund and its programs, it appears to be the most comprehensive survey of CDFIs' capital and training needs and preferences to date. In addition to helping the CDFI Fund shape its programs, the survey findings could provide valuable information to CDFI investors about niches they could fill in the industry; training and technical assistance providers about the state of their markets; advocates about the unique features and utility of the CDFI Fund; and CDFIs to compare their needs and wants against the industry as a whole. CDFIs will have an additional incentive to complete the survey if they know that it will provide information to the entire industry and will help other industry players better serve CDFIs' needs. For these reasons, we strongly urge you to make public the aggregate findings of the survey, and to do so in a timely manner.

Thank you for the opportunity to comment. Please do not hesitate to contact me at 215.320.4304 or mpinsky@opportunityfinance.net if you have questions or would like to discuss these comments further.

Sincerely,

A handwritten signature in black ink that reads "Mark Pinsky". The signature is written in a cursive, slightly slanted style.

Mark Pinsky  
President and CEO