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BEGIN AT 2PM EASTERN**

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**Promoting Access to Capital for Tribal
Small Businesses**

Promoting Access to Capital for Tribal Small Businesses



Brendan Barry

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Council of Development Finance Agencies
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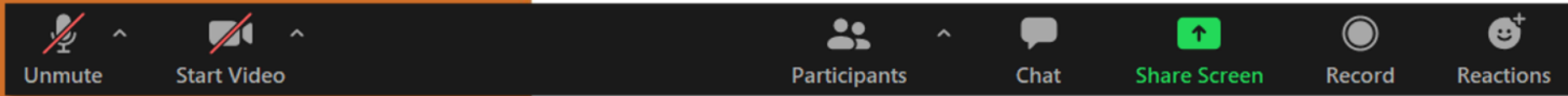
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Promoting Access to Capital for Tribal Small Businesses



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Promoting Access to Capital for Tribal Small Businesses



Jackson Brossy

Assistant Administrator
U.S. Small Business Administration



U.S. Small Business
Administration

OFFICE OF NATIVE AMERICAN AFFAIRS



Above: Administrator Isabel Guzman signs the updated SBA Tribal Consultation Policy with Assistant Administrator Jackson Brossy

May 2023

Agenda

1. SBA Intro
 1. Office of Native American Affairs
2. Native American Partner Organizations
 1. Community Navigators
3. Native Lending Initiative
4. Connecting with ONAA
 - a) Q&A

1. Intro to SBA's Office of Native American Affairs

ONAA Mission



- The Office of Native American Affairs mission is to ensure that American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to the necessary business development and expansion tools available through the Agency's entrepreneurial development, lending and procurement programs.

ONAA Overview – Coordinate with all aspects of the SBA



Capital



Counseling



Contracting



**Disaster
Assist.**



SBA helps small businesses plan, start, and grow businesses in four main areas:

Capital



- Community Advantage
- 504 Certified Dev. Loans
- 7(a) Loans
- Microloan Program
- CAPLines Program
- State Trade Expansion Program (STEP)
- International Trade Loan Guarantee Program
- Small Business Investment Companies (SBIC)

SBA helps small businesses plan, start, and grow businesses in four main areas:

**Opening Doors
to Federal
Government
Contracting**



8(a) Program

Veteran-Owned Small Business

Woman-Owned Small Business certification

HUBZone Program

SBA helps small businesses plan, start, and grow businesses in four main areas:



Counseling

- 40+ Native org partners through Community Navigators
- SBDCs
- SCORE

**SBA helps small businesses plan, start, and grow
businesses in four main areas:**



Disaster Assistance

- EIDL Disaster loans

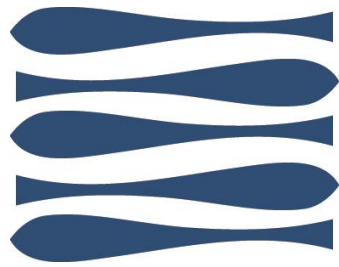
2. SBA Native American Partners



The National Center *for American Indian Enterprise Development*

- Develops and expands the American Indian/Alaska Native private sector by providing and facilitating high quality development and support services to native owned businesses, tribal enterprises, and individuals.
- Headquarters: Mesa, AZ & works nationwide
- Ncaied.org





TWO RIVERS

COMMUNITY DEVELOPMENT CORPORATION

- Provide technical assistance that will be based on knowledge of the SBA 8(a) program and standard operating procedures of the SBA; also Tribal sovereignty, Tribal ordinances and knowledge of working in Tribal communities.
- Headquarters: North Bend, WA (provides training online)
- Tworiverscdc.org



Sister Sky (Entrepreneurship Training)

Sister Sky

NativeSBA.SisterSkyInc.com



empowerment WORKSHOPS

FREE WEBINAR INCLUDES:

- Live Virtual Learning
- Managing Cash Flow
- Small Business Financing
- Popup Economy
- and so much MORE!

SBA U.S. Small Business Administration SISTER SKY INCORPORATED

A woman in a white shirt and black pants is pointing towards the text.



empowerment WORKSHOPS

LIVE VIRTUAL EMPOWERMENT WORKSHOP

JOIN OUR #NATIVESBA TEAM AND LEARN MORE ABOUT OUR TIPI BUSINESS MODEL

February 7 - 17, 2022
Mon, Tue, Wed, Thu
7:00 pm - 8:30 pm ET

REGISTER TODAY

Tina Begay - Lead Trainer

SBA U.S. Small Business Administration SISTER SKY INCORPORATED

A woman in a pink blazer is smiling.



Community Navigators Pilot

A true partnership with Native-led and focused organizations

Thanks to the Office of Entrepreneurial Development (OED) for their support!

1. ** Oweesta Corp. (Hub)
2. ** Arctic Slope Community Foundation (Hub)
3. Affiliated Tribes of Northwest Indians
Financial Services
4. Akiptan, Inc
5. Bank of Cherokee County
6. Black Hills Community Loan Fund, Inc.
7. Chehalis Tribal Loan Fund
8. Chi Ishobak, Inc
9. Citizen Potawatomi Community
Development Corporation
10. Cook Inlet Lending Center
11. First American Capital Corporation
12. Four Bands Community Fund
13. Four Directions Development Corporation
14. Great Lakes Inter-Tribal Council (GLITC)
15. Hawaiian Lending and Investments
16. HoChunk Community Capital, Inc.
17. Ilisagvik College
18. Iñupiat Community of the Arctic Slope
19. Lac du Flambeau Business Development
Corporation (LdF BDC)
20. Montana Native Growth Fund
21. Mvskoke Loan Fund, Inc.
22. NACDC Financial Services, Inc
23. Nakoda Aaniiih Credit Agency
24. Native American Development Corporation
25. Native360 Loan Fund, Inc.
26. NiiJii Capital Partners
27. Nimiipuu Community Development Fund
28. Northwest Native Development Fund
29. Plenty Doors Community Development
Corporation
30. Purple Mai'a
31. Sequoyah Fund
32. Shoshone-Bannock Tribes' CDFI
33. Taala Fund
34. Thunder Valley CDC
35. Waianae Economic Development Council
36. Wind River Development Corp.
37. Wisconsin Native Loan Fund

Map of Oweesta Community Navigators Spoke Headquarters

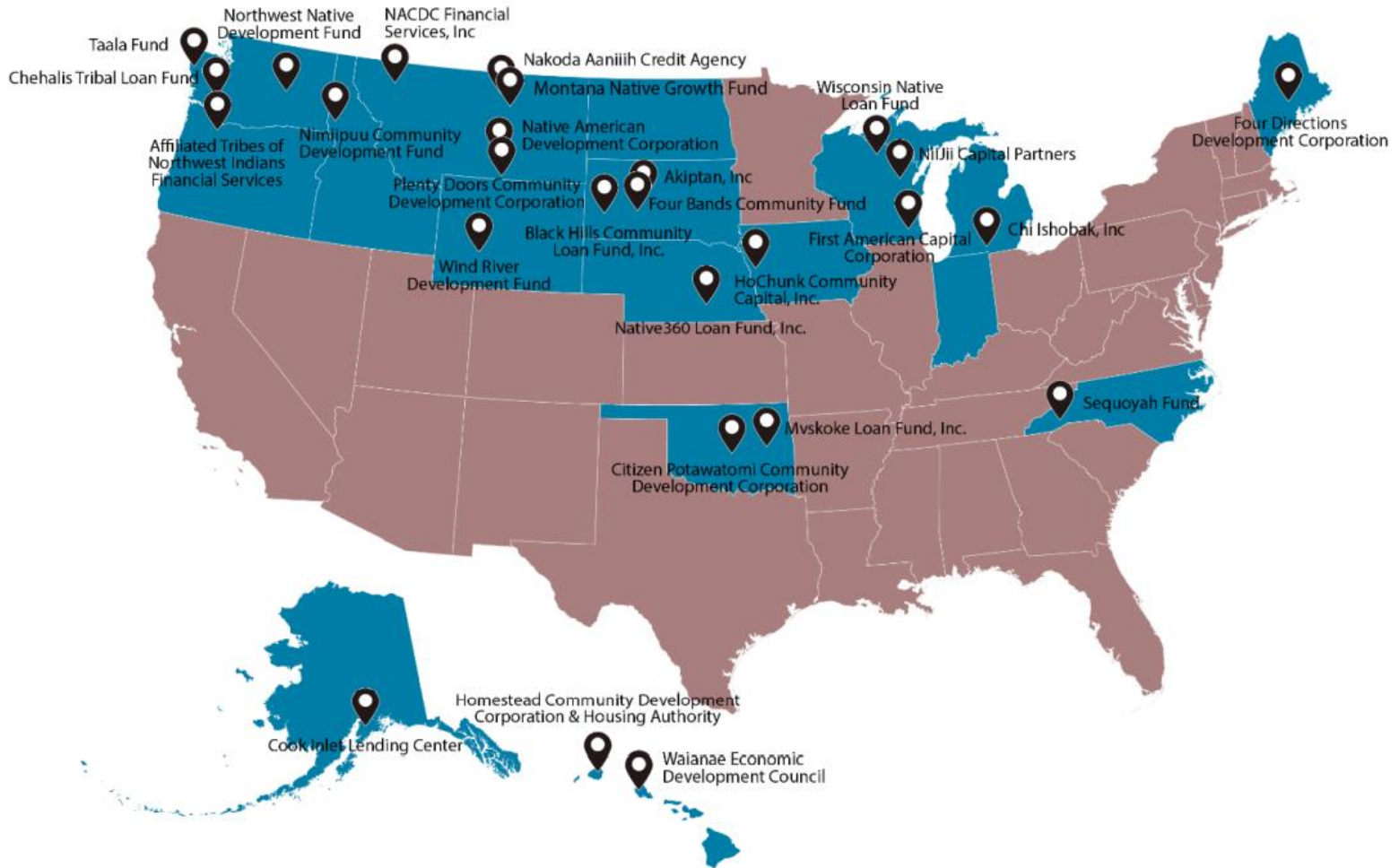


Figure 1: Headquarters of the twenty-seven spokes



NATIVE BUSINESS ROUNDTABLE



Featuring Native Contracting Leaders:
Clara Pratte, CEO of Strongbow Strategies;
Vicki Vasques, Chairwoman Tribal Tech, LLC;
Monica Jojola, CEO Montech Inc.

March 2 at 1pm ET | Virtual

Office of Personnel Management



Reservation Economic Summit



3. Native Lending Initiative

SBA & WHCNA A Access to Capital Initiative

- At the 2023 Tribal Nations Summit, the WHCNA A Economic Development, Energy and Infrastructure Committee launched [the Federal Initiative on Access to Capital](#) in Indian Country, a multi-agency strategy to improve awareness of, access to, and of federal funding resources for Tribal governments, Tribal enterprises, Native entrepreneurs, and Native Community Development Financial Institutions (CDFIs).
- Goals of the initiative are to increase awareness of all federal financing opportunities, identify barriers to access to capital and summarize policy, regulatory, and statutory solutions to increase access to federal financing programs, and to increase use of federal capital programs by establishing baselines of use and setting and tracking metrics.
- At the RES 2023, the SBA and WHCNA A announced the availability of a new compilation of [all Federal Loan and Financing Programs](#) available on the WHCNA A website.

Access to Capital Initiative – Federal Funding Opportunities Spreadsheet

Agency	Program Name	Who is Eligible	What is Eligibility for Loan	Minimum Equity in Business	Collateral	Guarantee Percentage Maximum	Maximum Loan Amount	Fees	Maximum Term	Contact Info	Regulation
DOE- Department of Energy	Tribal Energy Loan Guarantee Program	Tribes and tribal energy development organizations	Allowed purpose of loans: Energy-related projects for Tribes, including fossil fuel production and mining, renewable energy, transmission infrastructure, and energy storage projects.	N/A	N/A	90%	\$2B in partial loan guarantees; \$8.5M in appropriated funds available to pay the Credit Subsidy Costs associated with guarantees - TELGP staff offer specialized expertise in loan that exceed \$25M	1 percent of guaranteed amount if above \$25M. Fees and expenses of DOE's Master Servicer.	Detailed on page 39 of linked Solicitation	DOE LPO TELGP Solicitation 25May22.pdf energy.gov	Section 2602(c) of the Energy Policy Act of 1992
DOI- Office of Indian Economic Development	Indian Affairs Loan Guarantee and Insurance Program	Business entities which are at least 51% Indian-owned and contribute to the local economy of a reservation or BIA Service Area.	A for-profit entity, a Section-17 corporation, or a not-for-profit commercial venture.	20%	1st lien on available collateral	90%	\$500,000 individual limit by statute; higher limits for tribes, tribal enterprises and Indian-owned business entities based upon Program resources.	2% one-time fee	30 years	https://www.bia.gov/service/loans/ilgp	25 CFR Part 103
Department of Interior	Energy and Mineral Development Program	Tribes and tribal energy development organizations	Allowed purpose of grant program: Provides financial assistance to conduct resource inventories and assessments, feasibility studies, or other predevelopment studies necessary to process, use, and develop energy and mineral resources on tribal lands.	N/A	N/A	N/A	\$2,500,000	N/A	1 year	What is the Energy and Mineral Development Program (EMDP) Grant? Indian Affairs (bia.gov)	

Entire 18-page document available at White House Council on Native American Affairs website, [bia.gov/whcnaa](https://www.bia.gov/whcnaa)

https://www.bia.gov/sites/default/files/dup/inline-files/federal_funding_opportunities_matrix_2.28.23.pdf

4. Connecting with the SBA's Office of Native American Affairs



U.S. Small Business
Administration

We invite you to share upcoming Tribal events, policies with Tribal implications, ideas, etc.



www.sba.gov/native



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[@sbanative](https://twitter.com/sbanative)



[@SbaNative](https://www.instagram.com/SbaNative)

Promoting Access to Capital for Tribal Small Businesses



James Colombe

Policy Advisor
U.S. Department of the Treasury

State Small Business Credit Initiative (SSBCI)

SSBCI Tribal Government Overview

May 9, 2023



For discussion purposes only. Pre-decisional. Not for distribution.

Agenda

- SSBCI Overview
- Tribal SSBCI Guidance
- Opportunities

Overview

- ▶ Subtitle C of Title III of the [American Rescue Plan Act of 2021](#) (ARPA) reauthorizes and amends the [Small Business Jobs Act \(SBJA\) of 2010](#), which established the State Small Business Credit Initiative (SSBCI) Program.
- ▶ ARPA provides a combined \$10 billion in funding to SSBCI to assist states, the District of Columbia, territories, and Tribal governments (Eligible Jurisdictions) in addressing the economic fallout of the pandemic and lay the foundation for a strong and equitable recovery, including by providing direct support to jurisdictions for programs that increase access to capital for small businesses.
- ▶ SSBCI funding includes the following allocations:
 - \$500 million to Tribal Governments to support small businesses
 - \$1.5 billion to support underserved businesses
 - \$1 billion for an incentive allocation to jurisdictions that demonstrate robust support for underserved business
 - \$500 million to support very small businesses
 - \$500 million to support technical assistance

What is SSBCI?

▶ SSBCI provides Eligible Jurisdictions funding for:

- ✓ Small business financing programs, which include capital access programs, loan participations, loan guarantees, collateral support, and venture capital programs.
- ✓ These types of programs also include those that support underserved businesses and very small businesses; and
- ✓ Technical assistance in the form of legal, accounting, and financial advisory services to qualifying small businesses applying for support under SSBCI capital programs and other government programs.

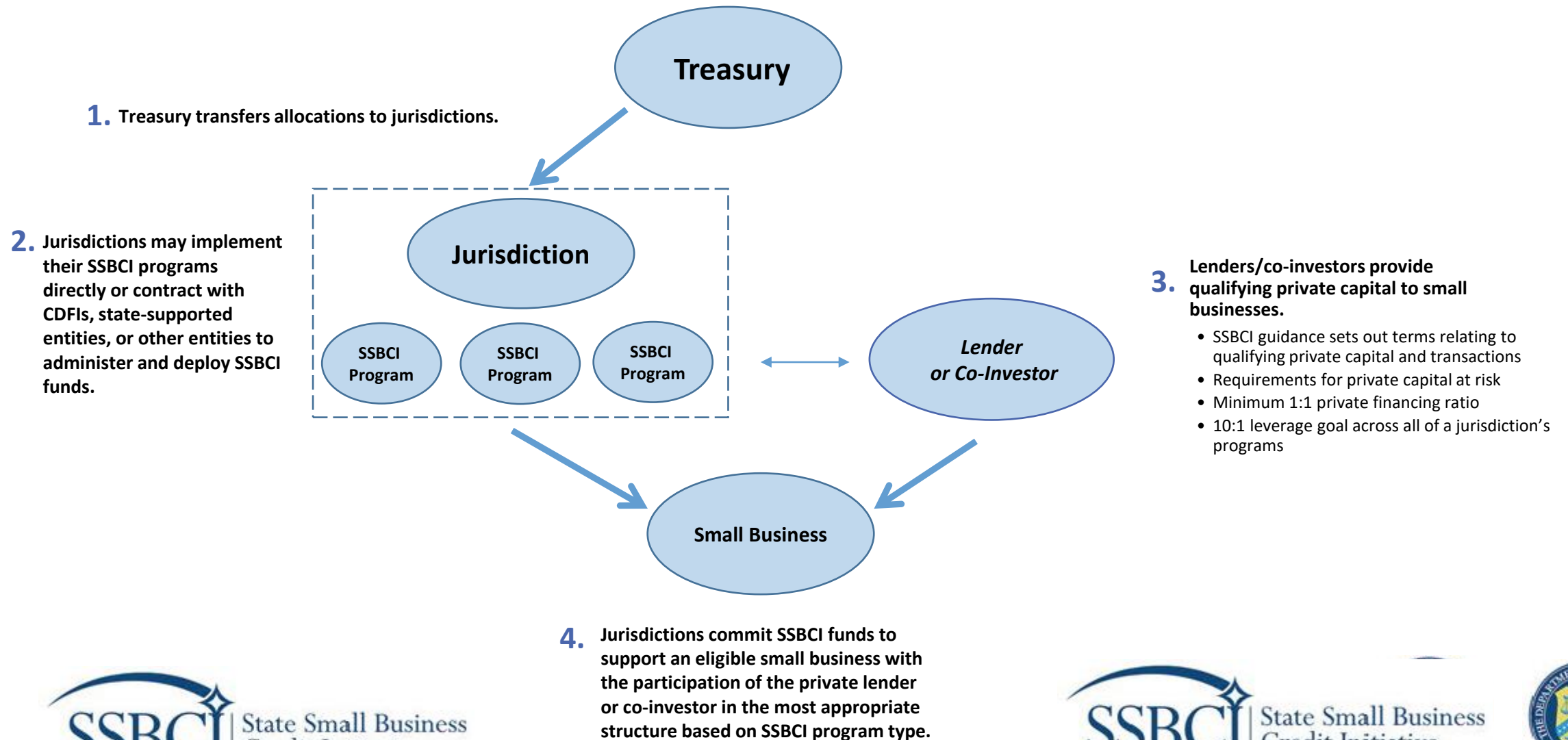
▶ Eligible Jurisdictions direct the capital programs within broad Federal parameters

- ✓ For Other Credit Support Programs (OCSPs):
 - Small businesses receiving support must have no more than 750 employees and the OCSP must target an average borrower or investee size of 500 employees or less,
 - Each loan/investment cannot exceed \$20M and the OCSP must target transactions with an average size of \$5M or less
- ✓ For Capital Access Programs (CAPs):
 - Small businesses receiving support must have no more than 500 employees
 - Each loan cannot exceed \$5M
- ✓ Lenders/investors must have a meaningful amount of their own capital at risk
- ✓ Approved programs of the eligible jurisdiction must demonstrate a reasonable expectation of 10:1 leverage overall

Why SSBCI?

- ▶ **Small businesses face barriers to securing financing in the private market which include:**
 - Lack of collateral
 - Short credit or operating history
 - Loan requests that are for amounts that are too small for many private lenders
 - COVID-19 impacts on revenues and supply chain disruptions
 - Located in an underserved community
 - Seeking scarce early-stage equity capital
- ▶ **SSBCI financing programs provide jurisdictions with a flexible and targeted way to spur private sector lending and investing in small businesses.**
- ▶ **SSBCI financing programs provide targeted support to small businesses through leveraging jurisdiction-specific knowledge of local business needs, leveraging responsible local financing partners, and complementing existing programs.**

Structure of SSBCI Capital Programs



Overview of SSBCI Capital Programs – 5 Major Program Types

INDIRECT SUPPORT

Capital Access Program (CAP)

Cash deposited into loan loss reserve fund at each lender for the portfolio of CAP loans.

Suitable for smaller, working capital loans and lines of credit

Collateral Support

Cash collateral from a jurisdiction or entity of a jurisdiction deposited with lender to secure a portion of individual loans

Highly targeted for collateral shortfalls due to decline in PP&E values

Loan Guarantee

Individual loan guarantee by a jurisdiction or entity of a jurisdiction to cover a portion of approved loans

Flexible structuring based on local market knowledge

DIRECT SUPPORT

Loan Participation

Jurisdiction and lenders partner to provide medium- to long-term financing. The jurisdiction's position may be subordinated.

Two structures are common:
Purchased Participation and
Companion Loan

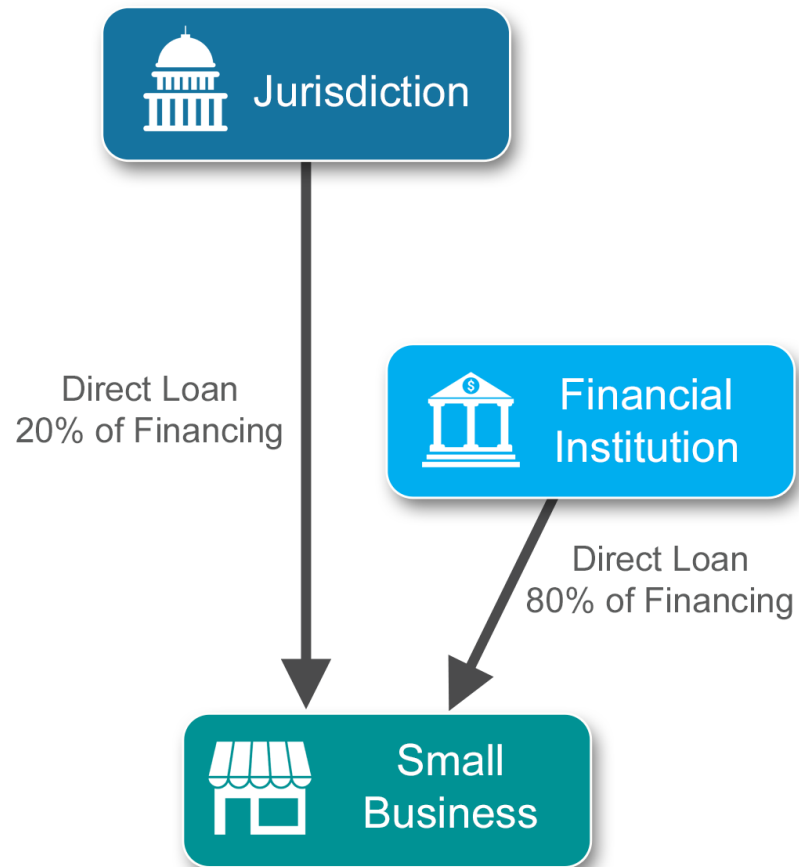
Equity/Venture Capital

Investment program, often with focus on businesses with high-growth potential

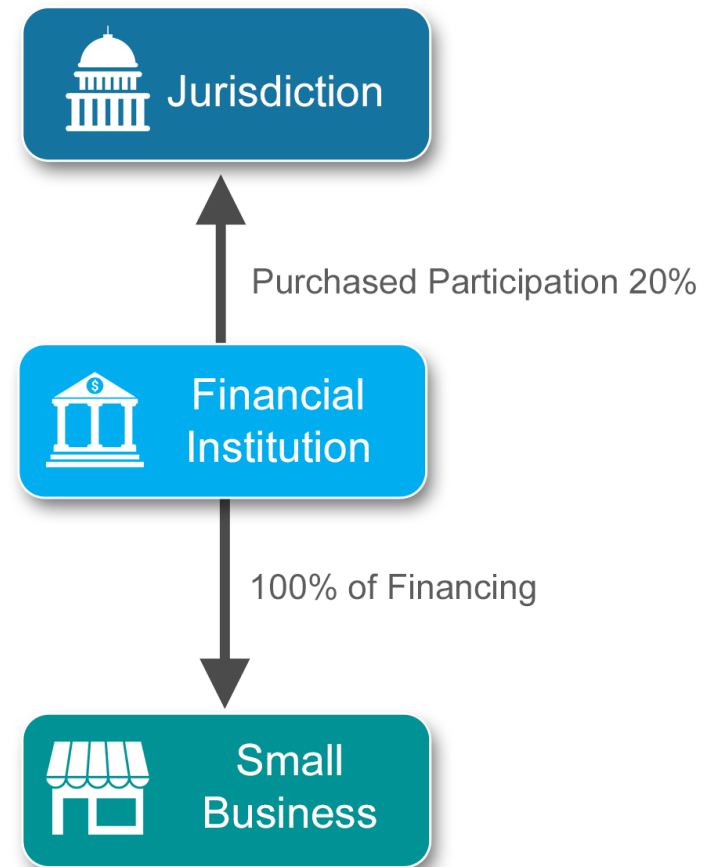
Two structures are common:
Private Funds
and Impact Funds

Typical Loan Participation Program Structure

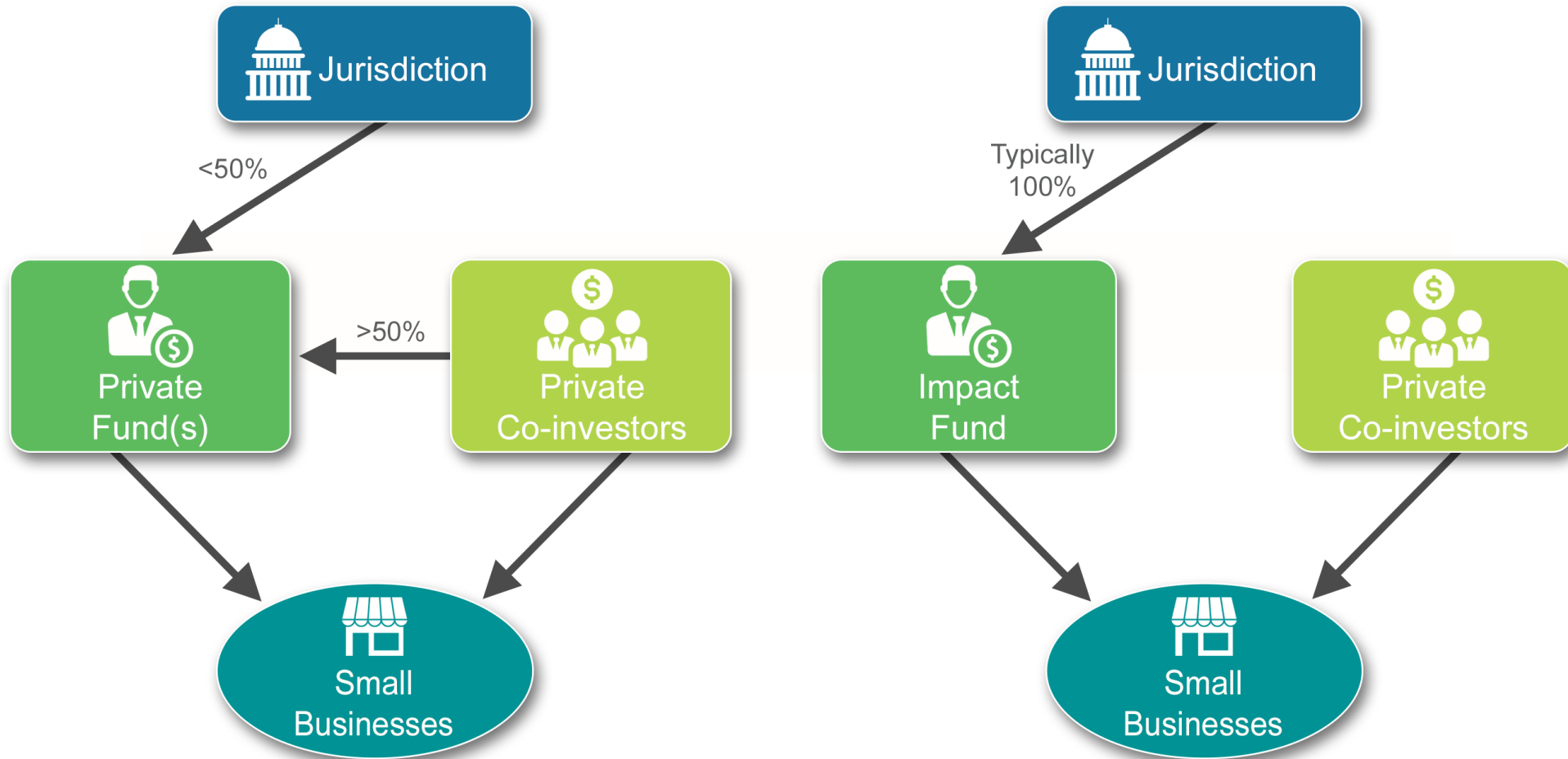
Co-Lending Participation



Purchased Participation



Typical Venture Capital Program Structure



SSBCI Program Profiles

SSBCI has developed design profiles for each of its eligible programs that provide additional details regarding the individual programs and their requirements:

- ▶ [Capital Access Programs](#)
- ▶ [Collateral Support Programs](#)
- ▶ [Loan Guarantee Programs](#)
- ▶ [Loan Participation Programs](#)
- ▶ [Venture Capital Programs](#)

The profiles are from the earlier iteration of SSBCI and certain requirements have since changed. For up-to-date requirements, refer to the SSBCI Capital Program Policy Guidelines and Capital Program application.

Additional Resources

▶ SSBCI Program Evaluation 2016

- [Executive Summary](#)
- [Full Report](#)
- [Appendices](#)

▶ Filling the Small Business Lending Gap: Lessons from the U.S. Treasury's State Small Business Credit Initiative Loan Programs

- [Executive Summary](#)
- [Full Report](#)

▶ [Information and Observations on State Venture Capital Programs](#)

The materials are from the earlier iteration of SSBCI and certain requirements have since changed. For up-to-date requirements, refer to the SSBCI Capital Program Policy Guidelines and Capital Program application.

Best Practices for SSBCI Capital Programs

To strengthen SSBCI-funded programs in states across the country, officials administering high-performing programs met to compile best practices for administering SSBCI programs:

- ▶ [Partnering with Community Development Financial Institutions \(CDFIs\)](#)
- ▶ [Using SSBCI to Improve Access to Capital in Underserved Communities](#)
- ▶ [Loan Participation Programs best practices report](#)
- ▶ [Collateral Support Programs best practices report](#)
- ▶ [Loan Guarantee Programs best practices report](#)
- ▶ [Venture Capital Programs best practices report](#)
- ▶ [Capital Access Programs best practices report](#)

The materials are from the earlier iteration of SSBCI and certain requirements have since changed. For up-to-date requirements, refer to the SSBCI Capital Program Policy Guidelines and Capital Program application.

Compliance Requirements

Capital Programs: Use of SSBCI funds under capital programs must comply with the ARPA of 2021 which reauthorized and amended the SBJA of 2010, SSBCI Capital Program Guidelines, Frequently Asked Questions and other guidance, the Eligible Jurisdiction's Approved Application, and the Allocation Agreement.

Key compliance requirements include:

- ✓ Authorized Uses of Allocated Funds/Allowable Costs
- ✓ Restrictions on the Use of Allocated Funds and Program Income

Technical Assistance: Use of SSBCI funds under technical assistance programs must comply with the ARPA of 2021 which reauthorized and amended the SBJA of 2010, the Eligible Jurisdiction's Approved Application, the TA Grant Agreement, all TA Grant Program Guidelines, and Frequently Asked Questions and other guidance.

Reporting

Participating Jurisdictions must submit periodic reports to Treasury on the use of allocated funds by each approved capital program* on a cumulative and transaction level.

▶ Quarterly Reports

- Due within 30 days after the end of each of the following quarterly reporting periods:
 - January 1 through March 31 (**Due Date – April 30**)
 - April 1 through June 30 (**Due Date – July 30**)
 - July 1 through September 30 (**Due Date – October 30**)
 - October 1 through December 31 (**Due Date – January 30**)

▶ Annual Reports

- Due by March 31 of each year for the prior calendar year ending December 31

*Reporting guidance for the TA Grant Program is forthcoming.

Compliance Resources

SSBCI looks to help recipients meet their program compliance requirements and provides the following resources:

- ▶ **SSBCI Questions Process:** Submit your questions on compliance matters to ssbci_information@treasury.gov
- ▶ **SSBCI Guidelines and [Frequently Asked Questions](#)** have been revised. Treasury has also published **National Compliance Standards**.
- ▶ [Capital Program Policy Guidelines](#)
- ▶ [Capital Program Reporting Guidance](#)
- ▶ [TA Grant Program Guidelines](#)
- ▶ [Treasury OIG Audit Reports of SSBCI Capital Programs](#)
- ▶ [2 CFR § 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(OMB Uniform Guidance\)](#)

Guidance Specific to Tribal Governments

- ▶ **SSBCI guidance was tailored to the unique needs of Tribal economies. Several provisions in the guidance are specific to Tribal governments**
- ▶ **Tribal Allocations**
 - ▶ **\$500 million Tribal Government allocation**
 - ▶ **Tribal portions of the allocations for very small and underserved businesses, and incentives**
 - ▶ **Over \$700 million total in allocations was made preliminarily available**
 - ▶ **[Capital Program](#) and [TA Grant Program](#) Tribal preliminary allocation methodologies with minimum allocations**
 - ▶ **108 Tribal applications, including 7 proposed consortia**

Guidance Specific to Tribal Governments

▶ In-jurisdiction transactions

- ▶ Treasury requires each jurisdiction to use at least 90 percent of its capital allocation for loans, investments, and other credit or equity support for small businesses located in the jurisdiction.
- ▶ For SSBCI funds allocated to Tribal governments, in-jurisdiction transactions include the following:
 - ▶ Transactions with businesses on Tribal lands.
 - ▶ Transactions with businesses in states where the Tribe is physically located or within which the Tribe exercises jurisdiction. For example, a Tribe located in Montana with Treaty rights in Wyoming can include Montana and Wyoming as “in-jurisdiction.”
 - ▶ Transactions with Tribal enterprise-operated businesses, businesses owned by Tribal members, and businesses in the states in which Tribal members reside. For example, an Arizona Tribe may have the bulk of its members in a town on the border of Nevada and Arizona. Because the Tribe is exercising jurisdiction over its members in both states, it may invest in both states.

Guidance Specific to Tribal Governments

▶ Joint Applications

- ▶ **Under the SSBCI statute, Tribal governments may apply jointly for funding under the SSBCI. Tribal governments may apply jointly through an organization or other Tribal government representative if each Tribal government applying jointly authorizes the organization or other Tribal government representative to represent the Tribal government for purposes of SSBCI.**
- ▶ **Any joint application by a third party or Tribal government representative must include documentation that the applicant has been authorized to represent each of the participating Tribal governments. Such documentation must include Tribal resolutions or other actions taken by each participating Tribal government to delegate authority to the applicant.**

Guidance Specific to Tribal Governments

- ▶ **Tribal Enterprises can implement SSBCI and provide new private financing**
 - ▶ **A “Tribal enterprise” is an entity: (1) that is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or (2) that is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns. This definition is consistent with the Small Business Administration (SBA) HUBZone definition of a “small business concern” relating to Tribal governments in 15 U.S.C. § 657a(b)(2)(C).**
 - ▶ **A Tribal enterprise may implement and administer SSBCI programs as long as it is an authorized agent of, or entity supervised by, the Tribal government.**
 - ▶ **For a Tribal government program, private financing may include Tribal enterprise funds acquired in commerce, provided that the funds do not originate with the state, federal, or Tribal government.**

Guidance Specific to Tribal Governments

- ▶ **Tribal Enterprises are eligible for SSBCI transactions**
 - ▶ **Permissible borrowers may also include ... Tribal enterprises, provided that all applicable program requirements are satisfied.**
 - ▶ **Tribal enterprises may be lenders or investors in an OCSP, if they comply with all applicable program requirements. Any Tribal enterprise acting as a lender or investor should have sufficient lending or investing experience and the financial and managerial capacity to participate in the OCSP.**
 - ▶ **In regard to counting employees, businesses owned and controlled by a Tribal government are not considered affiliates of the Tribal government and are not considered affiliates of other businesses owned by the Tribal government because of their common ownership by the Tribal government or common management, as described in 13 C.F.R. § 121.103(b)(2).**

Guidance Specific to Tribal Governments

▶ Tribal Programs – Conflict-of-Interest Standards

- ▶ Under a Tribal OCSP program, if a Tribal enterprise lends to or invests in another Tribal enterprise, relationships that would otherwise be prohibited under the SSBCI Capital Program Policy guidelines related to conflicts of interest in loan programs and equity/venture capital programs are permitted if such relationships occur by virtue of common Tribal ownership, provided that:
 - ▶ The lender/investor and borrower/investee certify that the transaction is in accordance with the Tribal conflict-of-interest policy;
 - ▶ The Tribal conflict-of-interest policy addresses:
 - ▶ Conflicts arising from immediate family and self-dealing; and
 - ▶ Enforcement mechanisms for violations of the conflict-of-interest policy; and
 - ▶ The Tribal enterprise lender or investor will publicly disclose its transactions with Tribal enterprise borrowers or investees.

Guidance Specific to Tribal Governments

▶ Tribal Enterprises – Additional Considerations

- ▶ Each financial institution lender must obtain an assurance from the borrower affirming that the borrower is not: a business that earns more than half of its annual net revenue from lending activities, unless the business is ... a Tribal enterprise lender that is not a depository institution or a bank holding company.
 - ▶ Tribal enterprise lenders may also be permissible borrowers for the purpose of relending, if the re-lending transactions are eligible and meet all SSBCI program requirements, including obtaining all required assurances and certifications.
- ▶ Each financial institution lender must obtain an assurance from the borrower affirming that the borrower is not: a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business; “gaming activities” for purposes of Tribal SSBCI programs is defined as Class II and Class III gaming under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.
 - ▶ Under this standard, a gaming Tribal enterprise could apply for SSBCI funds for its new gas station, for example, even if the Tribal enterprise’s revenues from gaming were greater than 33 percent.

Opportunities

- Partner with Tribal governments participating in SSBCI
- Partner with Native American Financial Institutions
- Engagement & outreach: deploy capital to borrowers and investees in Indian Country

Upcoming Deadlines

July 28, 2023

Tribal government deadline for TA Grant Program Applications

Thank you

James Colombe, Policy Advisor,
Treasury Office of Tribal and Native Affairs
James.colombe2@treasury.gov

Promoting Access to Capital for Tribal Small Businesses



Josh Pape

Executive Vice President & Chief Operating Officer
Chickasaw Community Bank



**Chickasaw
Community
Bank**

Enduring Heritage. Vibrant Communities. Banking for Everyone.

Chickasaw Community Bank (CCB) is a wholly owned CDFI/MDI subsidiary of the Chickasaw Nation (*Oklahoma*). Our assets are just under \$500MM with an additional >\$1.0B mortgage servicing portfolio. We are a leading provider of the HUD Section 184 home loan, designated for Native Americans. Additionally, our bank provides loans for housing to Tribal Designated Housing Entities, and other various consumer and commercial loans to Native American borrowers.

Promoting Access to Capital for Tribal Small Businesses: **Bank Financing**

Josh Pape – Executive Vice President & Chief Operating Officer
Chickasaw Community Bank

Most common financing avenues for Native American-owned small businesses:

- Bureau of Indian Affairs (BIA) Indian Loan Guarantee and Insurance Program (ILGP)
- Small Business Administration (SBA) Funding Programs
- U.S. Department of Agriculture (USDA) Business & Industry Loan Guarantee Program
- Special Purpose Credit Programs through CDFIs or Banks
- SSBCI Programs through Tribes

Bureau of Indian Affairs (BIA) Indian Loan Guarantee and Insurance Program (ILGP)



- Generally offered through banks or Native American CDFIs
- To qualify you must be:
 - An individual who is an enrolled member of a federally recognized American Indian/Alaska Native (AI/AN) tribe or group.
 - A federally recognized AI/AN group
 - A corporation, limited liability company or other business entity with no less than 51 percent ownership by federally recognized AI/AN individuals
- Borrowers must have at least 20% equity in the project being financed and the project must benefit the economy of a reservation or tribal service area.
- Loans may be used for a variety of purposes including operating capital, equipment purchases, acquisition, refinancing, building construction and lines of credit.
- Loans cannot be made for re-lending purposes.
- No loans for gaming related purposes
- BIA can guarantee up to 90% of an eligible loan.
- Maximum amortizations of up to 25-years.
- No interest rates or fees considered “excessive”.

Small Business Administration (SBA) Funding Programs

- 7(a) Loans
 - A group of SBA loans which guarantee portions of the total amount, cap interest rates, and limit fees.
- 504 Loans
 - Long-term, fixed-rate financing to purchase or repair real estate, equipment, machinery, or other assets.
- Microloans
 - SBA's small loan program, providing \$50,000 or less to help businesses start-up and expand.
- 7(a) Loans
 - A group of SBA loans which guarantee portions of the total amount, cap interest rates, and limit fees.
- 504 Loans
 - Long-term, fixed-rate financing to purchase or repair real estate, equipment, machinery, or other assets.
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 - SBA's small loan program, providing \$50,000 or less to help businesses start-up and expand.

SBA 7(a) Loans: A group of SBA loans which guarantee a portion of the total amount.



- Maximum loan amount of \$5MM (SBA Express loans have a maximum of \$500,000)
- Maximum maturities for SBA Loans are:
 - 25-years for real estate
 - 10-years for equipment
 - 10-years for working capital or inventory
- Loan guaranties up to 85% on 7(a) loans up to \$150,000
- Loan guaranties up to 75% on 7(a) loans >\$150,000
- Loan guaranties up to 50% on 7(a) Express loans up to \$500,000
- **Eligible businesses must:**
 - Operate for profit.
 - Be engaged in or propose to do business in the U.S. or its territories.
 - Have reasonable owner equity to invest.
 - Use alternative financial resources, including personal assets, before seeking financial assistance
- **Ineligible businesses are:**
 - Real estate investment firms
 - Dealers of rare coins and stamps
 - Companies involved in lending activity.
 - Pyramid sales plans
 - Companies involved in illegal activities.
 - Companies whose principal activity is gambling activity.
 - Charitable, religious, or other non-profit institutions

SBA 504 Loan: Loans are made available through a Certified Development Companies (CDCs), SBA's community-based partners who regulate nonprofits and promote economic development within their communities.

- SBA 504 Loan: Loans are made available through a Certified Development Companies (CDCs), SBA's
- community-based partners who regulate nonprofits and promote economic development within their
- communities.
- Maximum loan amount is \$5.5MM
- Must operate as a for-profit company in the U.S. or its possessions.
- Have tangible net worth of less than \$15MM.
- Have an average net income of less than \$5MM after federal income taxes for the two years preceding your application.
- Can be used for a range of assets that promote business growth and job creation including the purchase, construction, or improvement of:
 - Existing buildings or land
 - New facilities
 - Long-term machinery and equipment
 - Land, streets, utilities, parking lots and landscaping
 - Existing facilities
- Cannot be used for:
 - Working capital or inventory
 - Consolidating, repaying or refinancing debt
 - Speculation or investment in rental real estate

SBA Microloan: Funding provided to specifically designated intermediary lenders, which are nonprofit community-based organizations.

- Microloans can be used for a variety of purposes that help small businesses expand. Use them when you need less than \$50,000 to rebuild, re-open, repair, enhance, or improve your small business.
- Examples include:
 - Working capital
 - Inventory
 - Supplies
 - Furniture
 - Fixtures
 - Machinery
 - Equipment
- Proceeds from an SBA microloan cannot be used to pay existing debts or to purchase real estate.

U.S. Department of Agriculture (USDA) Business & Industry Loan Guarantee Program

- Available through banks and credit unions with an 80% loan guarantee
- Business who may qualify are:
 - For-profit or non-profit businesses
 - Cooperatives
 - Federally recognized Tribes
 - Public bodies
 - Individuals engaged or proposing to engage in a business.
- Eligible Areas are:
 - Rural areas not in a city or town with a population of more than 50,000 inhabitants
 - The borrower's headquarters may be based within a larger city, as long as the project is located in an eligible rural area.
 - The lender may be located anywhere in the U.S.
- Eligible uses of loan include:
 - Business conversion, enlargement, repair, modernization, or development.
 - The purchase and development of land, buildings, and associated infrastructure for commercial or industrial properties.
 - The purchase and installation of machinery and equipment, supplies, or inventory.
 - Debt refinancing when such refinancing improves cash flow and creates jobs.
 - Business and industrial acquisitions when the loan will maintain business operations and create or save jobs.
- Ineligible uses of loan include:
 - Lines of credit.
 - Owner-occupied and rental housing.
 - Golf courses or golf course infrastructure.
 - Racetracks or gambling facilities.
 - Churches or church-controlled organizations.
 - Fraternal organizations.
 - Lending, investment, and insurance companies.
 - Agricultural production, with certain exceptions.
 - Distribution or payment to a beneficiary of the borrower or an individual or entity that will retain an ownership interest in the borrower.

Special Purpose Credit Programs through CDFIs or Banks

Special Purpose Credit Programs generally existing as:

- any credit assistance program expressly authorized by Federal or state law for the benefit of an economically disadvantaged class of persons;
- any credit assistance program offered by a not-for-profit organization for the benefit of its members or an economically disadvantaged class of persons; or
- any special purpose credit program offered by a for-profit organization, or in which such an organization participates to meet special social needs, if it meets certain standards prescribed in regulations by the Bureau.

State Small Business Credit Initiative (SSBCI) Program

- Funds administered by the U.S. Department of Treasury to support small businesses and empower them to access the capital needed to invest in job-creating opportunities.
- Funds provided to states, the District of Columbia, territories, and **Tribal governments** to promote American entrepreneurship, support small business ownership and democratize access to capital across the country, including in underserved communities.

The programs available under SSBCI to promote capital access to all recipient jurisdictions, including in underserved areas, include:

- **Venture Capital Programs:** Jurisdictions may set up public-private partnerships for equity investing or invest in venture capital funds. These investments are focused on providing capital to underserved startups and democratizing venture capital across geography and to diverse founders.
- **Loan Participation Programs:** In these programs, states, the District of Columbia, territories, and Tribal governments buy an interest in the loans made by lenders or lend directly alongside private lenders, providing direct lending to finance small businesses.
- **Loan Guarantee Programs:** States, the District of Columbia, territories, and Tribal governments use SSBCI funds to provide an assurance to lenders that they will be partially repaid in the event of default, after the lender makes every reasonable effort to collect, helping small businesses secure loans that may have otherwise been inaccessible or prohibitively expensive.
- **Collateral Support Programs:** The programs in this model set aside funds as collateral for new loans, enabling start-ups to borrow funds to help their businesses grow with the assistance of SSBCI capital.
- **Capital Access Programs (CAPs):** These programs provide portfolio insurance in the form of a loan loss reserve fund into which the lender and borrower contribute, supplemented with SSBCI funds.

The keys to these solutions promoting access to loaned capital are well-trained staff, and well-educated customers and prospective customers. **Know your mission and match your message with your mission!**

Chickasaw Community Bank is a wholly owned subsidiary of the Chickasaw Nation, that is both a CDFI and MDI. To date, our mission of providing access to capital, through loans, to Native Americans includes:

- Originated over \$1 Billion in home loans to Native American families;
- Currently serving over 4,000 Native American families' home loans;
- Financed over \$100 Million in affordable housing projects to Tribal Designated Housing Entities that serve Native American families; and
- Loaned tens of millions of dollars to Native American-owned businesses!

Questions?

Josh Pape

Chickasaw Community Bank (*Oklahoma City*)

EVP/Chief Operating Officer

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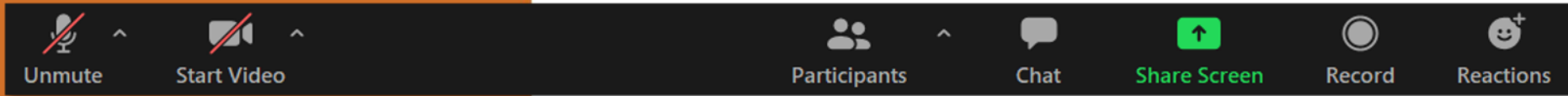
405.945.3823

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Instagram: [@joshpapeok](#)

Audience Questions



Submit your questions by
using the chat function!

CDFA Community Facilities Technical Assistance Program for Tribal Communities



4 Core Components

Direct Technical Assistance

One-on-one in-person technical assistance to tribal communities from a dedicated team of development finance experts, supported by CohnReznick.

Tribal Communities Project Marketplace

A virtual networking platform with a dedicated space for tribal communities to connect with potential financing partners, discuss best practices, and collaborate to address economic problems.

Tribal Finance Resource Center

A searchable online tool with information about tribal finance programs, resources, and best practices from communities.

Tribal Financing Webinar Series

A four-part online offering that explores the tools and approaches available to uplift native communities.



Upcoming Events at CDFA

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We offer 22 courses in development finance designed for all skill levels. Learn more and register today at www.cdfa.net

CDFA // BNY Mellon Development Finance Webcast Series: Financing Charter Schools Through Bond Finance and P3

Tuesday, May 16, 2023 / 2:00 PM - 3:00 PM Eastern

2023 Equitable Lending Learning Series: Evaluating Risk

Tuesday, May 23, 2023 / 1:00 PM - 4:00 PM Eastern

Intro Tax Increment Finance Course

June 14-15, 2023 / Daily: 12:00 - 5:00 PM Eastern

Upcoming Events at CDFA



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We offer 22 courses in development finance designed for all skill levels. Learn more and register today at www.cdfa.net

 **AUGUST 07-15, 2023**

CDFA SUMMER SCHOOL

REGISTER NOW

The banner features a background of a bright blue sky with white clouds. On the left side, there is a dark blue rectangular box containing the text "REGISTER NOW" in white. The CDFA logo is positioned in the top left corner of the banner area. The dates "AUGUST 07-15, 2023" are displayed in a bold, dark blue font. The main title "CDFA SUMMER SCHOOL" is centered in a large, white, bold font within an orange rectangular box.

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