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Native CDFIs and Continued Resilience: Short-Term Responses with Long-Term Impacts in Pandemic Times

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Abstract

Underfunded and vulnerable, native nations have been disproportionately and substantially impacted by the COVID-19 pandemic. Even without a global pandemic, indigenous communities often lack access to capital, health services, and basic necessities. This is due to a myriad of factors including centuries of genocide, adverse political policies, and a historical lack of federal and state recognition of treaty rights. Furthermore, during times of economic hardship when organizations, businesses, and individuals are accessing emergency relief funds, native communities are not prioritized. Yet native nations, such as those in Hawaii, are resilient. Resilience in the face of adversity is a core component of Native Community Development Financial Institutions (Native CDFIs). These organizations provide capital, increase entrepreneurship, enhance homeownership, and streamline resources to people who need it the most but are often discriminated by, or lack access to, mainstream banks. Native CDFIs demonstrated their response to the pandemic through innovative loan products, emergency grants, and rapid adaptation to provide crucial web-based opportunities. These efforts continue to influence and cultivate financial well-being rooted in cultural values. This article highlights three Native CDFIs and a national Native CDFI intermediary to exemplify their active resilience during the COVID-19 pandemic and how they created opportunities that will exist far beyond pandemic times.

Key Words: COVID-19 Pandemic, CDFI/Community Development Financial Institution, Native/Indigenous, Hawaii, Resilience, Economic Response

Introduction

Native people survived colonization, genocide, forced removal, boarding schools, and religious persecution among many other tragedies (Smith, 2012; Littlemoon and Ridgeway, 2009; Bodley, 2008; Tucker, 2007; Lynn-Sherow, 2004; Vogel, 1972). Yet despite historical trauma, they have remained resilient towards modern systemic racism and injustice. Generally, Native[i] communities are vulnerable and underfunded which results in the continued marginalization and undervaluing of these communities by mainstream communities and governments. When economic distress, national tragedies, and natural disasters arise, indigenous communities are disproportionately impacted (Doshi et. al., 2020). Not only does a disaster like the COVID-19 pandemic create deep wounds, but combined with the regular lack of access to capital, health services, and basic necessities that indigenous communities face, turns a situation like this into an unbearable force. This situation is compounded by the fact that Native communities are often overlooked regarding to access to and providing emergency relief funds. Native communities are resilient; during these especially trying times leaders, organizations, and individuals are working towards recovery. One subset of those working towards resilience, recovery, and justice are Native Community Development Financial Institutions (Native CDFIs). Native CDFIs have always worked diligently, and even more so during the COVID-19 pandemic, to influence and cultivate economic development and financial well-being rooted in cultural values. This article highlights the work of Native CDFIs in the face of the COVID-19 pandemic in order to support their communities and Native people as a whole.

Native CDFIs: Cultivating Economic Development and Financial Well-Being Rooted in Cultural Values

The Native CDFI movement was born out of a need to serve disadvantaged communities and families who are often excluded from and discriminated by the mainstream banking and community development world. Native CDFIs are mission-driven and community-based lenders and educators that have a longstanding reputation for providing loan products and financial services to Native communities throughout the United States. Taking a holistic approach to lending, these organizations build relationships, rather than merely processing transactions, with the individuals and families they serve. They are driven by the needs in their communities and inspired by the resilience, capacity, and dedication of their people.

Currently, there are 70 certified Native CDFIs (through the US Department of Treasury – CDFI Fund) and 20 emerging Native CDFIs in the United States, US territories, and sovereign Native nations within US boundaries. Disadvantaged, rural, and low-income communities are often challenged by the realities of living in banking deserts; community members are unbanked or underbanked and often cannot access capital to buy a home, establish or build credit, or start or expand a business (Board of Governors of the Federal Reserve System, 2019).[ii] Even when these groups do apply for loans, they are often denied outright, or they are given higher interest rates. This leads to communities of unbanked and underbanked individuals, a distrust for mainstream banks, and an environment ripe for predatory lenders (Fay, 2017).[iii]

As culturally- and community-based organizations, Native CDFIs are representative of their target markets and understand the cultural, spiritual, geographical, and social environments that their clients operate in, which in turn allows them to provide services that align with community and cultural values. From the time an individual inquires with a Native CDFI, they are provided with personalized services and financial counseling, regardless of their intention to obtain a loan. Although many clients are looking for a loan, a CDFI's work is based on building the financial capacity and wellness of its clients. CDFIs also then work diligently to ensure that a client who needs a loan is supported through the entire process. In the traditional banking world, people who do not qualify for a loan simply do not qualify. Then, literally and figuratively speaking, "the buck stops here." They are not provided with the technical assistance and support needed to become loan ready. Conversely, Native CDFIs are dedicated to building financial, homeownership, and entrepreneurial capacity by assisting clients for the long haul, staying flexible, and overall supporting long-term economic resilience and opportunity for the communities they serve.

Native CDFIs: Continued Resilience During the COVID-19 Pandemic

The COVID-19 pandemic has created and exacerbated economic crisis around the world. However, this is especially disastrous for Native communities (Mineo, 2020). Native populations are the least likely of any demographic group to have emergency savings, least likely to be banked, and least likely to have access to a financial institution (Dewees and Mottola, 2017). Yet, they are most likely to be entrepreneurs without the appropriate infrastructure such as basic utilities, broadband access, culturally appropriate trainings, and small business start-up and development centers (Oweesta Corporation, 2020). Because of this continued marginalization, Native entrepreneurs experience difficulties accessing federal programs like Small Business Administration (SBA) loans and the Paycheck Protection Program (PPP), creating more demand for Native CDFIs as a primary capital resource (Oweesta Corporation, 2020).

A survey conducted in partnership between the Center for Indian Country Development (CICD) at the Federal Reserve Bank of Minneapolis and the National Center for American Indian Enterprise Development (NCAIED) found that even though 59 percent of respondents (Native small business owners) had not yet laid off or furloughed any employees, just 36 percent applied for a PPP loan (Feir et al., 2020). The CICD-NCAIED results also noted:

> "Many businesses faced challenges in accessing credit: only 1 in 3 survey respondents reported having a strong or very strong relationship with their lender prior to the pandemic. While additional research is needed to understand the extent to which tribal businesses accessed and are benefiting from the PPP, survey results underscore the initial concerns that the PPP may have challenges in reaching Indian Country."

Native communities are located largely in isolated and rural environments with minimal access to healthcare, poorly constructed homes, and overcrowded, multi-generational living situations. These conditions heightened the spread of COVID-19 for some communities (Mineo, 2020). Additionally, the service industry suffered from the impacts of COVID-19, an industry that provides over 30 percent of tribal citizens with jobs, as compared to 18 percent of the total US population (Lozar et al., 2020).

Since their inception, Native CDFIs have worked towards resilience and prosperity in response to a myriad of social, financial, and economic disadvantages. Even before COVID-19, many Native CDFIs already offered emergency and debt consolidation loan products, foreclosure prevention, homebuyer readiness education, and small business support services, among others. The role of CDFIs and their structure have uniquely positioned their COVID-19 response by allowing them to be flexible to meet the needs of their clients and communities through procedures such as restructuring and modifying loans or completely shifting to offer grants. Where they see a need, they work diligently to provide an opportunity.

There is a wealth of examples of how Native CDFIs have adapted and responded to serve their communities despite the COVID-19 disaster. Below is a brief snapshot of what several Native CDFIs and Native CDFI networks are doing to remain resilient in the face of global adversity. Then, three in-depth case studies are provided. This information was collected through direct communication with the following organizations.

- Nimiipuu Community Development Fund (NCDF), a Native CDFI based in Idaho, has disbursed $135,000 in loan capital to tribal government and tribal enterprise employees during COVID-19. In their applications, employees reported increased difficulty in affording their cost of living due to some household members not working and kids staying at home. They redesigned their loan product this year to help with debt consolidation and other needs perpetuated by uncertainty.
- Tiwa Lending Services (Tiwa), serving the Isleta Pueblo, has worked to accommodate its tribal members during the pandemic by offering emergency loans, modifications to mortgages, allowing consumer loan clients to skip a payment, and not reporting late payments to the Credit Bureau. The Pueblo of Isleta Housing Authority received CARES Act monies, and because of this, was able to help one of Tiwa's borrowers catch up on their mortgage payment. Further, Tiwa has continued to provide homeownership counseling and loan closings via Zoom.
- NACDC-Financial Services (NACDC) is doing its best through the COVID-19 pandemic to ensure potential and current borrowers are successful. Although working remotely, it is still fund raising and has dispersed 88 loans totaling $992,099. The greatest benefit during this challenging time is the partnerships it has established that will provide support long after the 2020 hurdle is overcome.
- Since launching its consumer relief loan in May, Wisconsin Native Loan Fund (WINLF) has received 55 loan applicants totaling $490,119 and has disbursed seven loans totaling $27,057. WINLF, although not hit as hard as others by the COVID pandemic, is concerned that the people who truly need relief may not realize help is available to them.
- Native CDFIs thrive on building partnerships and utilizing national, regional, and state networks made up of Native CDFIs and thought leaders to share best practices and support (Northwest Area Foundation, 2020). The Mountain | Plains Regional Native CDFI Coalition, made up of ten Native CDFI members, was born in March 2020 to better position themselves to respond to COVID-19 with "a longer-term vision for regional capacity building, specifically related to agriculture" by collaborating and leveraging their efforts (Four Bands Community Fund, Inc. et al. 2020, 3). The coalition banded together in early April to conduct 3 studies to better understand the possible impact of COVID-19 on their clients in order to fundraise and develop programs and services to serve their clients. In their region they estimated a total wage loss ranging from $284 million to $913 million with an estimated loan capital need of $2.45 million (Four Bands Community Fund, Inc. et al. 2020).
- The Wisconsin Indian Business Alliance (WIBA), a coalition of three Native CDFIs in Wisconsin (Wisconsin Native Loan Fund, First American Capital Corporation, and First Nations Community Financial), has collectively deployed $4,440,513 in loans, served 2,262 Native individuals and families, assisted 526 businesses, and contributed to the creation/retention of 129 jobs. Additionally, WIBA has disbursed $670,000 in $2,500 business stimulus grants through Wisconsin Economic Development Corporation's Ethnic Minority Emergency Grant (EMEG) initiative.

- Looking forward to recovery, the unprecedented social, financial, economic, and health damage associated with the COVID-19 crisis creates an uncertain future. The American Indian Chamber of Commerce of Wisconsin and First American Capital Corporation (AWCCW-FACC) are currently working to recapitalize the funds available to lend, and to expand staff to resource-up so it is positioned to remain a reliable, nimble, relevant, and resilient Native CDFI business resource throughout the COVID-19 crisis.

Case Studies

As seen through the examples above, Native CDFIs across the nation have been working diligently to continue providing capital and education to assist Native communities that have been disproportionately impacted by the COVID-19 pandemic.

The following case studies have been developed to further explore the innovative and successful programs and products that Native CDFIs have implemented and enhanced. The organizations highlighted here were chosen to tell the story of resilience in a region – Hawaii – as well as with a national intermediary lender. The data and stories showcased were collected through interviews with leadership, media and press releases, and the Opportunity Through Impact System (OTIS), a shared Native CDFI data collection and reporting system.[iv]

Hawaiian Community Assets: Emergency Loans and Using Data to Influence Public Policy and Attract Funding

Hawaiian Community Assets (HCA) is a 501(c)3 nonprofit and HUD-approved housing counseling agency that offers comprehensive housing and financial counseling and training services rooted in traditional economic practices and cultural relevance. Through HCA's nonprofit Native CDFI, Hawaii Community Lending (HCL), it provides loan products including credit builder and repair, social enterprise, and emergency loans.[v] HCA was founded by Kehaulani Filimoe'atu and Blossom Feiteira in 2000. Native Hawaiians are not a federally recognized tribe and in Hawaii, the native Hawaiian home lands (trust lands) are managed by the state Department of Hawaiian Home Lands (DHHL) (Office of the Secretary, Interior, 2016).[vi] As of September, 2019, over 28,000 native Hawaiians were on the waiting list to access their own home lands and the numbers continue to grow (Fujii-Oride, 2019). On the waitlist for over 30 years, Kehaulani and Blossom finally got called to qualify for a lot to build a home and were denied because they did not have enough savings and their credit scores were inadequate. Leaving in complete disbelief, they wondered why they had not been told to prepare to qualify for homeownership and a land allotment, why they did not know what the qualification process looked like, or even how to qualify. However heartbroken, they saw this as an opportunity to support their community and provide much needed homeowner readiness and support services.

According to Jeff Gilbreath, Director of Lending for HCL, in 1999 Kehaulani and Blossom went door to door and talked to homeowners who lived on homesteads and compared the data to those who did not. They found that native Hawaiians on homesteads had at least a 2 percent interest bump on their mortgage loans. So, even when native Hawaiians were qualified for a mortgage, they were being approved at higher interest rates. This predatory practice, known as redlining, has been denying people of color of homeownership and capital opportunities for decades (Board of Governors of the Federal Reserve System, n.d.). Kehaulani and Blossom took this information to the Federal Reserve of San Francisco during a public comment period. It found in their favor that Bank of America owed the native Hawaiian people $150 million in mortgage financing (Parachini, 2019). Bank of America still has not fulfilled its entire obligation and has argued it should not be required to provide any more. Gilbreath said HCA and HCL have remained committed, stating "we know what we have done in brokering mortgages and we know that we can do more to help reach this commitment. Let's be a good partner and make sure families get the access to the capital they need." All this to say, HCA and HCL were developed out of the need for economic equity and social justice. The pandemic provided a situation to enhance these practices and continue the mission in innovative ways.

Gilbreath stated that from late 2019 through early 2020, the organizations were in the process of preparing for organizational growth. With six full-time staff at HCL, it believed it was equipped with the capacity to take in upwards of $5 million in loan investments from various sources. However, when COVID-19 hit Hawaii, those investors pulled out because they believed their funds should be used for relief grants instead of loans.

Gilbreath also noted that in March, 2020, HCL saw a 400 percent spike in loan applications for its emergency loan product (initially launched in 2018), but its debt consolidation loan product did not have the capital to meet the demand. HCL successfully deployed its available loan capital at the beginning of April, and was getting noticed by various county leaders. Kauai County and its partner Hawaii Community Foundation reached out to HCA and HCL to offer support via an emergency loan product. Soon after, Hawaii County heard about it and wanted to do something similar.

According to a media release from HCA, it quickly created the Hawaii County Emergency Resilience Loan Program. This allowed it to reach 85 households – 242 children and adults – who had lost income due to COVID-19. The emergency loans were as large as $5,000 with zero percent interest and every borrower was provided with financial counseling. A total of $251,900 was deployed with an average loan size of $2,694.

Lahela Williams, Executive Director of HCA, stated:

> "Program data cited that a disproportionate number of women, Native Hawaiians, Pacific Islanders, African Americans, and Native Americans applied for the emergency loans, demonstrating the uneven economic impact COVID-19 is having on females, Native communities, and people of color in the local workforce."

Overall, 71 percent of all borrowers were female, 47 percent were self-employed, and 60 percent were renters. Nearly 50 percent were Native Hawaiian or Pacific Islander.

Gilbreath indicated that "the data reports through OTIS allowed not only for streamlined reporting to our funders, but also to influence public policy to ensure COVID resources reach our most impacted populations – Native communities, communities of color, and women." Due to the loan programs' success, county and state officials were motivated to replicate the model at the state level with CARES act money. Recognizing the disproportionate economic impact of COVID-19 on women, Hawaii County Councilmember Ashley Kierkiewicz introduced a resolution to the County Council supporting and urging equity, inclusion, and social and economic justice principles into COVID-19 related recovery initiatives for Hawaii County. The Council passed the resolution unanimously and HCA was officially appointed to run CARES Act programs for Hawaii Island. It was awarded $8.5 million.

This program, Hawaii County Rent and Mortgage Assistance Program (RMAP), serves Hawaii Island and was launched in August, 2020. It is funded through CARES Act monies from the County of Hawaii. The six non-profit partners administering this financial assistance throughout Hawaii Island include HCA/HCL, HOPE Services Hawaii (HOPE), Hawaii First Federal Credit Union (HFFCU), Neighborhood Place of Puna (NPP), Hawaii Island Home for Recovery (HIHR), and Habitat for Humanity Hawaii Island (HFHHI). RMAP provides rent or mortgage payments of up to $2,000 per month from March through December, 2020, to applicants who have been impacted directly by COVID-19.

Within three weeks of the RMAP launch, 338 households were approved with $1.3 million of the $8.5 million disbursed. According to Gilbreath, "[the coalitions of partner organizations] are on track to spend $7.25 million and assist 1885 households by November 30th, 2020. For HCA/HCL alone, we have approved 59 of the 338 overall program households and disbursed $200k of the $1.3 million."

Williams also stated in the media release, "As the COVID-19 economic crisis persists it will be important for all of us to continue to come together to create real, community-led public-private partnerships like this so we can get dollars out to our people as fast as possible for response and recovery." According to Gilbreath, this energy and response caught the attention of those original investors who had pulled out and they are now looking to invest in HCA and HCL for recovery relief. Additional organizations are now looking to fund HCA's and HCL's efforts as well.

Council for Native Hawaiian Advancement: Emergency Financial Assistance Grants for Families and Online Marketplaces to Support Local Businesses and Artists

The Council for Native Hawaiian Advancement (CNHA), founded in 2001, is a 501(c)3 nonprofit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians.[vii] CNHA is a member-based organization with a national network of Native Hawaiian organizations and a strong voice on public policy and advocacy for Native Hawaiian people. CNHA offers capacity building services and leadership development to its members through training and technical assistance. Its charitable arm, Hawaiian Way Fund, assists Hawaiian nonprofits and community organizations. CNHA is also actively involved in census engagement to ensure all Native Hawaiians are counted. Additionally, CNHA runs the Hawaiian Trades Program that provides workforce development in areas such as carpentry, solar, electrical, police, firefighting, and commercial drivers licensing (CDL). According to CNHA's website, since this program's inception in 2019, CNHA has successfully supported over 160 students.

In addition to being a highly successful nonprofit, CNHA is a Native CDFI and a HUD-approved housing counseling agency that delivers access to capital, financial education, and individualized financial counseling. Its loan products include interim construction, micro-business, small business, non-profit, and debt consolidation.

In January, 2020, prior to the COVID-19 pandemic, CNHA was funded by the Office of Hawaiian Affairs (OHA) to implement the Kahiau Community Assistance Program (i.e., Kahiau Program) to provide one-time emergency financial assistance grants to Native Hawaiian beneficiaries facing hardship due to an unexpected crisis. Recognizing that Native Hawaiians were faced with emergency-level hardship, CNHA was making moves to provide financial stability for these families before COVID-19 struck. Funds can be used to pay mortgage, rent, or utilities. The timing of the Kahiau Program could not have been more "perfect." According to Kuhio Lewis, President and CEO of CNHA, when COVID-19 hit, the Kahiau Program was still in operation, and more funders further supported the program in late May. As of September, 2020, the Kahiau Program was still in operation. Thus far, it has received over 3,500 applications and disbursed $670,000 to 520 households.

According to Lewis, on April 2, 2020, CNHA also launched the Hoʻāla Assistance Program (i.e., Hoʻāla Program) to provide emergency financial grant assistance to Hawaii residents facing hardship due to COVID-19. The Hawaii Resilience Fund seeded the program with $300,000 to be dispersed to households in amounts up to $1,000. Within 10 hours, the program had received over 2,000 applications, depleting the funds, which forced CNHA to deactivate the application. However, quickly recognizing the success and demand of the Hoʻāla Program, in late May the City and County of Honolulu appropriated an additional $25 million to it. As of September, 2020, the Hoʻāla Program is still active and has received over 4,200 applications and has served 1,570 households providing a total of $1,870,000.

In addition to the two emergency grant programs, CNHA and its partners Hawaii Tourism Authority and Hawaiian Airlines, along with many sponsors, implemented the Pop-Up Mākeke in response to COVID-19. This was intended to help Native Hawaiian business owners and artists by hosting an online marketplace for customers to access local products. "We initially launched the Pop-Up Mākeke on April 1st in response to the statewide stay-at-home order and the cancellation of events statewide, including our largest hula festival – the Merrie Monarch Festival," explained Lewis. He continued, "We closed the Mākeke at the end of May, once the stay-at-home order was lifted. Unfortunately, COVID-19 cases in Hawaii spiked, forcing us into another stay-at-home order." This prompted CNHA to relaunch the Pop-Up Mākeke which is scheduled to run from October through December,2020.

According to Lewis, the Pop-Up Mākeke has supported 101 vendors and raised $324,000, with just under 11,000 items sold. This supported those artists who often depend on a portion of profits from tourists, where according to Lewis, 34 percent of Pop-Up Mākeke customers were outside of Hawaii. As seen in a video[viii] highlighting its success, one local artist stated "it really helped me a lot because it paid for at least two months of my rent and more." A local business owner also indicated that it "helped us keep [our] small business afloat." Incorporating emergency grant programs and a successful online marketplace into the existing supportive services that CNHA already provided, it further solidified their commitment to uplifting Native Hawaiians throughout the state.

Homestead Community Development Corporation and Loan Fund: Homestead Units for Self-Quarantine – An Emergency Loan Product for Homesteads

The Homestead Community Development Corporation (HCDC), founded in 2009, is a Hawaii based non-profit primarily serving native Hawaiians eligible, state-wide, for a land allotment under the Hawaiian Homes Commission Act (HHCA) of 1920. HCDC is comparable to a tribal housing authority and tribal loan fund, as its board of commissioners is appointed by the Sovereign Council of Hawaiian Homestead Associations (SCHHA), formed in 1987, a self-governing organization of elected leaders serving enrolled members statewide, and members residing on the continent awaiting their land award.

The HCDC mission focuses on affordable housing, economic prosperity, and capacity building on or near the trust lands of the native Hawaiian people. Similar to tribal nonprofits and corporations, HCDC has deployed successful social enterprise strategies leading to a campground, an open air market, a certified kitchen space, a youth center, and a solar form facility. An enterprise center, as part of its economic development mission, empowers artisans, micro businesses, families and individuals on or near the trust lands of the HHCA.

To advance its affordable housing mission, HCDC operates its Hawaiian Lending & Investments loan fund (an emerging CDFI), providing access to capital to repair and renovate aging housing stock on trust lands, assisting families in financial services, and delivering savings match programs, and in 2020, HCDC partnered with 1st Tribal Lending to increase access to HUD 184a mortgage financing dedicated to Hawaiian trust lands. In addition, HCDC has developed 22 single family homes under a modified self-help program on two islands, all on trust lands to facilitate homeownership by low- and moderate-income allottees. Currently, HCDC is in escrow on the first-ever acquisition of a six-unit apartment complex in the town core of Lihue, on fee simple lands to begin its journey to develop, own and operate affordable rentals on all islands. Simultaneously, HCDC is in preliminary development stages of constructing 20 affordable rental units on trust lands, serving young men and elders in one-bedroom and studio rental units in the rural homestead of Anahola.

Since the onslaught of the COVID 19 pandemic in April, the common cultural practice of multi-generational families sharing a single-family residence on trust lands, has become a health threat to high-risk family members, especially *kupuna* (elders).

According to Robin Danner (2020), Executive Director of HCDC:

> "One of the most notable problems is the reality of overcrowded and multi-generational families on the homesteads. Prior to the pandemic, it was certainly an inconvenience; a statistic supporting a greater push on the state to issue thousands more in homestead awards. Since the pandemic, it has become far more than an inconvenience."

The danger the pandemic posed on *kupuna* and at-risk family members in these overcrowded households called for immediate action. In direct response, HCDC developed a loan product for homestead families to finance and install 10x12 foot self-quarantine backyard units for protection. The Homestead Unit Self Quarantine (HUSQ) loan provides between $2,000 and $7,500 in financing with affordable payments between $90 and $138 per month. According to Danner (2020), in just the first five days of the HUSQ program launch, it received more than 40 inquiries. As of September, 2020, the HUSQ program was still accepting applications. Serving families on Kauai, Maui, Hawaii Island, Oahu, and Molokai, $90,176 in loan capital was deployed from July to October, 2020.

When the pandemic is over, these quarantine units can be repurposed in a variety of ways. Faisha Solomon, Deputy Director and Loan Fund Manager of HCDC, stated: "I was raised on homesteads. I don't know many families in my homestead that wouldn't benefit from a simple unit, whether it's used now to keep family members safe, and next year to be a hobby or sewing room, or for fishing equipment." These units have the potential to be converted into tiny homes as rentable units for extended families to increase communal income for native Hawaiian householding, therefore providing a long-term economic impact for recipients.

HCDC has supplemented the HUSQ loan product by researching the development of a Septic System Upgrade loan product by the end of 2020. This would ensure that HUSQ units that make sense as permanent living space, are accommodated while upgrading older cesspool systems to more environmentally responsible septic systems, across the state on trust lands.

Innovative loan products like HCDC's HUSQ loan not only support these communities during times of tragedy and crisis, but also offer lasting impacts and opportunities that can be further leveraged through recovery.

Oweesta Corporation: Native CDFI Intermediary and Partner

Oweesta Corporation (i.e., Oweesta) is a national Native CDFI intermediary that provides loans, technical assistance, training, and research assistance to Native CDFIs such as illustrated in these case studies, as well as many others across the country. In 2019 the organization celebrated its 20th year. Its mission is to provide opportunities for Native people to develop financial assets by assisting in the establishment of permanent institutions, with programs contributing to economic independence and the strengthening of sovereignty.

Krystal Langholz, Chief Operating Officer at Oweesta, described resistance and response as "business as usual" for Native communities. Resilience has been "the mantra of the Native CDFI movement." Much of this resilience can be witnessed through Native communities continued survival of systematic inequalities. Langholz affirmed: "Native CDFIs and Native nonprofits continue to persist through a structure that was designed to make the work of a Native CDFI impossible." Some of these structures include having to deal with the understaffed and complex Bureau of Indian Affairs (BIA) system, which can take years,[ix] Community Reinvestment Act (CRA) incentives being disproportionately supportive of urban lenders,[x] and philanthropy giving significantly less to Native communities.[xi] Langholz described Native CDFIs as incredibly resourceful: "They use partners like they breathe oxygen." Native CDFIs regularly use each other and their networks to share best practices and lessons learned. With help from backbone institutions like Oweesta, Native CDFIs can become better equipped to unite and collaborate to create their own models and better serve Native communities which are often shut out of capital access opportunities.

According to Langholz, Oweesta Corporation developed a COVID-19 operational plan to respond to the crisis. The core components: maintain consistent contact with its Native CDFI borrowers, take care of internal staff, and host focus group meetings with Native CDFI borrowers to discuss their needs and consider their observations from their own communities around the impacts of COVID-19. These focus groups provided the basis for developing a response.

With help from their own investors, Oweesta instituted interest forgiveness on its loans through the end of year, increased its loan loss reserve, and repurposed funds originally allocated for travel. Oweesta has made loans and grants available to Native CDFIs in response to COVID-19 and hopes to create a loan capital pool specifically for pandemic recovery. Oweesta is continuing to fundraise for this capital pool with hopes to deploy early in 2021.

Oweesta also developed working capital loans and lines of credit for Native CDFIs to access.[xii] The working capital loan concept was designed to support Native CDFIs with operating funds who are experiencing hardship due to COVID-19. Some of these funds assisted Native CDFIs which were waiting to receive grant revenue or other funding awards. The lines of credit were intended for any general lending capital needs. Oweesta encouraged organizations which received the lines of credit to launch or enhance their own emergency loan products for the communities they serve. Langholz indicated from March 1 to September 3, 2020, Oweesta had disbursed $2,876,000 to nine Native CDFIs, and there were many more in the pipeline. Most of this capital was provided to emerging and younger Native CDFIs.

In addition to capital, Oweesta has always committed to providing trainings and technical assistance. When COVID-19 hit, it pivoted its developmental service program by providing eight COVID-19 related webinars with topics ranging from self-care, restructuring of loan products, sharing best practices around innovative loan products, how to do loan write-offs, and other highly technical topics to support Native CDFIs. It also provided training around how to connect with community members online, how to use Zoom, and how to structure online trainings. As Langholz described, "our training team worked really hard on how to create an interactive training experience." Like many Native CDFIs, Oweesta further enhanced already existing forms of capital and developmental services that continue to uplift individuals, families, and organizations across the nation.

Call to Action and Conclusion

Native CDFIs are continually responsive to historically derived inequities and pressing contemporary needs. To perpetuate the spread of positive impact, Native CDFIs must continue sharing their stories and innovations. As they carefully document the information (i.e., collect the data) needed to tell their stories, Native CDFIs are also able to educate themselves on the needs of the communities they serve, refine and change their processes, attract and diversify their funding pools, and influence public policy. For future analytic efforts, Native CDFIs will benefit from collecting more follow-up information from their recipients, allowing them a deeper, more personal, understanding of how their response services have impacted individuals and their families.

These cases, with the accompanying stories, can educate the broader public on the efforts of Native CDFIs and why they are so vital for economic growth across the nation. Chrystel Cornelius, Executive Director of Oweesta, issued a statement in Oweesta's *Mobilizing for Native American Small Businesses & Families During COVID-19* publication (2020),

> "Our Native Organizations – born out of colonization – born out of the American Indian Movement – born out of pure necessity – continue to honor this leadership obligation for our people. We are vehicles of capital, community building in culturally relevant manners and have changed the economic landscape of our communities. We are all related, as a human race and with all of Creation. Indian Country needs now, more than ever partners, investors and constant believers to realize aligning capital with justice for our Native Nations."

Supporting Native CDFIs can be as simple as spreading the word. Using platforms, networks, research, and privilege to uplift the Native CDFI movement is essential. If you are reading this, it should be noted that your privilege is unequivocal, even unequitable, compared to billions of other human beings, including many community members served by Native CDFIs. Let the organizations continue their mission-driven work. Then responsive readers, advocates, community-based workers, academics, and funders can share and become a part of their incredible stories. This is but a small response to open new opportunities for communities impacted by the recent pandemic, as well as half a millennium of preceding atrocities.

Notes

i. It is common throughout Hawaii to differentiate between Native Hawaiians and native Hawaiians. Native Hawaiian with an uppercase "N" refers to all persons of Hawaiian ancestry regardless of blood quantum, whereas native Hawaiian with a lowercase "n" refers to those with 50% and more Hawaiian blood. This article differentiates this way as well as when discussing Hawaii-based Native CDFIs; otherwise generally speaking, "Native" is uppercase throughout (Office of Hawaiian Affairs, 1994).

ii. Unbanked individuals do not have a checking, savings, or money market account. Underbanked individuals may have a bank account, but also use alternative and predatory financial products such as payday loans, pawn shop loans, paycheck advances, and auto title loans.

iii. Predatory lending typically targets minority populations, people living in poverty, and elderly individuals. It is considered predatory because these institutions charge extremely high interest rates and ignore the borrower's ability to repay the debt. This creates "a cycle of debt that causes severe financial hardship on families and individuals."

iv. OTIS was developed in partnership by Sweet Grass Consulting, LLC. and Oweesta Corporation. It was originally created to support the Native CDFI industry's need for an impact tracking, data collection, and reporting system that was affordable. The system works as a network of participating Native CDFIs. Being a part of the OTIS network allows Native CDFIs to have their own separate data management systems, but sharing through a collective system means these organizations contribute to industry-level reporting. These industry-level reports assist with understanding Native CDFI demand, needs, and opportunities in order to support funding and advocacy efforts amongst industry leaders. Find more information at: https://www.oweesta.org/otis/

v. Find more about Hawaiian Community Assets and Hawaiian Community Lending at: http://www.hawaiiancommunity.net/

vi. Native Hawaiian homesteads are similar to American Indian reservations. These home lands (trust lands) were allotted through the Hawaiian Homes Commission Act of 1920, similar to the Indian Allotment Act policy era for American Indians on the continent. Because native Hawaiians are not federally recognized, these trust lands are managed by the state, rather than federally. Learn more about the Department of Hawaiian Home Lands at http://dhhl.hawaii.gov/.

vii. Find more about Council for Native Hawaiian Advancement at: https://www.hawaiiancouncil.org/

viii. Pop-Up Mākeke video can be accessed at: https://www.youtube.com/watch?v=wi4VPFtnRPs&feature=emb_logo

ix. "Lengthy waits have had crippling effects on home ownership as investors' loan offers expire or the parties otherwise become discouraged by the process and the time involved. Yet the Title Status Report (TSR) process has been dependent on BIA land title records offices only because that is where the records have been kept and no alternative process has been available" (Native Nations Institute, 2016, p. 52).

x. The Community Reinvestment Act (CRA) of 1977 was designed to lessen predatory and discriminatory lending such as redlining. Although Native communities meet the criteria to satisfy bank CRA requirements, it often excludes those populations, especially those living on tribal lands (Native Nations Institute, 2016, p. 94).

xi. The First Nations Development Institute (2018) found that of the top 1,000 foundations, less than half contribute to Native causes and organizations. Even though there has been an overall increase in foundation funding since 2006, there has been a $35 million decline in annual grant support for Native American causes and organizations between 2006 and 2014.

xii. Find more about Oweesta Corporation's COVID-19 response at: https://www.oweesta.org/covid-19/

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