Webinar Transcript for All Things CDFI: What's Ahead in 2026

April 2, 2026

Please note: This transcript is automatically generated; it will contain mistakes.

Mike:
Okay, those are two questions. Let's go to the first slide, which covers the current state of the Fund. The theme is: fully funded, but not fully functional. You're going to hear Stacy and John return to that idea as we talk through FY 2025 and FY 2026 federal budgets.

In 2025, we saw some turbulence. We buckled our seat belts and got through it. The money was fully appropriated to CDFI, and yet we are still working through FY 2025. Back in September, applicants who had submitted 2025 FA applications were notified that they had been moved to Stage 4 and could amend what they had submitted until April 10.

We worked with the credit unions whose grants we had written, and those amendments were really focused on DEI-related language. Stacy, I'll bring you in here. I think we were fully prepared for some of the changes that were going on, but you may want to expand on how we approached that.

Stacy:
Yeah, it was a little hard to tell at the beginning how much revision those grants would need. We appreciated that the CDFI Fund gave us the chance to revise them. I think it could have been much harsher than the indications they gave us.

I think the agreement they cut with the Office of Management and Budget under the current administration was that they would look for opportunities to make the grant framework less focused on the things the administration did not like. They basically told us to go back and make adjustments, but they did not give us much framework on what those adjustments should be.

As last year unfolded and we could see what the administration was objecting to in various areas, that gave us a better sense of the hot-button items we could tone down, shift, or refocus. Since race and ethnicity were an issue for the administration, we could focus on the fact that the credit union was serving a low-income population, rather than emphasizing race or ethnicity.

Would the credit union still be focused on that population? Probably, since that happened to be the group that was low income. But we took that language out of the grant so it would not raise red flags with the current administration.

We were also watching what was happening in other federal grants, and there were significant lists of terms we reviewed. We were working on that even before the credit unions moved to Stage 4.

Some of those lists included pretty hysterical things, like not referring to women or the environment. Some were hard to write around, but we were able to identify and address the real red-flag issues for the administration.

Mike:
Good. That leads to the next bullet point, which is that OMB and Treasury do not seem to have fully worked out the timeline as they move the money. John, that mystery around OMB, Treasury, and where the holdup is still remains to some extent.

John:
It does. It's a mystery and a frustration. A year ago, Mike, you and I were on the phone on a Friday. Things in Washington often happen at 5:00 on a Friday night, and this was no exception. The Secretary of the Treasury issued a very positive statement about how much he believed in the work CDFIs do and gave a real endorsement. We thought that was a major step in the right direction.

At the time, we said we were not out of the woods yet because we still needed to see the money start to flow, but it was an encouraging sign. We are still largely stuck in neutral a year later.

I will say that CDFI has had bipartisan support on Capitol Hill for as long as I can remember, going back into the 1990s. Republicans who are normally skeptical of government programs often see the value here. Members of Congress have said that if the federal government is going to spend money to address poverty, this is how it ought to do it. There is a constituency on Capitol Hill on both sides of the aisle. As Mike noted, the money was appropriated. We were very happy with what we saw. It is just a matter of breaking the logjam inside the administration.

I think OMB has been playing a role in trying to slow that process down. I don't know how else to put it.

Mike:
John, on the other side of the slide, in the fall of 2025 we had one of the longest government shutdowns, and that does appear to have affected the functioning of the CDFI Fund at a

crucial time. September 30 was a due date for recertification applications for most organizations. Thousands of applications were potentially pouring through AMIS.

We had completed our applications earlier than that to make sure they were in. CDFI leadership was in transition. During that period there was also uncertainty around CDFI staffing. Stacy, John, and I stayed in the camp that not everyone at the CDFI Fund was going to lose their job, but we do know the federal government is smaller than it was, and that has affected many agencies.

John:
Yes. I think government-wide it was around 11 percent, but NCUA Chairman Hauptman said in Senate Banking Committee testimony last month that NCUA staffing was down about 23 percent.

That does not mean CDFI is down by the same number, but it gives you a sense of the direction things are going.

Mike:
It is not a large agency. There were 102 staffers reported at the end of 2024. As we start seeing end-of-2025 numbers, it will be interesting to see how many people remain and how many positions are being filled. As we see materials coming out of the agency, a number of people now have acting titles in front of their names, so people have clearly been moving around.

Stacy:
I'll add that CDFI Fund staff did receive furlough notices at one point, and that may have encouraged some of them to seek work elsewhere. That happened around the same time as the return-to-work notice. Staff were being asked to work in person, and we heard informally that for quite a while some were working off personal hotspots just to have internet access. I do not know whether that has even been fully remedied yet.

There has been a lot of turmoil. It is not isolated to the CDFI Fund, but it is enough to cause turnover. If NCUA has lost staff, the CDFI Fund has probably lost staff too. We know they have lost staff; we just do not know how many. The people who remain are carrying extra burden right now.

Mike:
That's well put. Add to that all of the recertification applications in the pipeline and the ACR work Christine is going to discuss, and there are delays across the board. So "fully funded, but not fully functional" is a good theme.

Now to the FY 2026 budget. Remember, the federal fiscal year started October 1, 2025. They passed the budget in February 2026 after some struggle. That normally aligns with the point when we would expect the NOFA to come out, and it has not been released yet.

That is where we are right now. We are still waiting for the NOFA to be published in the Federal Register. We are ready to go, but we are still waiting for that 60-day window to start.

Stacy:
That is not too surprising, given that we have not seen OMB release the funds to the CDFI Fund. And OMB also controls the Federal Register, so that may be part of it.

Mike:
Right. Let's move to the next slide. As we think about moving forward and getting back on track, that is part of the theme.

John has been working the phones with Treasury, appropriations staff, and contacts in the House and Senate from both parties. The cryptic Treasury statement created an opening for us to parse their language. The statement suggested there was no information leaking out about the April announcement. Is that government-speak that lets us infer April may be the target timeframe?

John:
I do not blame anyone for focusing on that, because it matters to what we are doing. But to borrow from Freud, sometimes a cigar is just a cigar. It may simply mean the process at Treasury has been tightly controlled. Yes, there was an indication that April might be the month when something appears in the Federal Register. But we are now into April and nothing has appeared. I am not getting any indications from my sources about what is going to be in that posting. So maybe it just means people have been told to keep quiet, and maybe this time they actually are.

Mike:
Certainly true. We have a process ready to submit the Stage 4 grants. Under the normal process, those would have been awarded in the fall of 2025. Christine, we spend a lot of time with those award agreements, and they usually give at least a couple of weeks or months at the end of 2025, plus all of 2026, as the period of performance. We are delayed on all of that.

One thing the CDFI Fund did do with FY 2025 FA awards was announce who did not move on and provide the usual feedback on why an institution was not advancing. We have met with a number of those credit unions to walk through that process.

Stacy:

That was actually a good sign. If a credit union got to Stage 4, it was a strong indication that it had scored well enough to be in line to win. Once you get to Stage 4, assuming there are no policy concerns, the appropriation is divided among the winners. So getting to Stage 4 was a very good sign. Those applicants mainly needed to address policy concerns the administration had identified.

Mike:
Exactly. And for FY 2026, as we said, February is normally when we see the NOFA. The process runs for 60 days, which means we normally start in mid to late April. We are not there yet. Maybe April will be the month when a lot starts moving. But right now, the process has not begun.

We have a couple of questions. One is whether institutions can resubmit or reapply for CDFI status if they are eligible based on 2025 data. The answer is generally yes. Another question is about the criteria for a technology assistance grant, which I believe refers to NCUA grants. NCUA has not yet released its grant program for the year.

Let's go to the next slide. This brings us to expectations and next steps. I think we have laid out the case that the funding is there. We have done the work. A lot of what we are seeing is probably the result of lower staffing, people returning to work and getting settled, and the fact that the government is still technically wrestling with finalizing funding for the full year of 2026.

John, today it sounds like there may finally be movement on Department of Homeland Security funding.

John:
Yes. An agreement was reached yesterday between Speaker Mike Johnson and Senate Majority Leader Thune. It was essentially to pass the package that went through the Senate last weekend but had been stopped in the House. Now Johnson has agreed that maybe the House should pass that package and deal with other DHS issues in a later bill. That is positive, but the House is out until April 13. Based on the staff I have talked to, it does not sound like the House will do anything on the DHS funding resolution until they return.

Mike:
So not for another week or so. That is frustrating because everyone wants this to be over.

John, the funniest thing I saw during all of this was TMZ encouraging people to take pictures of their members of Congress on vacation.

John:

The most hilarious one was Lindsey Graham with a bubble wand at Disney. It was not made up. They were literally telling people to photograph their members of Congress on vacation. It was a different way of pointing out that these are normal recess periods, and yes, it is Easter season, but we still have people at some level going unpaid, and the struggle to finish 2026 funding is real.

Still, I think it is going to get resolved. There is reason to believe the agreement will hold and the package will be funded. Circle April 13 and 14 on your calendars, because that is when I think the House will finally pass it and send it down the other end of Pennsylvania Avenue. That is good news. DHS does not directly affect CDFI programs, of course, but I do want to jump back to appropriations.

When we worked through the appropriations process, I think you would agree that we got a CDFI funding number that was pretty close to the best realistic outcome.

Mike:
Yes. At $324 million, short of it increasing, that was near the high-water mark. I think one year it was close to $330 million, but $324 million was strong. The House had started around $274 million. The Senate work was important, and around a third of the Senate is in the Community Development Caucus. It was a great result.

John:
And the feedback we heard as that $324 million figure came together was that people feel the program works. It delivers what it is supposed to do. That is largely a tribute to the work credit unions are doing in their districts. It shows that the program delivers results.

Mike:
That is exactly right. So while we are not yet back to fully functional, April is a prime season to see progress, and communication is starting to come out.

There was a question in the Q&A that Christine addressed, but I think others may have the same one: how do we know when or whether our CDFI recertification application is approved? Christine answered that the CDFI Fund will send an official notification.

I want to add some context. When we last checked, there were over a thousand recertification applications in the queue. We know the CDFI Fund is understaffed and backlogged across programs, so it could be a while before we get resolution on recertifications. Until then, it is business as usual.

We also know the CDFI Fund is now sending decertification notices to institutions that had previously been certified but did not reapply. I do not think they are yet sending notices to those that could not apply because they did not meet target market numbers, or to those that did not certify for other reasons. Right now, most notices are going to institutions that were certified and did not reapply. That is just part of the process and was expected.

So to answer the question directly, there is likely to be a lag before you get approval or follow-up questions on your recertification application.

Christine:
I think that covers it. What they seem to be chewing through right now is the hard-line policy they set at the end of 2025: if you did not have an application in by December 31, 2025, you would be terminated. Their letters are also saying that if you are now ready to reapply, that option is open.

Mike:
Right. We are going to have slides on recertification later, so we will dig into that more. But for now, that covers where we are.

Let’s move on. This slide wraps up the FY 2025 process. The $324 million number we mentioned was a great result. John, maybe say a word about getting the FY 2027 process underway. It sounds like that process should proceed fairly normally, although election years are always a little unusual.

John:
I can only speculate to a point, but the appropriations process seems to be moving normally. The work is really done by the twelve appropriations subcommittees. The one responsible for CDFI is Financial Services and General Government, in both the House and Senate. They are holding hearings on various programs, though not specifically on CDFI, which is typical. Usually they only hold hearings on bigger-ticket items.

My point is that the wheels seem to be turning as in a normal year, whatever that means now. Unless something changes, there is no reason to think the process will be different. They will hold hearings, pass bills in the subcommittees sometime in early summer, and in theory finalize them by September 30. We just have to keep doing the work of telling our story.

To me, this program sells itself, as long as credit unions and other institutions are doing the work in their communities.

Mike:
All right. Let’s go to the next slide. This gets us into compliance and the “not fully functional” issue, especially delays in processing. Christine, maybe go to the next slide and start us there.

Christine:

We just passed the due date for the first part of reporting for most grant compliance. Along with that due date, we would usually see the Annual Certification Report, or ACR, due as well.

The CDFI Fund had been silent for a long time on when the ACR would be released. We knew the applications were not active in the system. Then, around mid-March, they announced that the report would still be required, but the application was not yet open. They said they would give 30 days’ notice once it was open, but they did not give any timeline for when that would happen.

They also have been a little vague about whether the report will follow the old format—the one we have been using for the last seven years—or the new guidelines published with recertification. So there is a lot of uncertainty.

Mike:
That gives us some room, but you and your team have been working with hundreds of credit unions to get ready. You have collected the data. If institutions are working with us, we are ready to file those reports. You will just need to confirm whether there is anything new. And if credit unions are not working with us and need help, we are happy to talk with them about the ACR process.

The ACR has really been the bedrock of the compliance schedule. It is surprising, or maybe not surprising given the broader functionality issues, that something so routine at the end of March has slipped. But the communication has at least been clear that it is still going to be required.

Christine:
Yes, that is right. When they have talked about it in webinars, the reason they gave for pausing it seems to be that they are trying to figure out what is in the best interest of CDFIs so they do not have to double-report on certain things. Whether they will actually hit that mark remains to be seen.

Mike:
The end of the first quarter is also when use-of-funds reporting comes into play. When we were preparing this webinar, you had noticed that some credit unions were not booking awards they had already won. Talk about that and why it is important to actually book the money. One sure way to make sure you truly own it is to use it.

Christine:
Exactly. About five years ago, the CDFI Fund added a requirement to all assistance agreements that organizations spend 90 percent of their initial payment in the first performance period. I think they did that because they were seeing institutions hold onto their funds because they were afraid to use them. So it became a compliance benchmark.

In 2025, we saw a lot of institutions miss that benchmark for various reasons, though usually because of uncertainty around the CDFI Fund itself.

Since it is a compliance requirement, we have to make sure institutions hit it. A number of our clients who found themselves in that situation had to go back and reopen their books. In effect, they had to restate things so the funds could be shown as used. That is a lot of work, but it keeps you in compliance.

And as you said, it helps ensure you get to keep the funds. The CDFI Fund does not want to take money back, but if it looks like the funds are just sitting in deferred income and doing nothing, they may come after them.

Mike:
That is an important point. If anyone has questions about that, we will make sure they get connected to you. It is an important part of the puzzle.

Let's go to the next slide. This is your calendar and timeline. We updated the ACR line in red to note that it is not open yet and that there will be 30 days' notice.

Christine:
This is one of my favorite tables because it tells me exactly where I will be on each due date: at my desk, submitting things. The red makes me a little nervous because we do not yet know when I need to be at my desk for that item, but we will get 30 days' notice, so we will be ready.

March 31 has now passed, so we are moving into the June 30 deadline for transaction-level reports. That is a major deadline and a lot of work. If you work with us, you may see us come back for additional data over the next few months because we go through those reports with a fine-tooth comb. Even after performance progress reports and ACR data are in, we go even deeper on transaction-level reports.

If you do not have grant reporting at the moment, I would still expect that you will need to file a transaction-level report regardless of what happens with the ACR. If you do not work with us, that is also the report you submitted for recertification. If this sounds unfamiliar, I would start looking at that now and reach out with questions.

After June, there is a little breathing room before we move into single audits, if applicable. Again, reach out if you have questions.

Then there is the SF-425, which is the unusual use-of-funds report tied to the federal fiscal year end rather than your performance period.

Some institutions got hung up on that last year. Nothing has changed. It is really just a standard report that looks at whether you have used and booked the funds, and how much, within the government's own fiscal-year close. We had some credit unions panic over it last cycle, but the key point is that it is simply asking whether you used the funds by September 30. You have only a short period to pull that together, but there is nothing unusual about what the government is trying to do. They are just aligning it with their own books.

Mike:
Exactly. We are essentially helping the CDFI Fund complete reporting it is required to do. The turnaround is only 15 days, which underscores the need to keep a separate ledger for your grant funds, and for each grant individually. That makes reporting much easier, because we do have to share those ledgers with the CDFI Fund.

Got it. Next slide takes us into CDFI recertification. The earlier question was timely. September 30 was the submission deadline for most institutions. The long government shutdown meant they could not really dig into those applications, and there may be fewer people available to work on them.

Christine, this led to a recent letter. We knew that institutions that could not recertify, often because of the 60/60 criteria, would eventually receive letters. Those letters have now started going out to institutions that could not submit by the deadline. Talk about what those letters said and how they affected institutional status.

Christine:
They really did change status. The message was quite direct: at this point, you are no longer certified. But it also said, in effect, please come back to the table. They knew the September 30 deadline was difficult, which is why they later moved it to December 31. Even after that extension, they still lost some institutions. So now they are asking those organizations to come back and reapply based on 2025 year-end numbers.

Mike:
Those applications are going in. We had predicted in earlier versions of this presentation that it would probably take until summer 2026 for them to process those recertification applications. Stacy, I think your earlier point was that we are not actually behind where we expected the CDFI Fund to be in terms of processing and asking follow-up questions.

Stacy:
That is an optimistic take, Mike, and I appreciate it. Normally, when they are actively working on recertifications, we start getting peppered with follow-up questions. To my knowledge, we have not gotten those questions yet. So I think their focus right now is on culling the herd, so to speak—decertifying the CDFIs that did not make the deadline or did not reapply last fall.

I would actually argue that this is a good thing, because if they were not doing it, everyone would be left in limbo. By resolving status, institutions can act. They can reapply, apply for a technical assistance grant, or pursue an FA grant if eligible. If they were still in limbo, they could not do any of that. So at least now people know where they stand.

Mike:
That is a fair point. There will be more to come on recertification, but right now the main development is that letters are going out to credit unions that did not or could not recertify.

Next slide. This all comes back to the 60/60 rule: 60 percent of the number of loans and 60 percent of the dollar amount of loans. There are other parts of certification and recertification, but this is where we have seen credit unions struggle, especially given the economy and the reduced ability of lower-income members to borrow or buy homes.

Home ownership has become harder, rates are still around 6 percent, and lower-income borrowers have been pushed out of that market. We have not seen rates come down much and they may remain stable or even go up. That is obviously tied to Federal Reserve policy.

Christine, we have seen some institutions that used to meet 60/60 easily start to struggle. That is where we have had to help them monitor on a quarterly basis and, if needed, look at buying up loans at year-end.

Christine:
Yes. The harder line on 60/60 is definitely more challenging, especially with the low-income targeted population rules. When they changed the marker to include family size, it became harder to project. You cannot predict it as well as you used to. Looking at it quarterly really helps institutions understand where they stand and gives them a chance to course-correct throughout the year, or to decide whether they need to purchase loans.

Mike:
Exactly. Let's go to the next slide because that is where we talk about what institutions can do. Get your loan data ready and do your homework.

Christopher, I want to bring you in here. We have been bringing more and more credit unions into quarterly lending analysis. That gives institutions a way to work with Christine's team throughout the year, right?

Christopher:
Yes, absolutely. Monitoring quarterly gives you an opportunity to course-correct. It helps you understand where your lending activity stands relative to your CDFI service areas and your low-income target market.

This past year we worked with a number of credit unions on purchasing loans to get them over the 60/60 threshold. We learned that process well. We had hoped to get it done earlier in the year, and while I am not sure we achieved that as early as we wanted, our goal is to be working on it more in the third quarter rather than the fourth quarter. We may very well see that again this year.

Knowing where you stand on 60/60 is critical. We have the ability to do that analysis. And it is important not just to run your numbers through some online system. Christine's team gives you analysis from people who do this work for hundreds of credit unions. They can make sure your data is complete. For example, did you forget a credit-card portfolio that lives in another system? That kind of detailed review matters.

So if institutions want to get started on that analysis, we would be happy to work with them.

Mike:
Next slide. For new certifications, or for credit unions that were decertified and want to come back in, the answer is yes: we would be looking at year-end 2025 lending.

Christopher, this is where you are helping both brand-new applicants and credit unions that were not able to apply by September 30 and want to try again.

Christopher:
Absolutely. That lending analysis is the key.

Mike:
Right. And for institutions that got one of those March letters and were decertified, we have paired the recertification work with a technical assistance grant. Once you are no longer certified, you can seek certification again and apply for a TA grant of $150,000.

That does not directly offset the cost of recertification, but it does provide funds to begin doing the internal work needed to get back to certification level. It matters. It is not the same as winning a million-dollar award, but it does help offset time and expense.

And now it is time to write for 2027. Christopher, I will turn it to you, because it is time to get started again.

Christopher:
Yes, absolutely. We would love to talk with you. Those of you who have worked with us before know there is a real time commitment involved. A compelling grant narrative is a six- to eight-month process. Ideally, we want to start by June. We can push that back a little, but

by September 1 we will close that class so we have enough time to give it the care and attention it needs.

That process is not just about reviewing financials and strategic goals. It is also about developing the story: what is happening in your community, and why that matters. That story is as important as the numbers and the partnerships.

Mike:
Great. Next slide. Here are the offerings. The 2025 class is closed and awaiting awards. Let's all send some positive energy toward the CDFI Fund to get those awards out the door. The 2026 class has been written and is waiting for the NOFA. Stacy, any day now, a NOFA in the Federal Register would be fantastic.

You have already touched on the 2027 class: get in touch and start planning. The funding is there. The functionality of the CDFI Fund is delayed, but we do expect them to work toward getting back on track for the 2027 cycle. That is important.

I am going to bring Stacy back in. The small dollar loan program has been a little confusing, so Stacy, can you address that?

Stacy:
Sure. The CDFI Fund made the small dollar loan grant program a pilot, concluded that it was a successful pilot, and then turned it into a regular grant program with a dedicated appropriation.

The group at the CDFI Fund that administers it is terrific, but very small. They decided to offer the grant every other year. Last year was supposed to be one of those years, but because of the government shutdowns and broader turmoil, the program was not offered.

So now the question is: once the CDFI Fund has its money in hand, will it open the SDL program later this year, or will it wait until next year?

Logically, it seems like they would open it this year if they had the funds in hand. But they also have to administer the FA and TA programs and a host of other programs that were also stalled, not just the ones credit unions use. There is the Bank Enterprise Award program, the tax credit programs, and others. Most were slowed by the delay in funding. So the Fund will have to decide what its priorities are and what comes first.

My sense is that the SDL program has fewer participants and probably is not as high a priority as the FA and TA programs. But I do not know whether that means they can get it out this year or whether it will get pushed to next year.

Mike:
We had a question from Stephanie Redmond. For new certifications, her credit union was approved in June 2025 and has now reached the final level of approval. The language they are seeing is that Treasury is working to ensure the CDFI certification agreement aligns with the administration's priorities and directives. That sounds related to the DEI language Stacy referenced earlier.

Christine, do you want to speculate a little? It sounds like they are close, but not quite at the finish line.

Christine:
Yes and no. We really have not heard of any movement since that February communication. From experience with the CDFI Fund, any time they have to go back and review an assistance agreement, it usually takes three to six months because it has to go through legal review. That timing comes more from grant assistance agreements than certification agreements, but it gives some context.

They may have been working on it before that February communication and just have not come back to it yet. They really have not been clear on what it means in practice.

What I can add for Stephanie is that she is not alone. The credit unions we have worked with to get certified during this strange interim period are in the same position. They have gotten the same messages and still do not have their final paperwork.

Stacy:
It would not surprise me if the CDFI Fund is updating both certification agreement language and grant agreement language. It is not so much that those documents contained what the administration would call "woke" language, but they did reference other statutes that organizations must comply with—for example, the Buy American Act and other standard provisions. That is probably the kind of language Treasury attorneys are reviewing to make sure they are comfortable with everything in those agreements.

Mike:
Okay. Next slide: executive search. One thing many of you will be hearing from me about soon is succession planning and community development talent.

We know how important the C-suite is for our credit unions, especially those in the CDFI and broader community development space. We will be helping with executive searches, and we want you to think of us when you have an opening. We are nimble, we have a strong network, and we can help you develop and execute a search efficiently.

As you think about CEO transition planning, we want to be part of that conversation. We know many credit unions have invested significant time, money, and effort into CDFI and community development work, and they do not want to lose that momentum. So whether you are looking for a CEO, CFO, or CLO, we want to help you find candidates who can come in already understanding this work and help accelerate it.

So watch for emails from me soon to set up times to talk about that.

And I think that takes us to the end of our time. It is just after 12:00. Thank you, everyone, for joining us for this CDFI update. A special thank-you to John for joining us, and to our team: Stacy, Christine, Christopher, and the people working behind the scenes.

We always look forward to doing these webinars, and I expect we will be doing another one, because I think a lot is about to start moving at the CDFI Fund. You will see us back as soon as we can with more information.