



MINNESOTA
CDFI COALITION

CFO & Financial Leader Conversation

October 2, 2026



Today's Conversation

- **Welcome & introductions** – meet our financial leaders
- **Setting the Stage** – landscape for CDFIs
- **Hot Topics for Financial Leaders** – capital, growth, and the trade-offs financial leaders navigate
- **Open discussion** – your questions for the panel



Setting the Stage

The 2026 landscape for community development finance



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The State of the Industry

- **~1,500 certified CDFIs** managing more than \$450 billion in combined assets nationwide¹
- **\$8 leveraged** in private capital for every \$1 of federal CDFI Fund support
- **Demand outpaces supply** – many small, under-resourced lenders serving growing need¹
- **A maturing sector** – greater scrutiny on financial strength, self-sufficiency, and sustainability
- **Rising expectations** – funders, investors, and regulators want cleaner data and measurable outcomes



Federal Funding: Stability Meets Uncertainty

What's stable

- **\$324M** level funding for the CDFI Fund enacted for FY 2026 with bipartisan support²
- **NMTC made permanent** at \$5B/year – long-term certainty for the industry^{4,5}
- **Strong advocacy** from OFN, the CDFI Coalition, and industry partners²

What's uncertain

- **Disbursement delays** – FY25 awards slow to move from appropriation to award³
- **Program restructuring** – proposed shift toward a Rural Financial Assistance focus³
- **Recertification backlog** and evolving application / compliance language³



New Role of the CFO

- **Strategic Catalyst** – the CFO is now the board and CEO’s key strategic partner, driving cross-functional initiatives, partnerships, and technology decisions
- **Strategic Forecasting** – today’s CFO looks forward more than back, tracking economic uncertainty, federal policy shifts, and fluctuating capital costs
- **Balancing Mission & Profitability** – aligning financial performance with social impact by funding programs while maintaining fiscal health
- **Financial Stewards & Strategic Innovators** – ensuring compliance and managing risk while driving growth that stays true to the community mission



Hot Topics for Financial Leaders

Capital, growth, and the trade-offs financial leaders navigate



Economic Uncertainty and Regulatory Demands

- **Economic Uncertainty**

- Persistent inflation and rising interest rates affect funding costs, loan repayment patterns, and budget predictability
- Pressure is compounded by reliance on volatile public and private funding streams
- Supply chain volatility

- **Regulatory Demands**

- More complex regulatory landscape
- Accurate reporting for federal grants
- Compliance with lending standards and loan-loss reserve requirements
- Greater reliance on external auditors



Capital, Liquidity & Growth Trade-offs

- **Funding Stack** – reduce reliance on any single federal, bank, or philanthropic source. If unrestricted grants decline, what part of the business model must change?
- **Cost of Capital** – higher-for-longer rates pressure net interest margins and pricing. What do you do when the capital available to you is too expensive for your business model?
- **Liquidity Discipline** – manage the gap between award timing and deployment needs. How much liquidity are you willing to use to hit deployment goals?
 - *Emerging tools: CDFI Bond Guarantee Program and the Liquidity Enhancement Pilot*
- **Growth vs. Strength** – build unrestricted reserves to absorb risk and enable growth. When does growth actually weaken a CDFI?



Technology & AI Adoption

- **Early adoption** – about one in three CDFIs regularly use general AI tools like Copilot and ChatGPT⁶, and adoption is climbing fast
- **Where AI helps** – automation and predictive analytics mostly improve risk assessment and operational efficiency
- **Where it doesn't (yet)** – only a small share uses AI in loan underwriting or processing⁶ — protecting borrower data and keeping the credit decision human remains critical
- **Security first** – managing cybersecurity risk and data privacy remains a top priority for finance teams



Impact Reporting & Data Readiness

- **Board-level priority** – data management and integration is becoming a top governance concern
- **Tell the financial story** – connect dollars deployed to jobs, housing, and businesses
- **Demonstrate sustainability** – align performance reporting with investor and donor expectations
- **Data readiness is the foundation** – clean, consistent records enable every next step



Open Discussion

Your questions for our CFOs and auditor



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Let's Talk: Capital & Growth

- **Funding** – how are you diversifying beyond federal dollars?
- **Liquidity** – what keeps you up at night about cash and timing?
- **Structure** – how do you weigh PRI versus unrestricted funding?
- **Growth vs. capacity** – are CDFIs growing faster than their infrastructure or financial capacity can support?



Let's Talk: People & Risk

- **Leadership** – what does the CFO of the future look like for your CDFI?
- **Key-person risk** – what are the signs that an organization has significant key-person risk?
- **Recurring concerns** – what are you seeing repeatedly across CDFI clients that concerns you?
- **Talent & capacity** – where are CDFI finance teams getting stretched or falling behind?
- **Balance-sheet health** – what weaknesses are becoming more common, and what are financially strong CDFIs doing differently?
- **Enterprise risk management** – how do you connect financial, credit, and operational risk views?



Sources & References

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3. **CU Strategic Planning** — “CDFI Fund Update 2026: What Credit Unions Need to Know Right Now” (Apr. 2026). FY25 disbursement delays; recertification backlog; program restructuring. <https://www.custrategicplanning.com/post/cdfi-fund-update-2026-what-credit-unions-need-to-know-right-now>
4. **Funding Landscape** — “Opportunity Zones and New Markets Tax Credits in 2026: The OBBBA Made Both Permanent” (Feb. 2026). NMTC permanent at \$5B/yr; OZ/NMTC stacking. fundinglandscape.com/answers/opportunity-zones-new-markets-tax-credits-2026
5. **CDFI Fund (U.S. Treasury)** — New Markets Tax Credit Program award announcement (Dec. 23, 2025). \$10B double round (2024–2025); 20% increase in rural/non-metro; new allocation-agreement terms. cdfifund.gov/programs-training/programs/new-markets-tax-credit
6. **FUND Consulting (FUND CI)** — “From Curiosity to Capacity: Insights from CDFIs” AI Readiness Survey (Mar. 2026, 104 respondents). ~32% regularly use general AI tools; limited use in underwriting/lending. fundconsulting.com – *Preparing for AI (2026)*

Figures reflect publicly reported industry data as of early 2026 and are provided for discussion purposes; confirm against primary sources before citing externally.

