



June 12, 2017

Secretary of Agriculture Sonny Perdue
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

RE: USDA FSA Highly Fractionated Indian land loan Program

Dear Secretary Perdue:

On August 29, 2016, I submitted an application on behalf of NACDC Financial Services, Inc., a Certified Native Community Development Financial Institution (CDFI), to USDA Farm Service Agency for the Highly Fractionated Indian Land Loan Program (HFILLP) for \$10,000,000. Attached is [the December 2016 announcement](#) of our award.

NACDC Financial Services (NACDCFS), Inc., a non-profit entity, provides access to capital to Montana's seven (7) Reservations that is not readily available to them through mainstream institutions. We have been providing these services since 2010.

The HFILLP was established to provide revolving loan funds to eligible intermediary lenders familiar with Indian Country to provide loans to qualified individuals, entities and tribes to purchase highly fractionated Indian land for land consolidation.

We were honored to receive the award and in the beginning, I was told that we would borrow the \$10,000,000 at 1%. As the intermediary, NACDCFS would add a 3% spread, thereby lending the funds to borrowers for 4%.

Through emails, I was told that we we're being held to a 3.5% rate.

I'm writing this letter to request that the HFILLP interest rate be established at 1% for the following reasons:

- If we borrow at 1%, we will add a spread of 3% making the loan available to the borrowers for 4%. This is more reasonable as the Indian borrowers will have better cash flow to pay the 4% over 30 years. At 6.5%, with the 3.50 plus a 3% spread is unrealistic and unachievable for USDA FSA, NACDCFS and the ultimate recipient, Indian borrowers.
- Currently, the direct loans from USDA FSA to its borrowers are 1-2%. No

borrower is held to a 3.5% rate.

- The second round of funding for 2017 was awarded for \$10,000,000 at 1%. I request that the 2016 loan award should be equitable.

Thank you for your attention on this issue. I look forward to a positive response. I can be contacted at angiem@3rivers.net or 406-338-2992.

Sincerely,

SIGNATURE

Andrea Main, Executive Director, NACDC Financial Services, Inc.
P.O. Box 3029, Browning, Montana 59417