



August 25, 2025

Heather Hunt  
Program Manager, Office of Compliance Monitoring and Evaluation (OCME)  
CDFI Fund  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

RE: Certification of Material Events Form

Dear Ms. Hunt:

Thank you for the opportunity to comment on the Certification of Material Events Form. The Material Events Form serves as a key mechanism for credit unions to notify the CDFI Fund of significant organizational changes and help the Fund monitor continued compliance with its standards. Inclusiv credit unions are committed to maintaining strong performance and continuously deepening their impact for the members they serve. The recommendations below can support an approach to material events reporting that is both practical and rigorous, while staying appropriately scoped to areas that are truly material to CDFIs' certification and award eligibility.

#### **About Inclusiv**

Inclusiv is the leading network of credit unions with a primary mission of promoting community development and financial inclusion. The Inclusiv network represents more than 500 credit unions and cooperativas serving more than 20 million people in predominantly low-income urban, rural, and reservation-based communities across the United States, including Puerto Rico, Guam, and the U.S. Virgin Islands. Inclusiv channels capital to and builds the capacity of these institutions that are dedicated to serving low-income people and redlined and disinvested communities that mainstream financial institutions fail to serve. More than 70% (315) of CDFI credit unions are members of Inclusiv.

#### **Remove CAMELS Ratings and Adverse Findings from Material Events for Certification (#41)**

#41 on the Certification of Material Events Form lists a CAMELS rating of 3, 4, or 5 and any negative or adverse findings by a federal banking agency as material events for CDFI certification. We learned from Partners for the Common Good that they received a letter waiving the requirement to report a change in CAMELS rating or adverse findings on August 15. We encourage the Fund to proceed with waiving this requirement for all depository institutions and remove item #41 from the Material Events Form. CAMELS ratings are not a component of the CDFI Certification Application and therefore should not be considered material for maintaining certification. CAMELS ratings and exam findings are also confidential.

In prior years, the CDFI Fund has consulted with prudential regulators regarding CAMELS ratings for recipients of award programs, and this is appropriate given that the CDFI Fund has a direct interest in

the safety and soundness of CDFIs they are providing with grant awards and the Fund has not sought direct access to confidential exam data. However, requesting confidential exam data in CAMELS ratings and adverse exam findings for certification, rather than award programs, is an overreach as CDFI certification alone does not require scrutiny of asset quality, management, or liquidity and no parallel requirement is in place for unregulated CDFIs. Regulatory agencies for insured depositories already examine these institutions regularly for safety and soundness, whereas the CDFI certification is meant to reflect their commitment to community development and accountability to target markets. Maintaining this requirement in the final Form also would add to the burden of Fund staff, as even excellently managed institutions receive some negative exam findings and would be required to submit Material Events Forms. We recommend the Fund revert to its original approach and consult with prudential regulators when CDFIs receive awards, rather than requesting confidential data from all certified CDFI depositories.

### **Specify Adverse Findings Considered Material for CDFI Award Recipients (#16)**

#16 on the Form lists “any adverse finding by the Appropriate Federal Banking Agency” as a material event for recipients of CDFI awards. However, this request is vague and would likely result in excessive Material Events Form submissions because every examination will arguably produce items that could be considered adverse findings of varying materiality. We suggest specifying, “any regulatory action that would have a material and adverse impact on the Financial Analysis and Risk Evaluation associated with the CDFI award.” The Financial Analysis and Risk Evaluation asks Regulated Applicants to confirm they have a CAMELS rating of 3 or better and states that the Fund will also evaluate material concerns identified by regulators in determining eligibility. Since applicants are not asked to report their specific CAMELS rating or non-material adverse findings in the application, they should not be required to share these highly confidential items in Material Events Forms either.

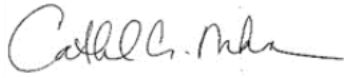
Moreover, even when CAMELS ratings are considered in the base Risk Evaluation for CDFI award program applicants, a 3 is considered an acceptable rating. Should the Fund decline to implement our full recommendation to remove CAMELS ratings from the certification section of the Material Events Form, we recommend that the Fund maintain consistency with the base Risk Evaluation’s acceptance of ratings of 3.

### **Modify Framing of Material Events in Part D**

In Part D of the Material Events Form, CDFIs are asked to, “Provide a narrative statement indicating how the organization intends to correct or address the Material Event.” The framing of this request assumes that every material event is an adverse event that needs to be remedied in some way, even though some material events are neutral, such as changes in name or executive leadership. An alternative phrasing we suggest is, “Provide a narrative statement to indicate (i) whether the Material Event will have an adverse effect on the organization's ability to comply with any CDFI Fund program awards or certifications; and, (ii) in the case of an adverse Material Event, how the organization intends to correct or address it.”

Thank you for the opportunity to comment on these important aspects of the CDFI Fund's Material Events Form. Please contact Alexis Iwanisziw, SVP Policy and Communications ([aiwanisziw@inclusiv.org](mailto:aiwanisziw@inclusiv.org)) with any questions about these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathleen A. Mahon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cathleen A. Mahon  
CEO/President, Inclusiv