

Adam Martinez  
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Via email: [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov)

December 20, 2013

Dear Adam:

Opportunity Finance Network appreciates the opportunity to comment on the Interim Rule regarding reporting changes for non-profit awardees, published in the *Federal Register* on October 31, 2013.


OFN supports the Fund's efforts to ensure awardees engage in sound financial management practices by providing an audit within a reasonable period after the close of a fiscal year. OFN's Membership review calls for audited financial statements and we believe that completing a timely audit is a best practice for CDFIs. In our own portfolio, we require borrowers to provide audited financial statements within 120 days after the close of the fiscal year, a time frame even shorter than the one the Fund has implemented.

However, we urge the Fund to recognize that in extraordinary circumstances a CDFI may not complete its audit, including securing Board approval of the audit, within the prescribed 180 days. Such circumstances could include a CDFI with multiple affiliates and an unusually complex financial structure, an audit conducted in the first year after a CDFI has developed a new or off-balance-sheet financing structure that requires extensive education for the auditor or extended review by the CDFI's Board of Directors, or an emerging CDFI's first audit. OFN's membership criteria include having an active lending and/or investing history of two or more years and one completed audit, so the experiences of our Membership may not reflect the challenges this new requirement could pose for emerging CDFIs. OFN encourages the Fund to consult with its Small and Emerging CDFI Assistance and Native American CDFI Assistance awardees to determine whether these CDFIs could reasonably comply with the new reporting requirement.

Because both mature and complex CDFIs as well as emerging institutions could occasionally face hurdles meeting this new requirement, we encourage the Fund to develop a waiver process that would allow CDFIs to provide reviewed financial statements within 180 days and/or secure an extension of the time period to provide audited financial statements.

Thank you for your consideration of these views.

Sincerely,

  
Mark Pinsky  
President and CEO