OPPORTUNITYFINANCE NETWORK®

March 30, 2026

Technology Transformation Services
General Services Administration (GSA)
1800 F St NW
Washington, DC 20405

Re: System for Award Management Registration Requirements for Financial Assistance Recipients; OMB Control No. 3090-0290; Docket No. 2026-0001

To Whom It May Concern:

Opportunity Finance Network (OFN) respectfully submits the following comments in response to the General Services Administration (GSA)'s proposed changes to the System for Award Management (SAM), which would have significant consequences across all applicants for and recipients of federal financial assistance.

About OFN

OFN is the nation's leading network and intermediary focused on community development investment, managing over $1 billion in total assets and a membership of more than 500 community development financial institutions (CDFIs). OFN's membership includes community development loan funds, credit unions, banks, and venture capital funds, many of whom leverage federal financing through the CDFI Fund, the Small Business Administration (SBA), the Department of Housing and Urban Development (HUD), and the U.S. Department of Agriculture (USDA).

OFN members channel capital into low- and moderate-income (LMI) communities. Since its founding in 1986, OFN members have originated $136 billion in financing, helping to create or maintain more than 3.8 million jobs, start or expand more than 1.2 million businesses and microenterprises, and support the development or rehabilitation of nearly 3 million housing units and more than 16,000 community facility projects in rural, urban, and Native communities across the United States. With cumulative net charge-off rates near one percent, OFN members lend prudently and productively in the LMI communities.

OFN is a certified CDFI and a seventh-time allocatee of the CDFI Fund's Bond Guarantee Program (BGP). Since 2014, OFN has cumulatively originated nearly $1 billion through the BGP, resulting in affordable long-term financing for educational facilities in rural and distressed markets at no direct cost to taxpayers.

OFN Comments

We share the Administration's interest in ensuring that federal funds are deployed in compliance with applicable law. However, we oppose the proposed certification additions related to "illegal DEI" on the basis that the vague language introduces significant legal and operational uncertainties that may have unintended consequences for capital access and economic activity in the communities that federal programs are intended to serve.

1. Unlimited Scope of Certification Makes it Overbroad and Overinclusive

The proposed certification is structured as an organization-wide attestation made at the SAM registration level and would be broadly applicable across all federal funding, regardless of target markets, geographies, or program purpose. Because the certification is not tied to specific activities, transactions, or clearly defined regulatory standards, institutions may be required to attest to compliance across a wide range of operations where legal interpretations remain unsettled or differ depending on the activity being funded. For CDFIs that operate across multiple federal programs and deploy capital through thousands of individual transactions annually, this creates an undue level of risk.

2. Compliance Burden and Inefficiencies

The scale of potential exposure, particularly when tied to broadly defined and evolving legal standards, creates a level of risk that is difficult for federal awardees to manage. Certification requirements necessitate ongoing investments in legal review, internal controls, and monitoring systems, and this vague and unclear language could significantly increase the costs of engaging in that compliance. This increased risk shifts resources away from core functions—such as lending, product development, and technical assistance—toward legal review and compliance.

The GSA's newest certification language would impose an unnecessary compliance burden on CDFIs who are working in the most distressed areas with thin margins. CDFIs operate under a community-first model that prioritizes access to affordable credit over profit maximization. They frequently offer below-market financing, serve non-conventional borrowers, and provide technical assistance alongside lending, all of which increase operating costs while limiting revenue. As a result, CDFIs typically do not maintain large operating margins or have buffer administrative capacity. With the support of critical government programs, CDFIs typically leverage each dollar of federal funding into approximately eight dollars of private capital, amplifying the impact of public investment. The added compliance costs would only decrease the efficiency of government funding and lower this leverage ratio.

For smaller financial institutions such as CDFIs, these costs can represent a meaningful share of operating capacity, diverting resources away from lending and community development activities. This is particularly inefficient because CDFIs operate in markets where decisions are already shaped by multiple layers of federal compliance, including requirements tied to the CDFI Fund, SBA programs, and other federal partnerships.

3. Compliance Uncertainty to Lead to Unintended Consequences

Introducing a broadly framed certification with unclear boundaries is likely to influence institutional behavior in ways that reduce participation and constrain lending activity. Uncertainty is the primary risk created by the proposed certification. This uncertainty would have downstream impacts across CDFI lending portfolios regardless of whether or not specific activities are directly targeted by the certification. This would result in reduced lending in priority sectors like manufacturing, affordable housing, small businesses, and in priority populations like veterans and rural communities.

In practice, increased compliance uncertainty, especially one that is subject to an ongoing, fluid, and potentially prolonged legal dispute, may lead CDFIs to reduce lending. This would especially affect transactions perceived as higher risk, rely more heavily on legal review, and delay time-sensitive financing in deals involving layered capital stacks and tight closing timelines. Experience from recent uncertainty around changes to CDFI Fund target market eligibility based on demographics, suggests that even perceived shifts in compliance standards can slow underwriting, shrink deal pipelines, and limit participation in higher-impact transactions, ultimately reducing the effectiveness of capital deployment.

4. Potential Negative Impacts on Housing Finance

CDFIs are often the primary providers of capital for borrowers and projects that cannot access conventional financing, including first-time homebuyers and affordable housing developments in underserved markets. In FY2024 alone, CDFI Program awardees supported more than 45,000 affordable housing units[1], and across the industry, tens of thousands of additional units are financed each year.

In affordable housing, CDFIs routinely employ place-based investment strategies to address documented gaps in access to credit, particularly in low-income, rural, and persistently underserved communities. These projects often rely on complex, layered capital stacks that include tax credits, local subsidies, and private investment and operate on tight closing timelines. But uncertainty regarding how longstanding, place-based approaches may be interpreted under evolving compliance standards threaten to slow project pipelines or deter participation in these structures. A CDFI may face uncertainty in financing a first-time homebuyer participating in targeted technical assistance or community-based programs, leading to more conservative underwriting decisions despite otherwise sound credit fundamentals.

Even modest increases in perceived compliance risk can have outsized effects by delaying closings, increasing transaction costs, or reducing overall capital availability, ultimately limiting housing production and reducing the impact of federal investment.

5. Potential Negative Impacts on Rural Communities

CDFI activities are grounded in objective measures such as income, persistent poverty, access to credit, and economic distress. Such approaches have long been central to federal policy design. From 2019 to 2023, in rural communities alone, OFN member CDFIs financed $14 billion, supporting small businesses, housing, agriculture, and community facilities. This financing created more than 11,800 affordable housing units and over 233,000 jobs, including nearly 147,000 in small businesses.

Policies that introduce ambiguity into these frameworks may have broad-based effects across underserved communities, including those defined by geography, economic isolation, and limited access to capital. For example, in rural Bell County, Kentucky, a metal fabrication company received financing and technical support from a member CDFI that targets products,

[1] US Department of the Treasury, Community Development Financial Institutions Fund, *CDFI Program FY 2024 Award Book* (2024) https://www.cdfifund.gov/sites/cdfi/files/2024-12/FY2024_CDFI_Program_Award_Book.pdf accessed 27 March 2026.

training and services to Southeastern Kentucky community members, and uses federal capital to do so. Today, the company supports local jobs, serves coal-dependent communities across eastern Kentucky, and has earned state and national Rural Excellence Awards from the SBA. Under the GSA proposal, projects like this could be threatened because it would be unclear to CDFIs whether or not the targeted support and assistance they provide would implicate them unknowingly under the vague prohibition in the certification.

In many rural regions and smaller communities, CDFIs are among the only consistent providers of financing for housing, small businesses, and community facilities. Any reduction in institutional participation or increased caution in underwriting may have disproportionate effects in these areas, where alternative sources of capital are limited.

Conclusion

CDFIs play a vital role in advancing federal priorities by efficiently deploying capital into communities that would otherwise lack access to financing. Requirements that introduce uncertainty at the institutional level may unintentionally slow capital deployment, reduce participation in federal programs, and dampen economic activity in the very markets these programs are designed to support. The GSA proposal imposes an undue compliance burden and creates excessive liability that is not proportional to the effectiveness of the proposal in reducing discrimination.

We are grateful for the opportunity to submit this comment. For questions, please contact Susie Han Vice President, Regulatory Affairs at shan@ofn.org or me at dwilliams@ofn.org.

Sincerely,

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Opportunity Finance Network