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March 3, 2026

Ryan Law

Deputy Assistant Secretary for Privacy, Transparency, and Records

U.S. Department of the Treasury

1500 Pennsylvania Avenue NW

Washington, DC 20220

**Re: Comments on Notice of New System of Records — Department of the Treasury, DO .0197—Financial Assistance Programs (FR Doc. 2026–02234)**

Dear Deputy Assistant Secretary Law:

NAFOA, founded as the Native American Finance Officers' Association, respectfully submits the following comments in response to the Department of the Treasury's Notice of a New System of Records entitled "Department of the Treasury, Departmental Offices DO .0197—Financial Assistance Programs," published in the Federal Register on February 4, 2026 (Vol. 91, No. 23). NAFOA is a national Tribal organization representing over 190 Member Tribes and serving as a trusted voice on issues of Tribal finance, economic development, and federal policy affecting Tribal Nations across the United States.

NAFOA strongly supports the Department's commitment to program integrity and accountability in the administration of financial assistance programs that benefit Tribal Nations, including the State Small Business Credit Initiative (SSBCI), Local Assistance and Tribal Consistency Fund (LATCF), and other programs of critical importance to Indian Country. However, as described below, NAFOA has significant concerns about the proposed system of records as currently structured and respectfully urges the Department to reconsider or substantially revise the proposal after engaging in Tribal consultation.

**The Proposed System Creates Disproportionate Administrative Burdens on Underresourced Tribal Nations**

Tribal Nations are sovereign governments, many of which operate with limited administrative staff, constrained budgets, and significant infrastructure gaps compared to their state and local government counterparts. Treasury's financial assistance programs have been among the most impactful sources of capital for Indian Country, precisely because many Tribal Nations lack access to the private capital markets and conventional financing mechanisms available to other jurisdictions.

The proposed system of records, DO .0197, establishes a broad framework for the collection, maintenance, and disclosure of records from recipients, subrecipients, and

contractors across a wide range of Treasury financial assistance programs. The scope of information proposed for collection is extensive, encompassing not only standard grant compliance data but also detailed financial, demographic, and employment-related information, including Social Security numbers and taxpayer identification numbers.

For Tribal Nations, compliance with a system of this breadth would require significant investments of staff time, legal resources, and administrative capacity that many Tribes simply do not have. Tribal finance offices—often small teams responsible for compliance with federal grants, annual audits, budget development, and Tribal member services—would be required to divert resources from core governmental functions to satisfy documentation, reporting, and records management obligations under the new system. This is not a theoretical concern: NAFOA's member Tribes have consistently identified administrative compliance burden as one of the most significant barriers to fully utilizing federal financial assistance programs.

It is important to emphasize that Tribal Nations receiving federal financial assistance are already subject to rigorous compliance oversight through the Single Audit Act of 1984, as amended, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These requirements establish a comprehensive framework to ensure the appropriate use of federal funds and to demonstrate compliance with applicable federal laws and regulations.

NAFOA urges Treasury to conduct a formal Tribal-specific administrative burden analysis before finalizing the proposed system, and to work in meaningful government-to-government consultation with Tribal Nations to identify streamlined approaches that preserve program integrity without creating compliance demands that fall disproportionately on underresourced Tribal governments.

### **The Proposed System Is Inconsistent with the Administration's Commitment to Reducing Federal Overreach and Regulatory Burden**

The current administration has made clear its commitment to reducing unnecessary federal regulation, curtailing agency overreach, and returning authority to states, localities, and sovereign governmental entities. NAFOA strongly supports these principles, particularly as they apply to Tribal Nations, whose sovereignty has too often been undermined by expansive federal reporting and regulatory requirements that exceed what is necessary to ensure the sound use of federal funds.

The proposed system of records stands in tension with these stated commitments. By establishing a sweeping new framework for the collection and use of personal and financial information from participants in Treasury assistance programs—including Tribes—the proposed system expands federal government data collection and oversight at precisely the moment when the administration has directed agencies to do the opposite.

Tribal Nations are not merely grant recipients—they are sovereign governments with inherent authority over their own citizens and resources. The broad scope of routine uses authorized under the proposed system, including disclosures to law enforcement agencies, contractors, auditing organizations, and other federal entities, creates a structure that is difficult to reconcile with a policy agenda premised on limiting federal overreach. NAFOA respectfully urges Treasury to narrow the scope of the proposed system to the minimum necessary to achieve legitimate program oversight objectives, consistent with the administration's broader deregulatory priorities.

### **The Proposed System Increases Rather Than Reduces Paperwork and Data Collection Obligations**

The administration has emphasized reducing the federal government's paperwork burden on businesses, states, localities, and the public. The proposed system of records runs counter to this goal. The categories of records described in the notice are expansive and would require Treasury program recipients, including Tribal Nations, to collect, maintain, and make available to Treasury a substantially broader set of records than what has historically been required under individual program rules. The collection of such data is neither necessary, proportionate, nor consistent with existing statutory authority to ensure the appropriate use of federal funds.

NAFOA respectfully requests that Treasury provide a clear, program-by-program analysis of the records actually required under existing statutory authority, and limit the proposed system to information strictly necessary for each program's specific compliance and oversight needs. A one-size-fits-all data collection framework is not appropriate, given the significant differences among the programs covered and the highly varied capacities of the governmental and non-governmental recipients involved.

### **Specific Recommendations**

In light of the concerns described above, NAFOA urges Treasury to take the following actions:

- Conduct meaningful government-to-government consultation with Tribal Nations before finalizing the proposed system of records, consistent with Treasury's Tribal consultation policy and applicable executive orders.
- Conduct a formal administrative burden analysis specific to Tribal Nation recipients and subrecipients, and use that analysis to identify ways to reduce compliance requirements that are disproportionate to Tribal administrative capacity.
- Narrow the categories of records and routine uses to the minimum necessary to meet statutory program requirements, consistent with the administration's commitment to reducing federal overreach and paperwork burden.
- Clarify how the proposed system will interact with and protect Tribal sovereignty and Tribal data governance rights, consistent with the federal trust responsibility.
- Grant deference to Tribal Nations based on the federal government's trust obligations that create a government-to-government relationship, warranting a

waiver/exemption from the proposed system of records for sovereign Tribal Nations.

We welcome the opportunity to discuss these comments further and to work collaboratively with the Department to develop a system of records that meets program integrity goals while respecting Tribal sovereignty and the practical realities facing Tribal governments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cory Blankenship', written in a cursive style.

Cory Blankenship  
*Executive Director*  
NAFOA