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Passage of Relief Package a Good Start to Help Vulnerable Small Businesses, But More Work Must Be Done

Statement by Gwendy Brown, Vice President of Research and Policy at Accion Opportunity Fund, the nation's leading nonprofit small business lender, on Congress's passage Monday of a new COVID-19 relief package

San Jose, Calif., December 21, 2020—After months of delays, Congress's passage today of a \$900 billion COVID-19 relief package is an important step in the right direction to help struggling small businesses. We're happy to see the bipartisan package include \$12 billion for Community Development Financial Institutions (CDFIs) and Minority Development Institutions—lenders that have relationships with the underbanked small businesses that have borne the brunt of the economic pain brought on by the pandemic.

The legislation specifically supports CDFIs by providing:

- \$1.25 billion to the CDFI Fund to respond immediately to the economic impact of the pandemic
- \$1.75 billion to the CDFI Fund to expand lending, grantmaking, or investment activity in low- or moderate-income minority communities
- \$9 billion to establish an Emergency Capital Investment Program for MDIs and CDFI Banks and Credit Unions
- A set aside of \$25 billion within PPP for CDFIs and new established administrative fee minimums to help us make the smallest loans

While we're glad relief is on the way, it is vitally important policymakers don't stop here. More support to CDFIs and small businesses—in the form of grants and not just additional PPP funding— along with the ideas included in [this report](#), will be needed in the months ahead to ensure Main Street entrepreneurs and their employees make it through.

Numerous [studies](#) have shown the disproportionate impact COVID-19 has had on business owners based on race, gender and immigration status. The first rounds of PPP loans left the smallest and most vulnerable businesses at the back of the line. Business owners of color in

particular have a [much harder time getting loans](#) from banks than their white counterparts and too many still haven't seen a dime of federal funds.

These businesses are barely hanging on and they won't survive this crisis if we don't prioritize helping them now, and in the months ahead.

To request an interview with Accion Opportunity Fund VP Gwendy Brown contact Erin Musgrave at (530) 864-7014 or erin@emccommunications.com.

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About Accion Opportunity Fund

Opportunity Fund, the nation's leading nonprofit small business lender, believes small dollar loans help hard-working entrepreneurs make lasting change in their own lives and build stronger communities by growing businesses and creating jobs. Opportunity Fund's community of donors and investors is creating an inclusive financial system that empowers women, immigrant, and minority small business owners. Our strategy combines microloans for small business owners and New Markets Tax Credit investments in high-impact community infrastructure projects. Since 1994, Opportunity Fund has deployed more than \$900 million and helped thousands of entrepreneurs invest in their families' futures. The organization has committed to lending an additional \$1.2 billion to small business owners across the country and investing \$174 million in community real estate projects by 2023.

In March, 2020, Opportunity Fund and Accion, The US Network, joined forces to establish Accion Opportunity Fund, the first national organization focused on a national microlending strategy to meet the credit needs of small businesses by developing new products, establishing new partnerships, promoting research and financial education, and leveraging digital technologies to support mission-driven lending. www.opportunityfund.org