

March 27, 2020

The Honorable Steven T. Mnuchin
Secretary of the Treasury
US Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin,

On behalf of Opportunity Finance Network (OFN), a national association of more than 280 community development financial institutions (CDFIs), I am writing to urge you to include certified CDFIs and other qualified mission lenders as eligible lenders under Section 1109 of the Coronavirus Aid, Relief, and Economic Security (CARES) which establishes the authority of the U.S. Department of Treasury, the Farm Credit Administration, and other federal financial regulatory agencies to authorize bank and nonbank lenders to participate in loans made under the Paycheck Protection Program.

OFN applauds the Department of Treasury and the Small Business Administration for responding quickly and decisively to the economic challenges related to COVID-19. The new resources made available under the CARES Act will provide businesses a lifeline to keep their employees with paychecks while also helping the business meet its financial obligations. CDFIs are an important part of our nation's financial infrastructure that can help the federal government reach businesses that typically might not be reached by 7(a) lenders.

Certified by the US Treasury Department's CDFI Fund, CDFIs specialize in providing access to affordable, responsible capital and have significant capacity to respond to this crisis. Many CDFIs are already on the front lines responding to the economic impacts of COVID-19, ensuring access to credit for impacted businesses, non-profits, healthcare facilities and individuals in our nation's low-wealth communities.

As mission-driven organizations, CDFIs are adept at responding during a crisis like this one. From natural disasters such as hurricanes Katrina, Sandy, Maria and Harvey, to the 2008 financial crisis and the aftermath of 9/11, CDFIs have a strong record of stepping in as the financial first responders to support families and communities in their recovery efforts.

The Paycheck Protection Program will generate significant new loan volume and potentially create capacity challenges for the Small Business Administration and the



existing network of 7(a) lenders. CDFIs have the ability to help meet the demand for these critically needed financing tools, and to help deploy capital quickly and effectively. Allowing CDFIs to access to the Paycheck Protection Program would also expand the program's reach to businesses not often well served by the traditional 7(a) program including newer businesses, very small businesses, businesses seeking small dollar loans, and businesses in underserved communities.

We urge you to include certified CDFIs as eligible lenders in this new program.

Thank you,

Lisa Mensah
President and CEO

Cc: Jovita Carranza
William Manger