

June 10, 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:

Less than three weeks remain before the June 30 deadline for lenders to submit Paycheck Protection Program loan applications to the SBA on behalf of small businesses and nonprofit organizations adversely impacted by the pandemic. I am reaching out to you with a high degree of urgency regarding one group of nonprofit 501(c)3 organizations that have been stymied in accessing PPP loans, non-profit community development loan funds.

About half of all Treasury certified community development financial institutions (CDFIs) are structured as non-profit loan funds. The CARES Act intended for all non-profit 501(c)3 organizations to be eligible to borrow from the PPP, including community development loan funds. Instead, the Small Business Administration has denied applications from community development loan funds, referencing a 7(a) loan guarantee regulation (13 CFR § 120.110) which states that businesses primarily engaged in the business of lending are ineligible for SBA business loans.

Clearly, the Paycheck Protection Program is not in any way a traditional SBA business loan. Non-profit 501(c)3 community development loan funds, like other non-profits deserve access to the PPP in order to retain staff and continue serving the low-wealth communities where they operate. If non-profit community development loan funds are able to borrow from the PPP, over \$100 million will be used to strengthen these vital non-profits for the important work ahead to rebuild vulnerable communities in rural, native, urban areas. This would be a valuable use of remaining PPP funds.

I implore you to immediately issue guidance or a statement that community development loan funds are eligible to borrow from the PPP so that these non-profit organizations will have time to submit a PPP application before the pending deadline.

Sincerely,



Lisa Mensah  
President & CEO

Cc: Jovita Carranza, Administrator Small Business Administration