

March 30, 2022

President Joseph R. Biden Jr.
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Vice President Kamala Harris
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Administrator Isabel Guzman
Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Re: Support for Critical Reforms to the SBA's Community Advantage Pilot Program

The Opportunity Finance Network (OFN) and the National Community Reinvestment Coalition (NCRC), along with the undersigned, are writing to express our strong support for the Small Business Administration's (SBA) proposed reforms to the Community Advantage Pilot Program. The Biden-Harris Administration has made equitable entrepreneurship a cornerstone of its economic agenda. To achieve this, the SBA must deepen its partnership with lenders whose mission aligns with the Administration's focus on closing the racial wealth gap and fostering a more inclusive economy.

The economic impacts of the pandemic were devastating for small businesses – especially businesses owned by women, people of color, and other business owners that have traditionally lacked access to capital. For many entrepreneurs, mission lenders were a lifeline that helped them access critical relief funding. Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), and other mission lenders helped the SBA deliver more than \$34 billion in Paycheck Protection Program loans – reaching more underserved borrowers than traditional lenders.

As our nation looks toward economic recovery, the SBA remains an important partner for diverse small businesses and the specialized lenders who serve them. Community Advantage is an underutilized tool that can help mission lenders provide more capital to underserved entrepreneurs. Over the past several months, the SBA has engaged in an unprecedented level of stakeholder outreach – consulting with current and potential Community Advantage lenders to determine ways to reform the program to increase its reach and impact. That collaboration produced a series of proposed regulatory changes that will unlock the program's potential and help more small businesses access capital.

We are pleased to see SBA implementing critical program reforms including:

- Extending the Community Advantage Pilot Program before it sunsets on September 30, 2022

- Lifting the Community Advantage lender moratorium to allow more mission lenders to access SBA loan guarantees
- Allowing Community Advantage lenders to use the same credit criteria and collateral policies used to underwrite similarly sized non-SBA loans
- Removing the current restriction that prohibits individuals with criminal backgrounds from accessing the Community Advantage program, and
- Increasing the maximum loan size community advantage lenders can make to increase the impact for small businesses

We look forward to continuing to work with you to ensure entrepreneurs have access to the capital needed to start and grow their businesses.

Sincerely,

Access to Capital for Entrepreneurs (ACE)
 Accompany Capital
 Affordable Homeownership Foundation Inc.
 African American Alliance of CDFI CEOs
 African American Chamber of Commerce of Montgomery County, Inc.
 Albany Community Together (ACT)
 AMPAC Business Capital
 Appalachian Community Capital
 Association for Enterprise Opportunity (AEO)
 Association of Women's Business Centers
 B:Side Capital
 Bankers Small Business CDC of California
 Bitwise Industries
 BLDG Memphis
 Brooklyn Alliance Capital Lending Programs
 Business Outreach Center Network
 California Coastal Rural Development Corp.
 Capital Impact Partners
 Carolina Small Business Development Fund
 CDC Small Business Finance
 Center for Rural Affairs
 Cherry Community Organization
 Coastal Enterprises, Inc.
 Common Capital, Inc.
 Community Investment Collaborative
 Cooperative Fund of the Northeast
 DC Women's Business Center
 Delaware Community Reinvestment Action Council
 Detroit Development Fund

Devotion USA, Inc.
DreamSpring
Entrepreneur Works
Evergreen Business Capital
Fair Finance Watch
Family Housing Advisory Services
FORGE Community Loan Fund
Georgia Advancing Communities Together, Inc.
Gusto
Harlem Entrepreneurial Fund
Hmong Wisconsin Chamber of Commerce
Homeownership Council of America
Housing Opportunities Made Equal of Greater Cincinnati
Impacto Fund Inc.
Jane Place Neighborhood Sustainability Initiative
Justine Peterson
La Fuerza CDC
Lendistry
LiftFund
Local Enterprise Assistance Fund (LEAF)
Michigan Oncology Quality Consortium
Micro Enterprise Services of Oregon (MESO)
MoFi
Mountain BizWorks
Mustard Seed Development Center
National ACE
National Association for Latino Community Asset Builders (NALCAB)
National Community Reinvestment Coalition
National LGBT Chamber of Commerce
National NeighborWorks Association
Neighborhood Community Development Fund
NeighborWorks Western Pennsylvania
New Town Loans, LLC
Northern Initiatives
Opportunity Finance Network
Pacific Asian Consortium in Employment (PACE)
Pacific Coast Regional Small Business Development Corporation
Pacific Community Ventures
Partner Community Capital, Inc.
Pathstone Enterprise Center, Inc.
Pathway Lending
People Fund
People Trust Community Loan Fund
Philadelphia Association of Community Development Corporations
Prosperity Now
Public Private Strategies Institute

REBOUND, Inc.
ResiINC
SLEHCRA
Small Business Majority
Social Impact Strategies Group
South Dallas Fair Park Inncity Community Development Corporation
Southern Dallas Progress CDC
St. Petersburg Neighborhood Housing Services, Inc. dba Neighborhood Home Solutions
TMC Community Capital
TruFund Financial Services, Inc.
U.S. Black Chambers, Inc.
Universal Housing Solutions CDC
US Hispanic Chamber of Commerce
Utah Microloan Fund
Washington Area Community Investment Fund (WACIF)
Wisconsin Women's Business Initiative Corporation (WWBIC)
Women's Economic Ventures
Women's Opportunity Resource Center