

CDC Small Business Finance and Capital Impact Partners Applaud Biden-Harris Administration and Greater Washington Partnership for Massive Commitment to Small Businesses and Communities of Color

CDC Small Business Finance and Capital Impact Partners President and CEO Ellis Carr joined Kamala Harris, Vice President of the United States of America, for Announcement at Howard University in Washington, D.C.

March 31, 2022 (Arlington, VA) – CDC Small Business Finance and Capital Impact Partners are proud to stand alongside the Biden-Harris Administration and the Greater Washington Partnership for two announcements made Wednesday that will aid small businesses and communities of color.

The Biden-Harris Administration announced [reforms to the U.S. Small Business Administration's \(SBA\) Community Advantage loan program](#), a key tool that prioritizes equitable access to capital for borrowers with low-to-moderate incomes and those from disinvested communities. Highlights of this announcement from SBA Administrator Isabella Guzman include:

- Extending the pilot program to September 30, 2024.
- Increasing the maximum loan size up to \$350,000, which represents an increase over the current levels of \$250,000.
- Removing the restrictions that can keep individuals with criminal backgrounds from accessing the Community Advantage program.
- Simplifying underwriting and collateral requirements for borrowers and lenders, including increasing the maximum unsecured loan size from \$25,000 to \$50,000, removing barriers that disproportionately impact underserved borrowers.

The SBA launched a pilot of the Community Advantage program in 2011 to provide smaller, mission-oriented, nonprofit lenders with the ability to issue 7(a) loan guarantees up to \$250,000, a measure that has helped small businesses in underserved communities have more access to credit.

Community Advantage makes credit more accessible to promising small businesses who have not been able to obtain traditional financing. The program is a tool for advancing racial equity: Community Advantage lenders lend to Black-owned businesses at double the rate of traditional financial institutions. For Hispanic-owned small businesses, the rate is nearly triple that of traditional financial institutions.

“The Community Advantage loan program is key to allow mission-based lenders to think outside the credit box, offer loans to small businesses who haven’t been able to get traditional bank financing, and secure the SBA guarantee to allow them to take a higher risk,” said Susan Lamping, Vice President of Sales for CDC Small Business Finance. “The program has helped entrepreneurs across the country start new businesses, secure financing based on projections, and receive much needed technical assistance to grow their business.”

CDC Small Business Finance is [the leading Community Advantage lender](#) in the nation and has approved nearly 1,300 Community Advantage loans, totaling more than \$166 million. More

than half of those loans have been to startup businesses, and 41 percent have been to BIPOC borrowers.

Greater Washington Partnership Pledges \$4.7 Billion in Support for Underrepresented Communities, Minority Businesses

At the same event, the Greater Washington Partnership announced that [it plans to direct \\$4.7 billion over the next five years](#) toward supporting underrepresented communities and Minority Business Enterprises (MBEs) in the Washington, D.C. metro region.

[This investment includes:](#)

- **Supplier diversity:** \$2.6 billion will be directed in procurement spending to diverse suppliers and Minority Business Enterprises, with a priority to spend with Black- and Latinx-owned businesses. This effort both meets critical business needs and addresses systemic inequities that have created barriers to growth for these groups.
- **Racial equity:** \$1.5 billion for wealth-building opportunities in underrepresented communities, such as direct corporate investments in affordable housing and in community organizations that are leading place-based equity initiatives.
- **Access to capital:** \$619 million for financial investments to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs). CDFIs and MDIs provide access to capital to underrepresented populations in the form of loans and strategic financing in order to create economic opportunity.

For both measures, mission-focused lenders such as Capital Impact Partners and CDC Small Business Finance will play a significant role in providing these funds to those who need them.

“The SBA and the Greater Washington Partnership are demonstrating what public and private sector leadership on this issue looks like,” said Ellis Carr, president and CEO of CDC Small Business Finance and Capital Impact Partners. “Working together, we are unlocking billions of dollars and creating new pathways to capital for the entrepreneurs and communities that need it most. This effort will help foster thriving small businesses that promote the inclusive wealth creation that people in our region – and all across the country – deserve.”

Carr spoke at Wednesday’s event, which also featured Vice President Kamala D. Harris; U.S. Secretary of Commerce Gina Raimondo; U.S. Small Business Administration Administrator Isabella Guzman; Peter Scher of JPMorgan Chase and the co-founder of the Greater Washington Partnership; and Howard University President Dr. Wayne Frederick.

About CDC Small Business Finance:

CDC Small Business Finance is the nation’s leading mission-based small business lender and advocate, working to provide entrepreneurs access to the capital and opportunities they deserve.

CDC offers numerous financing products including the Small Business Administration (SBA) 504 commercial real estate loans; SBA Community Advantage working capital loans; and the SBA Microloan. We also offer non-SBA products to provide more equitable access to credit for those who are unable to qualify for traditional financing. CDC also provides free business advising to support both potential borrowers get loan ready as well as to help existing small business borrowers grow and expand their business.

In 2020, CDC joined up with [Capital Impact Partners](#) to transform how capital and investments flow into historically disinvested communities. Through community and economic development, small business lending, impact investing, and technology solutions, these leadership organizations are offering a suite of products and services to drive community-led solutions that support economic mobility and wealth creation.

Since 1978 CDC has provided more than \$21.3 billion in funding to 12,000 borrowers and helped create and preserve over 214,000 jobs. Headquartered in San Diego, California, CDC is dedicated to helping entrepreneurs obtain access to capital in Arizona, California, Michigan, Nevada, and Washington, D.C.

Learn more at cdcloans.com and investedincommunities.org.

About Capital Impact Partners:

Through capital and commitment, Capital Impact Partners helps people build communities of opportunity that break barriers to success. We work to champion key issues of equity and social and economic justice by deploying mission-driven financing, capacity-building programs, and impact investing opportunities.

A nonprofit Community Development Financial Institution, Capital Impact has disbursed more than \$2.5 billion since 1982. In 2020, Capital Impact launched a new enterprise with [CDC Small Business Finance](#) under one leadership team and national strategy to reinvent traditional and mainstream financial systems. Our goal is to ensure these systems equitably serve communities of color to drive community-led solutions that support economic mobility and wealth creation.

Our leadership in delivering financial and social impact has resulted in Capital Impact being rated by S&P Global and recognized by Aeris for our performance. Headquartered in Arlington, VA, Capital Impact Partners operates nationally, with local offices in Austin, TX, Detroit, MI, New York, NY, and Oakland, CA.

Learn more at capitalimpact.org and investedincommunities.org.