



The Honorable Nancy Pelosi
Speaker of the House
H-232 The Capitol
Washington, D.C. 20510

The Honorable Maxine Waters
Chair, House Financial Services Committee
2221 Rayburn House Office Building
Washington, D.C. 20515

RE: California CDFIs Support \$1 Billion for the CDFI Fund in Phase 4 Relief Package

1 Hallidie Plaza, Ste 715
San Francisco, CA 94102

Dear Speaker Pelosi and Chair Waters:

CAMEOnetwork.org
cameo@CAMEOnetwork.org
ph 415.992.4480

On behalf of CAMEO (California Association for Micro Enterprise Opportunity) we express our support for Chairwoman Waters' recent proposal to include \$1 billion for the CDFI Fund highlighted in her "Proposed Package 4 Related to COVID-19."

CDFIs understand and can quickly respond to the needs of their consumers and small business owners and are uniquely positioned to respond to relief and recovery during this crisis. CDFIs fill a vital gap in the nation's financial services delivery system through their strong expertise and deep community relationships.

CAMEO is the statewide network of entrepreneurial training programs and small business microlenders in California. CAMEO is California's statewide network made up of over 230 organizations, agencies, and individuals dedicated to furthering microbusiness development in the state. Annually, CAMEO members serve about 34,000 very small businesses with training, business and credit assistance and loans. These firms - largely start-ups with less than five employees - support or create 51,000 new jobs in California and generate a total of \$2.5 billion in economic activity.

CDFIs have proven success addressing their communities' needs during both natural and national disasters. During the Great Recession, when mainstream finance retracted lending, CDFIs kept capital flowing to businesses and communities. In 2017, when California was devastated by a series of wildfires in the North Bay and in Ventura County, CDFIs responded. In 2018, when the Camp Fire destroyed almost 19,000 homes, businesses and other structures, CDFIs responded.

In recent weeks, CDFIs have jumped into action by deferring loan payments, counseling small business owners in multiple languages, advising government officials and more.

The situation for California businesses is dire and borrowers are challenged with the harsh realities of closures, layoffs, downsizing, and uncertainty. Throughout the state, urban, rural and Native communities continue to struggle and CDFIs are on the frontlines using every resource available to provide critical access to credit to businesses, non-profits, healthcare facilities and individuals impacted by COVID-19.

CDFIs need greater access to capital in order to effectively respond to the COVID-19 Crisis and this proposal is key step to getting economic relief into our communities that need immediate support. This institutional level capital is not readily available from other sources and is essential to allow CDFIs to continue to react quickly



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to the conditions in the communities we serve. As you are aware, this approach has been proven to work and is in line with the supplemental funding approved in 2009 through the American Recovery and Reinvestment Act, which allowed funding to be deployed quickly to CDFIs operating in low-wealth communities.

In addition to increasing the CDFI Fund budget, CDFIs should have delegated authority from the SBA to make PPP loans and be provided the funding to do so. When it comes to small business outreach, CDFIs have deep roots and inroads into minority and low-income communities. Any Federal Reserve resources should be extended to CDFIs and the communities they serve.

California CDFIs stand ready to utilize this funding swiftly and effectively. Thank you for your consideration and please reach out with any questions.

Sincerely,



Carolina Martinez
CEO