

United States Senate

April 20, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-226, United States Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
S-255, United States Capitol
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

As you discuss additional funding for the Paycheck Protection Program (PPP) and move toward a fourth coronavirus stimulus package, I ask that any small business relief legislation related to the coronavirus include specific funding for small community-based lenders, including Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs).

Some small businesses are at risk of having to close their doors or lay off their employees, if they have not done so already. They are the backbone of our economy and they need support, now more than ever. This danger has been notably heightened for minority-owned small businesses and nonprofits, particularly in my home state of Michigan. Throughout the first two weeks of the PPP, I heard from minority-owned small businesses all across my state that they were unable to access PPP funds. Unfortunately, the PPP funding has lapsed and many of these businesses and nonprofits have unfairly been denied much-needed relief. We must ensure equitable access to the PPP and we cannot shut out minority-owned businesses.

One of the best ways we can better serve our minority-owned small businesses and nonprofits is through CDFIs and MDIs that are already working with them. CDFIs and MDIs address the needs of underserved urban, rural, and Native communities markets that traditional financial institutions cannot. Over the last 25 years, CDFIs and MDIs have provided the flexible, patient capital and financial services that consumers, small businesses and communities need to grow and thrive.

However, according to the Treasury Department, only 78 of 950 CDFIs participated in the PPP. That is unacceptable, particularly because CDFIs frequently lend to minority-owned businesses, especially those in low-income neighborhoods. Therefore, I am requesting that any small business relief legislation related to the coronavirus include specific funding for small community-based lenders, including CDFIs and MDIs, so they can better serve minority-owned small businesses and nonprofits in their communities.

I once again thank you both for your efforts in response to this national pandemic and for your consideration. Please do not hesitate to contact my office if I can be of additional assistance.

Sincerely,



Gary C. Peters
United States Senator