



April 17, 2020

TRANSMITTED VIA ELECTRONIC MAIL

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Leader Schumer:

The National Bankers Association (NBA) represents the country's Minority Depository Institutions (MDIs). Our institutions bank the communities that are being hit the hardest by coronavirus pandemic – both physically and economically. While the National Bankers Association commends the Congress on its leadership to date in responding to the COVID-19 pandemic, we firmly believe much work remains to be done in supporting the MDI sector as we respond to the credit needs of the communities and small businesses that our member institutions serve that will disproportionately shoulder the burden of any economic downturn attributable to the COVID-19 pandemic.

The NBA enthusiastically supports increased funding for the Paycheck Protection Program (PPP) as it provides resources essential to the survival of businesses in low- and moderate-income communities (LMI). We particularly support the \$45 billion for small community-based lenders (CDFIs, minority depository institutions, certified development corporations, microlenders), and small banks and credit unions with less than \$10 billion in consolidated assets, with a \$10 billion reserved allocation for MDIs primarily serving African American communities. This specific allocation allows for more targeted assistance for small businesses who have been shutout of the program to date and those that require more time and attention to get their loans processed.

We would urge you to also consider expanding the capacity of MDIs and CDFIs by providing a \$1 billion supplemental appropriation for the Community Development Financial Institutions Fund. In addition, we strongly support key MDI sector support provisions like the Minority Bank Deposit Program and zero-interest loans to CDFIs and MDIs with < \$1B in assets, which will result in an expanded capacity for these institutions to meet the emergency financing needs of diverse and LMI customers, nonprofit institutions, and small businesses. MDIs and CDFIs have been a historically underutilized delivery channel for getting capital to LMI communities and diverse entrepreneurs and nonprofit institutions, but an investment now could go a long way in rectifying this historic oversight precisely at a time when the communities our institutions serve need help the most.

We have an opportunity to avert an economic collapse if Congress and the Administration takes the necessary steps now to provide diverse small businesses, nonprofits, and LMI communities the emergency relief they need now. The steps taken through the previous three relief measures were welcomed and necessary. However, a series of additional actions that will need to be taken by Congress

and the Trump Administration to ensure that we not only contain the spread of COVID-19 but also limit the potential economic carnage to LMI communities and communities of color that are the hardest hit both by the pandemic itself as well as the economic consequences associated with our response to the pandemic. Providing relief to the nation's MDIs and CDFIs is vital if our efforts are to ensure that every community in the country can take part in our nation's post COVID-19 economic recovery. We appreciate the opportunity to share our views with you and look forward to serving as a resource to you to ensure both a robust and inclusive response to and recovery from the COVID-19 pandemic.

Respectfully,

A handwritten signature in black ink that reads "Kim Saunders". The signature is written in a cursive, flowing style.

Kim Saunders
President and Chief Executive Officer, National Bankers Association
ksaunders@nationalbankers.org

A handwritten signature in black ink that reads "Kenneth Kelly". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Kenneth Kelly
Chairman, Board of Directors, National Bankers Association
Chairman and Chief Executive Officer, First Independence Bank
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