

## **Community Development Bankers Association July 8, 2020 Member Call Summary**

### **Upcoming dates:**

- Next CDBA Members Meeting – September 9, 2020 at 2:30-3:30 pm ET
- CDBA Peer Forum will be virtual and programming will be delivered over a few weeks in December
- Measuring Small Business Financial Health in the Economic Downturn Webinar — Thursday, July 30 at 2 pm ET
- Impact @ Scale series — Nuts & Bolts of Mining Your Existing Data for Impact — Wednesday, August 5th at 3pm ET

### **Racial Equity in Underwriting Working Group**

- Following the racial equity webinar in June, CDBA is working with Beneficial State Bank to form a racial equity in underwriting working group. The group will start in September. Email Anna Walker if you are interested. All members are welcome.

### **Special Programs: UChicago PPP Study, Impact Profiles**

- If you are interested in participating in a University of Chicago study regarding PPP and CDFIs, contact Anna Walker ([walkera@pcgloanfund.org](mailto:walkera@pcgloanfund.org))
- If you are interested in submitting impact data to present to large grant/deposit programs such as those at Netflix and PayPal, contact Anna

### **CDFI Fund Program Timeline & Updates**

- BEA awards will be announced by 9/30/20
- CDFI Program — Applications were due April 21 with awards announced by 9/30/20. The 2021 application is currently scheduled for release in February.
- NMTCC - Allocations announced in July. Next round opens in the fall.
- Capital Magnet Fund - Application round opened May 28 with applications due July 23.

### **CDFI Equity Investment Comment Letter**

- In early June, the CDFI Fund published a Request for Information on Equity Investments in CDFIs. Comments were due July 8, 2020. CDBA's comment letter is in the packet.

### **Main Street Program and Alternatives Discussion (40:15)**

- Many members can't figure out how the program is useful for them/their customers
- Loan size does not fit well in distressed communities
- Question: What would fit better?

- Forgivable loans. Guaranties. Many SBA programs have the right combination. With the Main Street program, frequently it is very difficult to find the right customer and then once you do, you don't get any earning from it. Not designed properly.
- Restart loan that is longer in term and better priced for secondary market. Recovery loan for companies with no more room for debt. Supply chain finance, creditors in supply chains will be very leery.
- Some banks are using SBA express loans and USDA Rural Development program.
- Moving to 90% guaranty on all loans like SBA did after the recession would be far more helpful than Main Street program. There has been a big demand for 7(a) loans recently.
- Given the huge amount of energy on this topic, CDBA will add a discussion on this topic before the end of the month.