



July 28, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders McConnell, Schumer, and McCarthy:

On behalf of the dozens of national, state, and local organizations that have united to advocate for underserved and rural communities, the Page 30 Coalition, writes you today to ensure that historically disadvantaged small businesses are served in the forthcoming economic relief bill. Our coalition is named for Page 30 of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, which urged the prioritization of our communities.

Unfortunately, the recommended prioritization never materialized, and millions of disadvantaged populations did not receive the support Congress intended. We cannot let this happen again and we call upon Congress to intentionally provide direct support for the communities identified on page 30 of the CARES Act.

As our country continues to grapple with the Coronavirus pandemic, underserved populations bear the brunt of this health and economic-related crisis. Specifically, during the onslaught of the pandemic, Main Street America has lost an estimated 3.3 million small businesses.¹ Unfortunately, Women, Hispanic, Asian, and Black-owned enterprises represented a disproportionate number of these overwhelming declines.

The disproportionate closures can, in part, be attributed to the fact that minority and rural businesses largely represent sectors such as; arts, entertainment and recreation, accommodations and food services, retail trade, and transportation and warehousing. These industries have experienced the greatest revenue

¹ <https://www.nber.org/papers/w27309>

shocks caused by pandemic-related restrictions and will need the most recovery assistance. Moreover, the current damage underscores the structural challenges that underline the economic fragility of underserved enterprises in America.² Specifically, minority, women, rural, veteran, and tribal populations are plagued with historical difficulties of access to capital, entrepreneurial opportunity, access to adequate lending, and overall racial wealth-gaps. We cannot allow these systemic inequities to continue to affect the vitality of minority businesses who are responsible for driving the majority of our economic growth in America.

While we applaud lawmakers' efforts to combat this crisis with the passage of the *CARES Act* and subsequent relief legislation, the Paycheck Protection Program (PPP), among other small business relief measures, must do more to address these resource-gaps that persist in reaching the most vulnerable in our communities. As noted during last week's Senate Committee on Small Business and Entrepreneurship's hearing entitled, "*Capital Access for Minority Small Businesses: COVID-19 Resources for an Equitable and Sustainable Recovery*," Chairman Marco Rubio (R-FL) and Ranking Member Ben Cardin (D-MD) announced that underserved, rural, and micro-markets would require targeted federal support in the weeks and months ahead.

The *Continuing Small Business Recovery and Paycheck Protection Program Act*, introduced yesterday evening, is slated to shield the small business ecosystem from the imperiled economic devastation that has intensified in recent weeks.³ The central components of the legislation include long term recovery appropriations, simplifications for PPP loan forgiveness, structural improvements for PPP loans, and additional liquidity for existing PPP borrowers, among others. While these proposals are crucial for a full economic recovery, we must ensure that this package consists of a triaged approach that addresses traditionally underinvested markets.

The heightened effects of the economic downturn will continue to grow nationwide. Lawmakers must pass equitable policy solutions that take into account the overwhelming circumstances of underserved and rural markets. As illustrated by the Federal Reserve Bank of New York, these businesses have historically grappled with profitability, credit scores, and propensity to use retained earnings as a primary funding source.⁴ If we fail to provide contoured resolutions to these issues, Main Street America will lose a generation of minority businesses.

To this end, the Page 30 Coalition urges Congress to provide prioritized support for America's most vulnerable minority-owned small businesses in the forthcoming stimulus relief legislative package. Among other bipartisan recommendations, the next package should include:

- Set-aside appropriations for Community Development Financial Institutions (CDFIs), SBA Microlenders and Certified Development Companies and other Community Financial Institutions (CFIs) within the PPP lender system.
- Federal loan guarantees for all mission-based and community-lenders.
- Emergency allocation of \$1B in appropriations to the Department of Treasury's CDFI Fund.

² <https://www.mckinsey.com/industries/social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states>

³ https://www.rubio.senate.gov/public/_cache/files/20f62534-9e98-4d28-9c28-8f36ad06444b/02741A2731C1AA4D4EBA0287B6E0DE49.continuing-small-business-recovery-and-paycheck-protection-program-act-section-by-section-final-updated-1-.pdf

⁴ <https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2020/covid-brief>

- Reauthorization of the State Small Business Credit Initiative program.
- Extension of the PPP loan application period from August 8, 2020 to December 31, 2020 or until the program's liquidity dissolves.
- Supplemental PPP loans for small businesses with fewer than ten employees.
- Additional appropriations for the Economic Injury Disaster Loan (EIDL) Advance Grant and the EIDL program.
- Automatic PPP loan forgiveness on loans \$150,000 or less.
- Automatic forgiveness on EIDLs \$150,000 or less and a reduction of interest rates on EIDLs \$150,000 or greater.
- Federal loans for state and local small business relief funds.
- Resource partner grants for non-profit organizations to provide technical assistance and resources to businesses during the recovery.
- Programmatic improvements of the PPP and EIDL program that will provide business owners within the Limited English Proficiency (LEP) community with universal language tools.

Thank you for your attention to these urgent policy requests. We commend your work on ensuring that all small businesses receive the resources necessary to withstand the current economic downturn. We urge you to reach out to us directly with any questions, given the timely nature of this evolving legislation. We are available at your convenience and can be speedily convened by contacting our coalition manager, Jamon Phenix via email at jamon@page30coalition.org.

Sincerely,

Page 30 Coalition

Including these leaders from around the country:

1863 Ventures
 AnnexTech Partners
 Association for Enterprise Opportunity
 Association of Women's Business Centers
 Boston Impact Initiative
 CAMEO - California Association for Micro Enterprise Opportunity
 CDC Small Business Finance
 CommonWealth Kitchen
 Communities Unlimited, Inc.
 Gusto
 Human Capital Strategies and Solutions
 Innovate Coalition
 Local Initiatives Support Corporation (LISC)
 Native Women Lead
 Opportunity Fund
 Pacific Community Ventures
 Partners for Rural Transformation
 Prosperity Now
 Rational Unicorn Legal Services
 Rocky Mountain MicroFinance Institute

Small Business Majority
Social Impact Strategies Group
TeamBrand, LLC
U.S. Black Chambers
United States Hispanic Chamber of Commerce
Virginia Asian Chamber of Commerce
WTF?! Weigh The Facts
XXcelerate
Zebras Unite

CC: The Honorable Marco Rubio, Chairman, Senate Committee on Small Business & Entrepreneurship
The Honorable Ben Cardin, Ranking Member, Senate Committee on Small Business & Entrepreneurship
The Honorable Nydia M. Velázquez, Chairwoman, House Committee on Small Business
The Honorable Steve Chabot, Ranking Member, House Committee on Small Business
Members of the Congressional Hispanic Caucus
Members of the Congressional Black Caucus
Member of the Congressional Asian Pacific American Caucus