

U.S. DEPARTMENT OF THE TREASURY

Small Business Administration and Treasury Department Announce \$10 Billion for CDFIs to Participate in the Paycheck Protection Program

May 28, 2020

Washington—Today the U.S. Small Business Administration, in consultation with the U.S. Treasury Department, announced that it is setting aside \$10 billion of Round 2 funding for the Paycheck Protection Program (PPP) to be lent exclusively by Community Development Financial Institutions (CDFIs). CDFIs work to expand economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. These dedicated funds will further ensure that the PPP reaches all communities in need of relief during the COVID-19 pandemic - a key priority for President Trump.

“The forgivable loan program, PPP, is dedicated to providing emergency capital to sustain our nation’s small businesses, the drivers of our economy, and retain their employees,” said SBA Administrator Jovita Carranza. “CDFIs provide critically important capital and technical assistance to small businesses from rural, minority and other underserved communities, especially during this economically challenging time.”

“The PPP has helped over 50 million American workers stay connected to their jobs and over 4 million small businesses get much-needed relief,” said Treasury Secretary Steven T. Mnuchin. “We have received bipartisan support for dedicating these funds for CDFIs to ensure that traditionally underserved communities have every opportunity to emerge from the pandemic stronger than before.”

As of May 23, 2020, CDFIs have approved more than \$7 billion (\$3.2 billion in Round 2) in PPP loans. The additional \$6.8 billion will ensure that entrepreneurs and small business owners in all communities have easy access to the financial system, and that they receive much-needed capital to maintain their workforces.

The Paycheck Protection Program was created by the Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) and provides forgivable loans to small businesses affected by the COVID-19 pandemic to keep their employees on the payroll. To date, more than 4.4 million loans have been approved for over \$510 billion for small businesses across America.

The Small Business Administration and the Treasury Department remain committed to ensuring eligible small businesses have the resources they need to get through this time.

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