



Senate Reaches Deal to Increase Funding for PPP

The Senate has reached a deal on nearly \$500 billion in funding for the SBA's Paycheck Protection Program, including set-asides for CDFIs. Inclusiv is a permanent member of the CDFI Coalition and the CDFI advocate for the credit union industry. We're providing you this update directly from the CDFI Coalition:



Deal on PPP Includes Set-aside for Community Financial Institutions, Including CDFIs

This afternoon, Senate leaders announced a deal on a nearly \$500 billion relief package that includes a set-aside for Community Financial Institutions, including CDFIs.

The legislation would provide an additional \$10 billion for the Emergency Economic Injury Disaster Grants, \$50 billion for the SBA Disaster Loans Program, and \$321 billion in additional aid for small businesses through the PPP program.

The additional PPP funds include several new set-asides:

- \$30 billion for loans made by Community Financial Institutions, Small Insured Depository Institutions, and Credit Unions with assets less than \$10 billion; and
- \$30 billion for loans made by Insured Depository Institutions and Credit Unions that have assets between \$10 billion and \$50 billion.

"Community Financial Institutions" (bill text below) includes CDFIs, minority depository institutions defined under 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; an SBA Title V Development Company; an SBA micro loan intermediary; a state or federal credit union defined under section 101 of Federal Credit Union Act.

However, the bill does not deem CDFIs as additional lenders. More work will be needed with Treasury to amend the PPP interim rule issued on April 3 to facilitate greater CDFI participation in PPP.

Presumably more guidance on the legislation in terms of a report from the Senate Small Business and/or the Banking Committee is forthcoming.

The legislation also includes \$75 billion in additional funds for hospitals, \$25 billion for COVID-19 testing (see attached summary), and \$2.1 billion more for salaries and expenses at SBA.

The package is expected to pass by unanimous consent this afternoon when the Senate convenes at 4pm. The House is likely to take up and pass the package by Thursday.

Community Financial Institutions" definition (bill text):

- "(I) a community development financial institution (section 103 of Riegle Act);
- (II) a minority depository institution, as defined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note);

- "(III) a development company that is certified under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); and
 - "(IV) an intermediary, as defined in section 7(m)(11);
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To read the full text, please see the documents below:

[PPP Improvement Act](#)

[Summary Hospital and Testing](#)

[Paycheck Protection Program Increase Act of 2020](#)

About Inklusiv

At Inklusiv, we believe that true financial inclusion and empowerment is a fundamental right. We dedicate ourselves to closing the gaps and removing barriers to financial opportunities for people living in distressed and underserved communities. Inklusiv is a certified CDFI intermediary that transforms local progress into lasting national change. We provide capital, make connections, build capacity, develop innovative products and services and advocate for our member community development credit unions (CDCUs). Inklusiv members serve over ten million residents of low-income urban, rural and reservation-based communities across the US and hold over \$112 billion in community-controlled assets. Founded in 1974, Inklusiv is headquartered in New York, NY, with offices in Madison, WI and Atlanta, GA. For more information about Inklusiv visit us at [Inklusiv.org](https://www.inklusiv.org) and connect with us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

Inklusiv was instrumental in establishing the CDFI Fund in 1994, is a permanent member of the national CDFI Coalition and is the CDFI and community finance authority for the credit union industry. Our member CDCUs represent over 10 million members in low-income communities across the US, representing the majority of all CDFI-certified credit unions. Today, CDFI certification is an essential credential for credit unions with a focus on financial inclusion. Inklusiv is the credit union industry's best resource for learning more about certification and technical and financial assistance grants. For more information on our advocacy on behalf of CDFI credit unions, [click here](#).



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