

May 9, 2020

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3rd Street, SW  
Washington, D.C. 20416

Dear Administrator Carranza:

On behalf of Opportunity Finance Network (OFN), a community development financial institution (CDFI) membership organization, I am contacting you with our urgent concerns regarding the implementation of the Paycheck Protection Program (PPP). OFN represents and serves a diverse membership of almost 300 CDFIs of various asset sizes and lending types serving rural, urban and Native communities in all 50 states.

I am dismayed that in recent days, several non-profit 501(c)3 loan funds in OFN's membership have received notice from SBA officials that they are ineligible to borrow from the PPP. **The CARES ACT is absolutely clear that 501(c)3 non-profit organizations are eligible for PPP loans. I implore you to immediately issue clarifying guidance regarding the eligibility of non-profit CDFI loan funds.**

Almost half of the nation's certified CDFIs are structured as non-profit, 501(c)3, loan funds. These non-profit community development loan funds, as well as all other types of CDFIs, are on the front lines in responding to the economic impacts of COVID-19, ensuring access to credit for impacted businesses, nonprofits, healthcare facilities and individuals in our nation's low-wealth communities. In order to continue serving their existing customers and meet the evolving needs in their communities, CDFIs must be in the strongest possible financial position. As nonprofit small businesses, they are vulnerable to the same economic issues facing all other small businesses in this time of crisis.

**Immediate, public guidance from the SBA is needed to make it clear to that 501(c)3 nonprofit community development loan funds are eligible to borrow under the PPP.**

Sincerely,



Lisa Mensah  
President and CEO Opportunity Finance Network

cc: William Manger, Associate Administrator, Office of Capital Access  
William Briggs, Deputy Administrator, Office of Capital Access  
Jodie Harris, CDFI Fund Director