

Press Release

FOR IMMEDIATE RELEASE

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**CDFI Industry Aims to Protect Small Businesses
from Irresponsible Lenders**

CHICAGO – Women and people of color face unique challenges securing loans for their small businesses, including falling prey to lenders who drive risky loan products. Community Development Financial Institutions (CDFIs) are responding to the need to help these entrepreneurs avoid these traps. With the support of a \$3.6 million grant from Sam’s Club Giving Program’s Small Business Economic Mobility Initiative, Opportunity Finance Network (OFN) will lead CDFIs in an upcoming effort to inform, educate, and protect small business owners who are most vulnerable to irresponsible lending practices.

CDFIs are private financial institutions dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and disadvantaged people and communities join the economic mainstream. These organizations are on the front lines of our communities providing small business owners with the access to capital they need to thrive and continue contributing to our communities. OFN is leading the charge to spark a national dialogue about small businesses, economic opportunity, and economic growth.

OFN president and CEO Mark Pinsky comments:

“Small businesses are some of our country’s most critical economic drivers. However, lack of access to capital and other resources make women business owners and entrepreneurs of color more susceptible to rogue lenders. Providing responsible credit to these business owners is a commitment to secure futures for small businesses, and the future of our country. Irresponsible credit is a job killer.”

The State of Women- and Minority-Owned Small Businesses:

-  [Just \\$1 of every \\$23 in conventional small business loans goes to a woman-owned business.](#)
-  [Minority small business owners are disproportionately denied credit when they apply for it, regardless of credit scores, income, or profits.](#)



President and CEO of Sam’s Club, Rosalind Brewer says:

“Millions of small business owners are valued members of Sam’s Club and we’re always seeking solutions to lessen their top concern: increasingly limited time and resources. In our shared pursuit to help small business owners grow and thrive, we are proud to support the CDFI industry’s initiative to educate and inform small business owners about responsible financing options and how to avoid falling prey to abusive lenders.”

OFN is a catalyst for bringing together opportunity finance industry partners and CDFIs to effect systemic change in underserved communities. Stay tuned to ofn.org for updates and more information on this education and awareness initiative.

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About Opportunity Finance Network

OFN, the leading network of private financial institutions, creates growth that is good for communities, investors, individuals, and the economy. Members of OFN are community development financial institutions (CDFIs) that deliver responsible lending to help low-wealth and low-income communities join the economic mainstream. Through 2013 OFN's network originated \$34 billion in financing in urban, rural, and Native American communities. This financing has helped to create or maintain more than 720,000 jobs, start or expand nearly 120,000 businesses and microenterprises, and support the development or rehabilitation of nearly 1.5 million housing units and 9,500 community facility projects. For more information visit ofn.org.

About Sam’s Club and the Sam’s Club Giving Program

Sam’s Club, the nation’s eighth largest retailer and a leading U.S. membership club, offers savings and surprises to millions of members in 651 U.S. club locations and at SamsClub.com. The Sam’s Club Giving Program, established by the Walmart Foundation in 2008, has granted more than \$18 million to date in support of micro- and small business prosperity, economic mobility and opportunity. For more information on national or local giving by Sam’s Club or the Sam’s Club Giving Program, visit SamsClub.com/giving.