

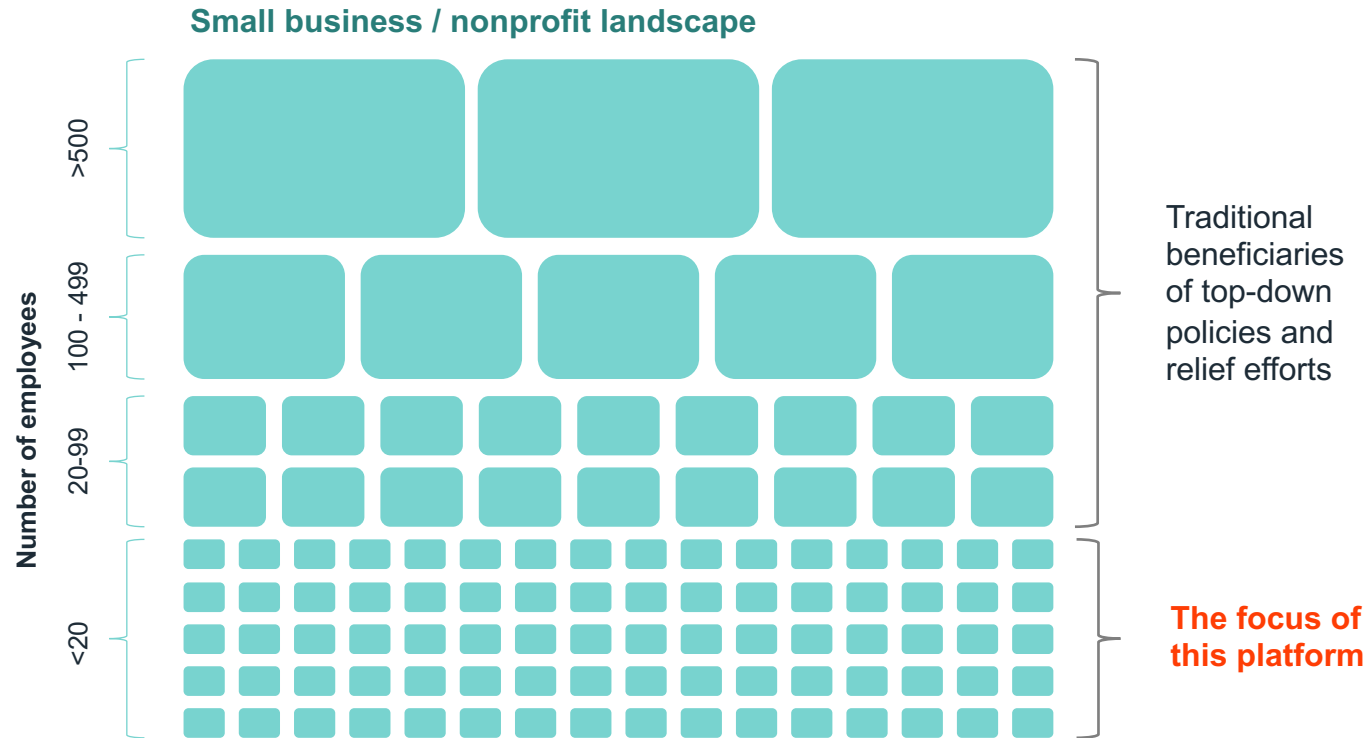
CRF
USASM



Community-centered COVID-19 Response

A collaboration to support community lenders, businesses and nonprofits historically left behind by relief and recovery efforts

The economic impact of COVID-19 related social distancing policies has been immediate and unprecedented and is crushing community-based organizations



Smaller, community-level organizations – many in low income communities and led by people of color – were already **suffering from decades of discrimination, lack of access to affordable capital, and an insufficient safety net.**

If we do not authentically and intentionally create the right resources for these community organizations this crisis will **widen the racial wealth gap, worsen outcomes for low-income and low-wealth communities, and wipe out an entire segment of our economy.**

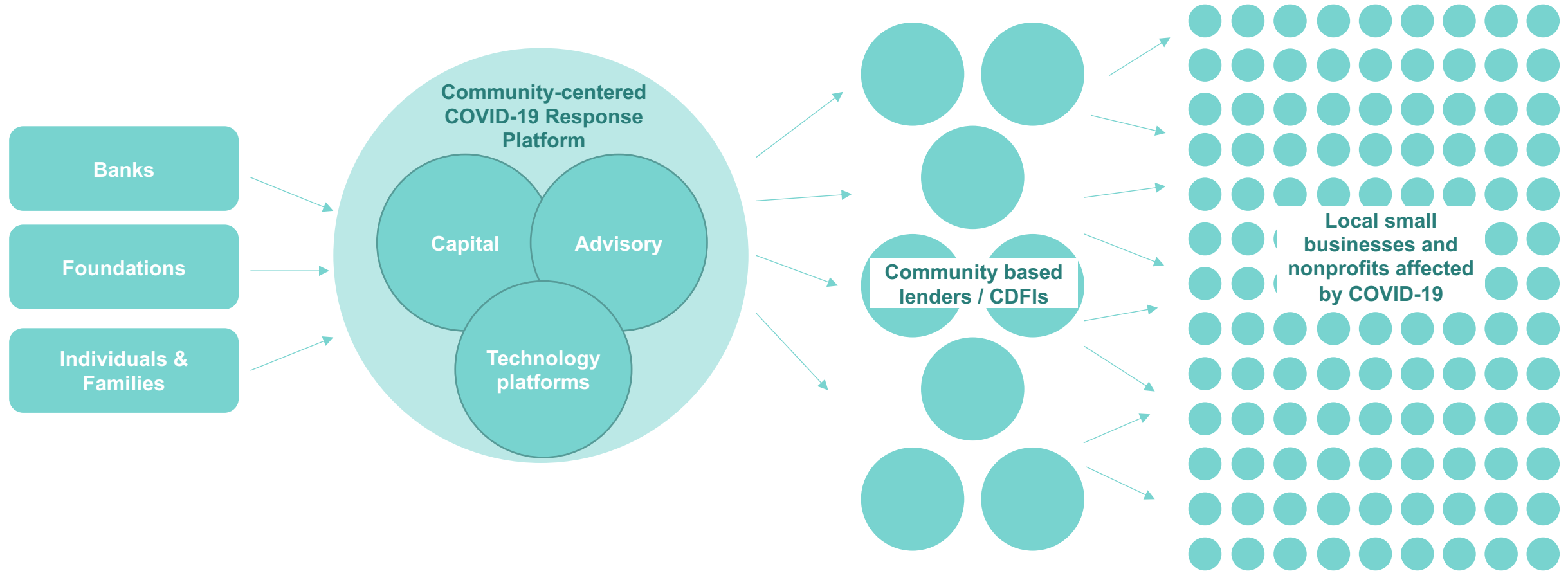
The platform combines existing infrastructure, networks, and relationships to simplify execution and speed to market

Loans, investments & grants...

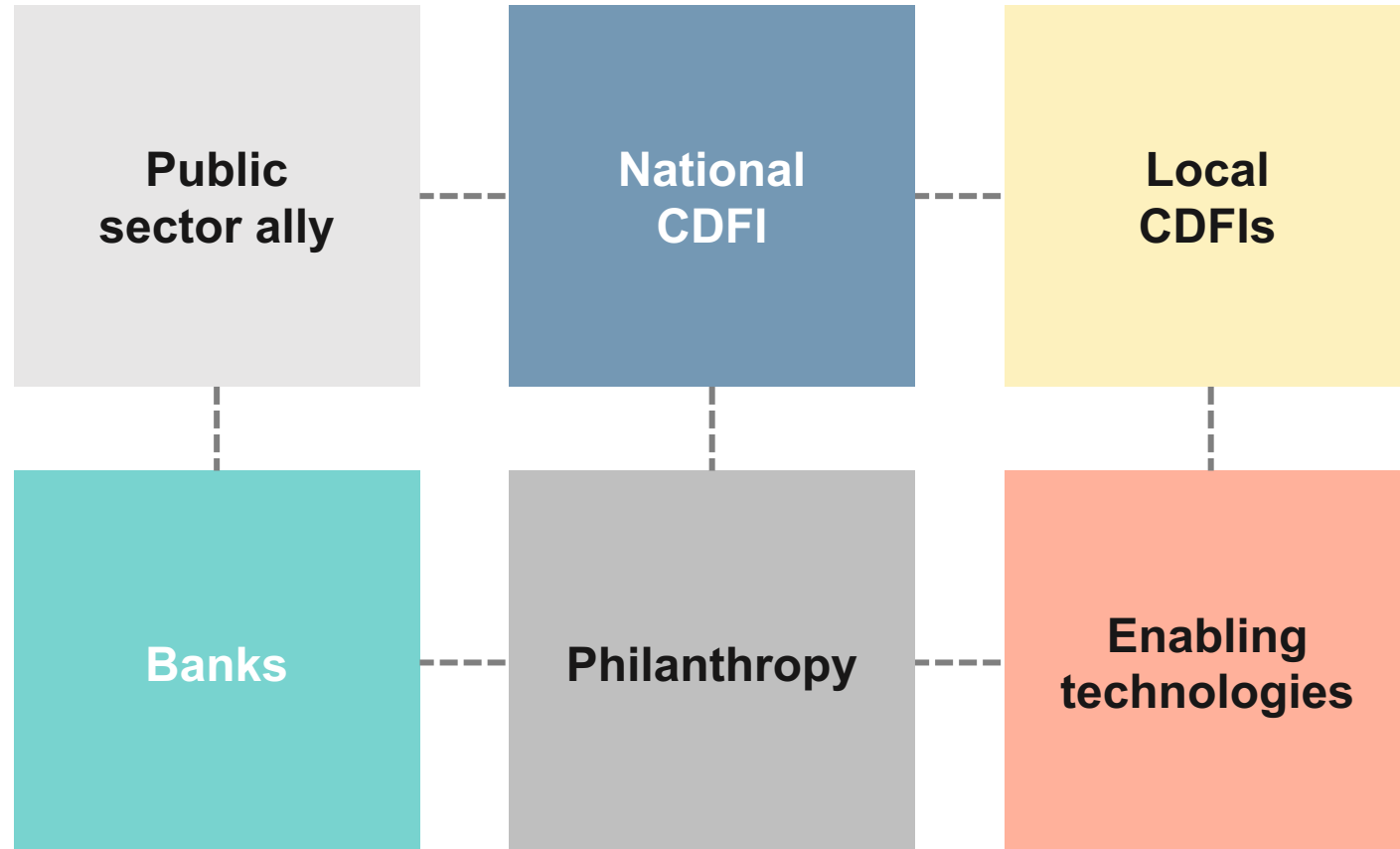
...centralized and tailored...

...distributed through local partners...

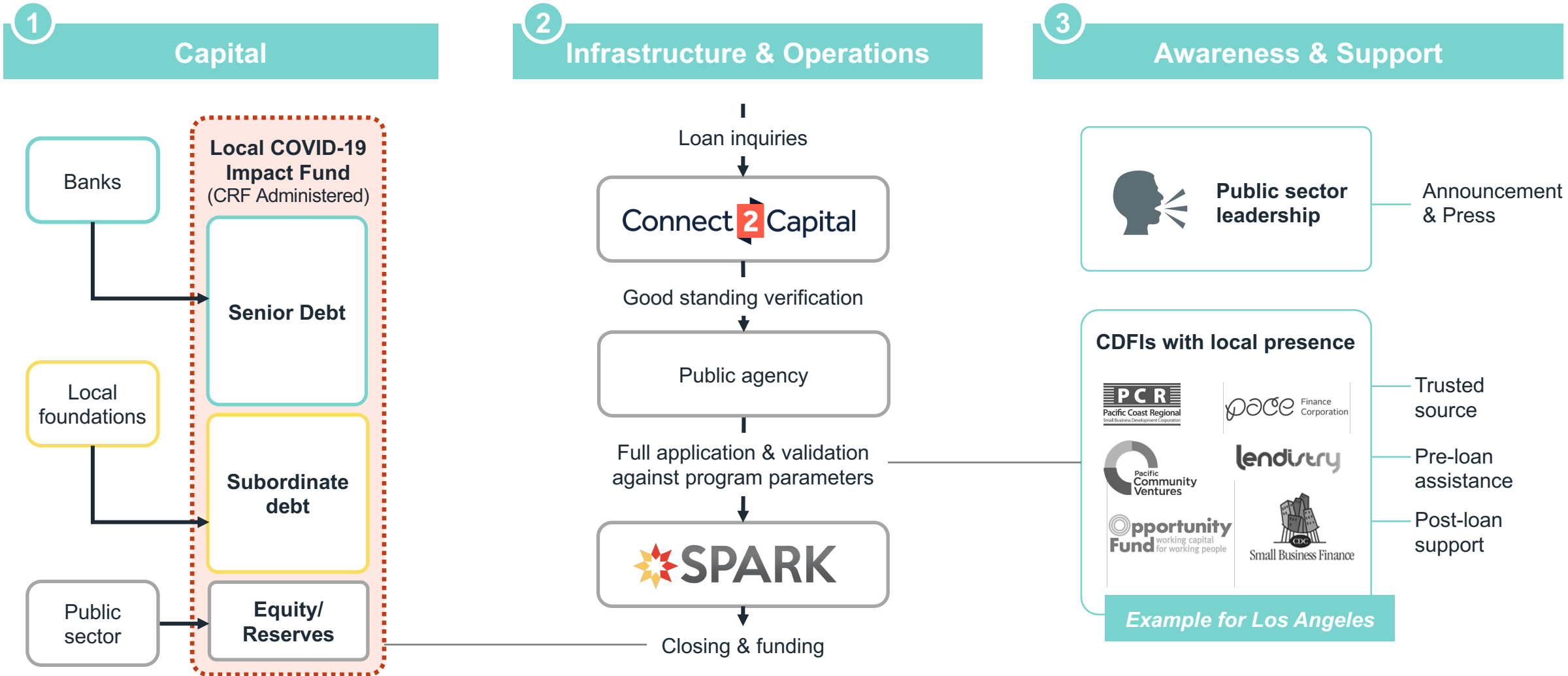
...to the organizations that need it most



This targeted response effort brings aligned and complementary capabilities together across sectors and organizations



These organizations support execution through three main pillars of work



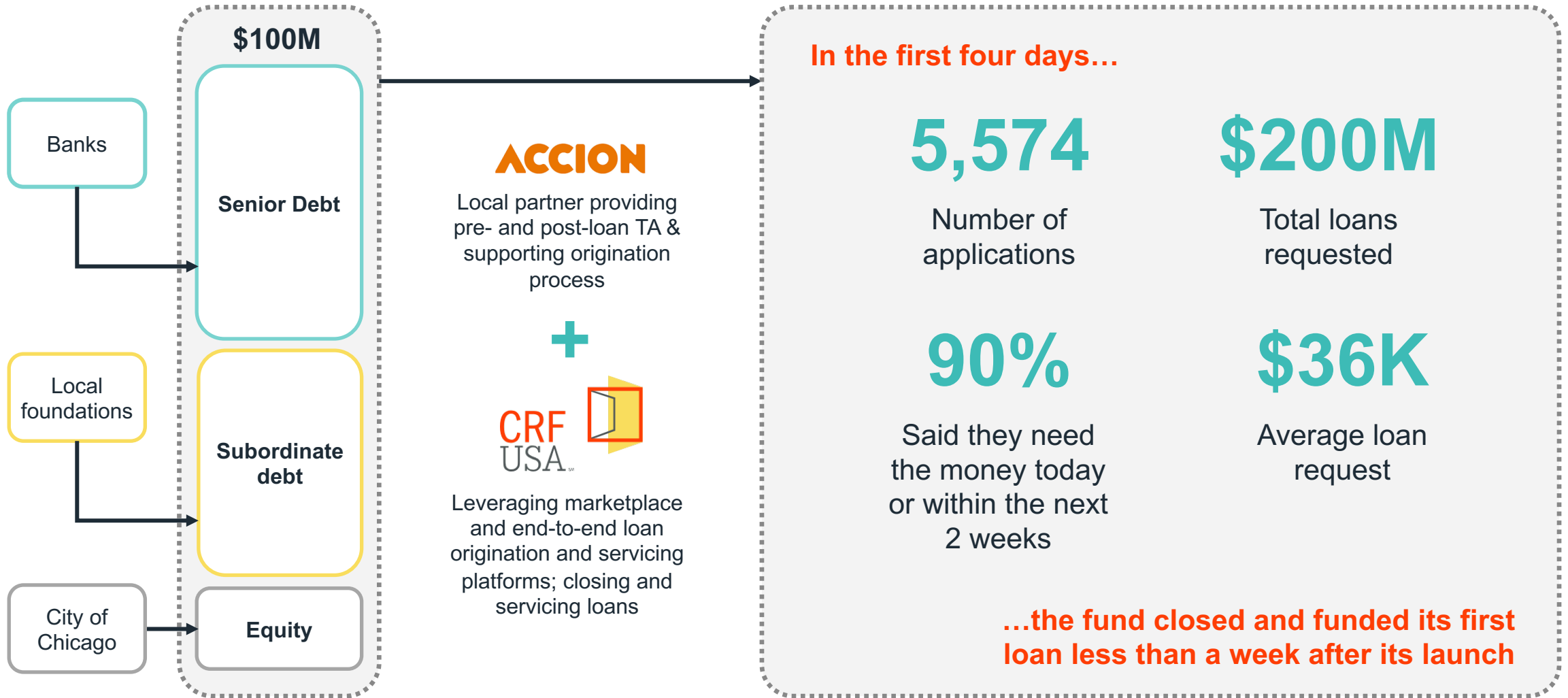
The loan product is tailored to meet the immediate and longer-term credit needs of small businesses and nonprofits during the post-COVID recovery

Interest rate	0-1% interest for the first 18 months; step-up in rate to 5-6% for months 19 through the end of the term (60 months)
Payment schedule	0-6 months: \$10 principal payment (to monitor account) 6-12 months: Interest-only, no principal 12-18 months: Principal & interest payments at introductory rate, straight-line amortization 19-60 months: Principal & interest payments at step-up rate, straight line amortization
Use of proceeds	Working capital <ul style="list-style-type: none">• At least 50% of proceeds applied toward payroll• Commitment made to retain or rehire the workforce at a minimum of 50% of pre-COVID-19 levels for 6 months after the loan disbursement• If Loan Applicant has laid off all staff due to COVID-19, they are required to rehire employees, simultaneous with the Borrow Loan closing
Recourse	No collateral or personal guarantee required
Loan amount	Lesser of (a) \$50,000 or (b) 100% of average monthly revenues for a 3-month period prior to the COVID-19 outbreak

Sample loan terms from Chicago program; final product design will be determined in coordination with local partners

A similar recovery product and fund structure was rolled out in Chicago last week with staggering results

CHICAGO
DATA FROM
THE FIRST
WEEK OF
APPLICATIONS
(3/31 – 4/3)

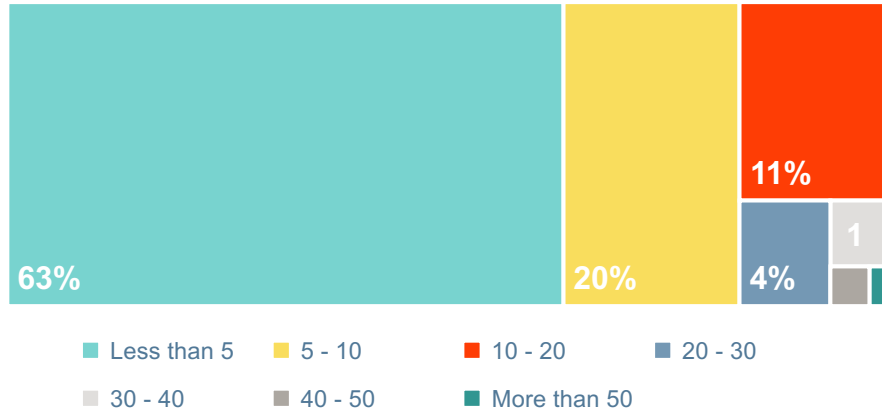


The product is reaching the communities and organizations that the federal response efforts are struggling to reach

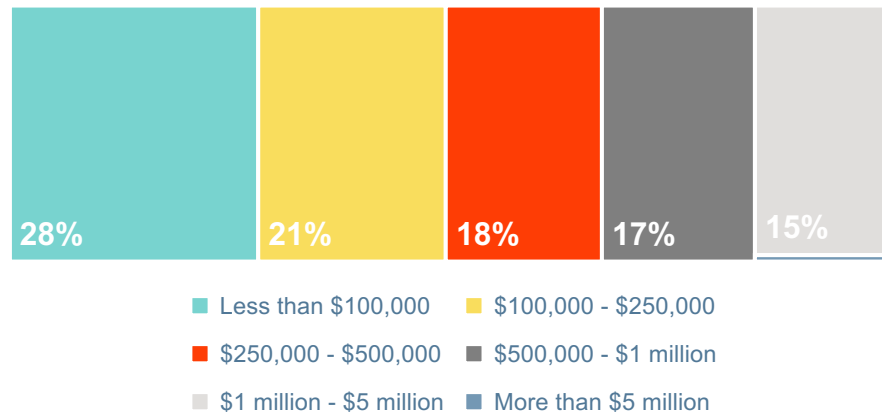
CHICAGO
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Small, community-based businesses and NPOs

83% of businesses had fewer than 10 employees



49% had less than \$250K in annual revenue

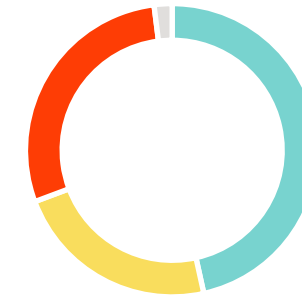


Owned and/or led by diverse leadership (68% of total applicants)

Racial diversity

48%
Non-white applicants

Of non-white applicants...

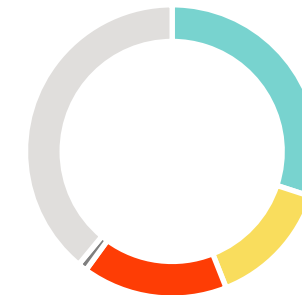


- Black/African American
- Latinx
- Mixed race / other non-white
- Native American

Gender diversity

45%
Women applicants

Of women applicants...

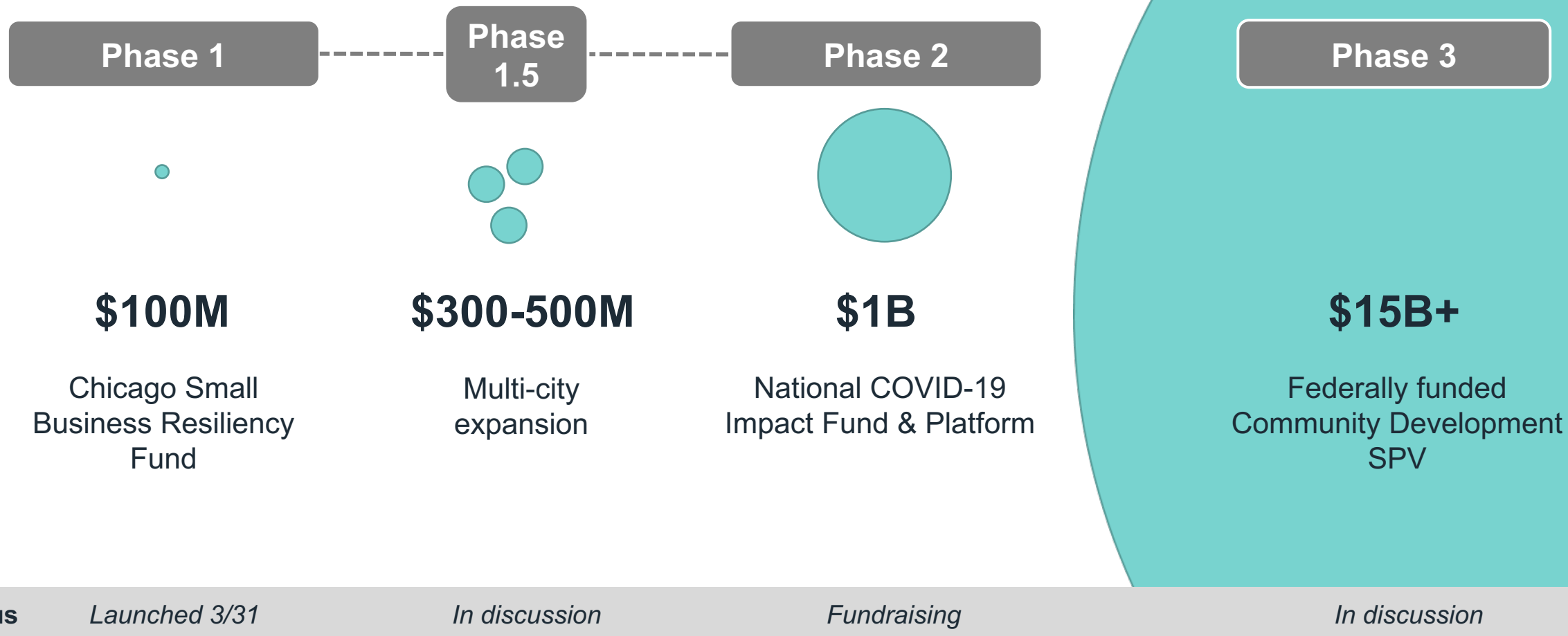


- Black/African American
- Latinx
- Mixed race / other non-white
- Native American
- White

8% LGBTQ

3% Veteran

The goal is to prove the model so it can be scaled to meet the enormous need



Once the early ingredients are in place, the model can be executed within weeks so local businesses and nonprofits get access to the cash they need

Initial steps

- 1 Identify public resources & support**
- 2 Secure commitments from capital providers (banks + philanthropy)**
- 3 Identify cohort of local CDFI / community partners**