

# United States Congress Washington

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## **WARNER, BOOKER, HARRIS, SCHUMER INTRODUCE LEGISLATION TO HELP LOW-INCOME AND MINORITY COMMUNITIES DURING ECONOMIC CRISIS**

~ *[Study](#): 41% of black-owned businesses, 32% of Latino-owned businesses & 36% of immigrant-owned businesses have permanently shuttered during the pandemic ~*

~ *Bill will open up billions in new credit opportunities for Black, Latino and low-income communities through neighborhood lenders ~*

~ *Rep. Gregory Meeks to introduce companion legislation in the House ~*

WASHINGTON – Today U.S. Sens. Mark R. Warner (D-VA), Cory Booker (D-NJ), Kamala Harris (D-CA) and Democratic Leader Chuck Schumer (D-NY) are introducing the [Jobs and Neighborhood Investment Act](#), legislation to make a new, \$17.9 billion investment in low-income and minority communities that have been especially hard-hit by the COVID-19 crisis. Rep. Gregory Meeks (D-NY) will introduce companion legislation in the House.

The legislation would provide eligible community development financial institutions (CDFIs) and Minority Depository Institutions (MDIs) with capital, liquidity, and operational capacity, to expand the flow of credit into underserved, minority, and historically disadvantaged communities, helping small businesses stay afloat and expand operations, while providing affordable access to credit for lower income borrowers. The Senators are seeking to include the *Jobs and Neighborhood Investment Act* in any upcoming COVID-19 relief legislation to help hard-hit communities weather and recover from the economic blow of the pandemic.

“We know that Black and Latino Americans are disproportionately suffering from the dual health and economic effects of COVID-19, putting many low-income and minority neighborhoods at risk of sustained economic damage that will last far beyond the current crisis. Steps like PPP loans, expanded UI, and one-time stimulus payments helped to soften the blow in some places, but not enough. Jobs that supported these neighborhoods are disappearing overnight, and if we don’t act now, we could see a hemorrhaging of already-limited economic opportunities from these communities that will take generations to recover,” **said Sen. Warner**. “The *Jobs and Neighborhood Investment Act* directs billions in new investments to help low-

income and minority communities withstand this unprecedented economic downturn and emerge stronger with increased access to capital and new economic opportunities.”

“Even before the pandemic, communities of color and low-income communities were facing deep-seated challenges and structural inequities in accessing capital and economic opportunity,” **said Sen. Booker**. “Now, as the Coronavirus crisis exposes and exacerbates these inequities, it’s past time we act boldly, by investing in the families, businesses, and communities that have been most impacted and providing them with the resources they need to recover and rebuild.”

“We are in the midst of multiple crises in our country: a public health crisis, which is disproportionately impacting people of color in America; and the resulting economic crisis that is causing financial hardship for our small and minority-owned institutions. As we work to secure additional funding for the survival of businesses across the country, I am proud to work with my colleagues on this next step in not only lifting up the hardest hit communities, but ensuring they thrive in the coming months,” **said Sen. Harris**.

“Since long before they were hit with the recession created by the COVID-19 pandemic, Black families and business owners have struggled to gain access to capital and banking services necessary to build and maintain strong communities and opportunities for growth. The *Jobs and Neighborhood Investment Act* would mean billions in resources for the institutions that serve the underfunded and underbanked and provide minority and low income neighborhoods with the resources they need to help them not just weather the storm but thrive over the long-term,” **said Sen. Schumer**. “If our Republican colleagues are serious about addressing inequity and getting aid to those who need it most, they should stop focusing on providing immunity to big corporations and make sure our truly small and minority owned businesses, and the institutions that truly seek to serve them, have access to the resources and funding they need to survive and thrive.”

“As Chairman of the House Financial Service Subcommittee on Consumer Protection and Financial Institutions, my focus has been squarely on address the inequities faced by unbanked and underbanked communities, and communities of color that continue to be discriminated against to this day, including in banking and financial services. The COVID19 pandemic has laid bare the vulnerability of these communities, and the urgency of addressing the failures of the financial system that leave these communities behind. Achieving a balanced and sustainable economic recovery requires inclusion of, and investments in minority banks, community development financial institutions, and those banks and lenders that reach marginalized communities,” **said Rep. Meeks**.

A summary of the bill is available [here](#). Text of the bill is available [here](#).

“The compounding effects of COVID-19 will put many low-income and minority neighborhoods at risk of sustained economic damage,” **said David Clunie, Executive Director, Black Economic Alliance**. “*The Jobs and Neighborhood Investment Act* seeks to mitigate economic damage and

break down some of the economic barriers Black communities face by strengthening the financial institutions that serve communities of color so they can boost operational capacity and increase lending to Black businesses and lower-income borrowers. By improving access to capital and providing new economic opportunities, this legislation will help Black Americans emerge stronger from the economic downturn that is harming Black communities disproportionately. BEA is proud to have helped shape this bill. We are grateful to Senators Schumer, Warner, Harris, and Booker and Rep. Meeks for their leadership, and we look forward to swift passage of this proposal.”

“In this critical moment, our communities are in dire need of being supported and uplifted,” **said Derrick Johnson, President and CEO, NAACP.** “The disproportionate impact and strain COVID-19 has placed on low-income neighborhoods has been devastating, and the relief *Jobs and Neighborhood Act* will provide is sorely needed. I am encouraged by the organizations, elected officials and community leaders that continue to step up and fill in the gap amid this turbulent time; and the NAACP will continue to lead in this fight.”

“Underserved communities require specific actions to inject resources that impact families and businesses. The *Jobs and Neighborhood Investment Act* as Senator Warner proposes must be pointed to these communities as the data proves that there is a disproportionate impact from COVID-19. Therefore, we must itemize the need to repair, restore, and regenerate economic vitality in these communities,” **said Kenneth Kelly, Chairman, National Bankers Association.**

“The pandemic has illuminated the barriers faced by Black borrowers, business owners and their employees like nothing else in recent memory,” **said Marc H. Morial, President and CEO, National Urban League.** “The *Jobs and Neighborhood Investment Act* is a step toward not only reclaiming the economic ground that has been lost over the last few months, but revitalizing the Black communities that still lag behind because of systemic racism and lack of opportunity. The National Urban League recommends passage of this legislation.”

“This bill provides critical support for CDFIs and MDIs and is a good step toward expanding the flow of credit into underserved and historically disadvantaged communities. This is especially important for communities of color, which have been hit hardest by the current crisis. This legislation will enable business owners of color to survive and expand operations,” **said Ashley Harrington, Director of Federal Advocacy and Senior Counsel at the Center for Responsible Lending.** “This is a commonsense approach to help local economies, and we look forward to continuing our partnership with Senators Warner, Harris, and Booker and Congressman Meeks in further strengthening this legislation and in getting it passed into law.”

“The African American Alliance of CDFI CEOs supports the *Jobs and Neighborhood Investment Act*. We believe it is a positive step to ensuring that small businesses most impacted by the pandemic will receive funding- through CDFIs and minority lenders- to assist with restoring and rebuilding communities,” **said Donna Gambrell, Chair, and Calvin Holmes, Vice-Chair, The African American Alliance of CDFI CEOs.**

**“The *Jobs and Neighborhood Investment Act* has the potential to dramatically increase the flow of responsible investment capital into communities of color. This could be a game changer for community development institutions that are helping underserved communities emerge from the current economic crisis,” said Noel Andrés Poyo, Executive Director, National Association for Latino Community Asset Builders.**

**“This legislation proposed by Sen. Mark Warner (VA) works to provide the needed capital investments in Black communities that will help families in crises due to the devastating economic impact of the COVID-19 pandemic. These resources will strengthen businesses, increase employment and provide access to affordable credit for many hardworking residents in our country’s most underserved communities,” said Dr. W. Franklyn Richardson, Chairman, Conference of National Black Churches (CNBC).**

**“Prosperity Now has been honored to work with Senators Warner, Booker, Harris and Congressman Meeks on their *Jobs and Neighborhood Investment Act*, a comprehensive plan to capitalize and strengthen Minority-Owned Banks and CDFIs, which are fundamental to our communities and their recovery from COVID-19. A key value of this legislation is that it would also prepare us for and respond to the next economic crisis. We fully endorse this bill,” said Doug Ryan, Senior Fellow, Prosperity Now.**

**“The Local Initiatives Support Corporation (LISC) applauds Senator Warner and the other co-sponsors for recognizing the critical role that CDFIs and Minority Depository Institutions play in providing capital to underserved borrowers and communities, and for providing them with the resources needed to meet the scale of the challenge that is facing the country as we recover from both the health and economic impacts of COVID-19. There is little doubt that the communities served by CDFIs and MDIs are disproportionately impacted by COVID-19, and this legislation provides a thoughtful means of ensuring that scarce federal resources get to the businesses and residents of those communities,” said Maurice Jones, President and CEO, Local Initiatives Support Corporation (LISC).**

**“The *Jobs and Neighborhood Investment Act*’s support of minority-owned and minority-led lenders is a great step forward for promoting access to capital for underserved communities and the country at large. We look forward to bipartisan passage and working with all stakeholders to ensure its intent is realized,” said Aron Betru, Managing Director, Milken Institute Center for Financial Markets.**

**“The current global pandemic has made plain that our financial system is stronger and more dynamic when community development financial institutions grow and thrive. We applaud the work of Senators Warner, Booker, Harris and Congressman Meeks in advancing the Jobs and Neighborhood Investment Act to strengthen the efforts of community-based lenders by providing them with additional tools to continue reaching those most deeply affected by this crisis,” said Cathie Mahon, President and CEO, Inclusiv.**

“Black and Brown communities have been disproportionately impacted by the health and economic effects of the pandemic. More than 40% of black businesses already have shut down. We need urgent investments to change this trajectory, empower a banking system that reaches deep into our minority communities, and help us reach the urgent goal of economic justice. This legislation provides vital support to community and minority-owned banks. Eliminating the racial wealth gap would add more than \$1 trillion to our country’s GDP, benefitting all communities. This isn’t a political issue, and I’m hopeful leaders across both parties will come together to drive real change forward, without delay,” **said Robert F. Smith, Founder, Chairman and CEO, Vista Equity Partners.**

“The *Jobs and Neighborhood Investment Act* recognizes the critical role CDFIs play in serving communities struggling against persistent racial and economic inequality. In particular, the Opportunity Finance Network applauds the inclusion of \$1 billion in immediate CDFI Fund grants to strengthen CDFIs to do more in the challenging months ahead,” **said Jennifer A. Vasiloff, Chief External Affairs Officer Opportunity Finance Network.**

“The *Jobs and Neighborhood Investment Act* will inject vital resources into families, businesses and communities that have been hardest hit by COVID and the economic crisis. By prioritizing investments that increase and leverage the capacity of minority lenders and CDFIs, the Act will significantly advance economic opportunity among America’s most underserved people and places,” **said Bill Bynum, CEO, Hope Credit Union.**

“Over the past four months, we have watched in awe as CDFIs and MDIs across the country have mobilized any and all available resources at their disposal to mitigate the devastating effects of COVID- 19. We have seen their willingness and ability to ensure that the communities they serve weather this crisis, restart and recover quickly, and build back stronger and with more resilience. The *Jobs and Neighborhood Investment Act* would provide the necessary capital and operating support so that these community-based lenders can significantly grow their efforts to meet the incredible need across urban, rural, and Native communities,” **said Jennifer Pryce, President & CEO, and Frederick “Bart” Harvey, Chairman of the Board, Calvert Impact Capital.**

“This initiative is exactly what is needed to help low-income and communities of color rebuild. CDFIs have long been committed to racial and economic justice. This set of programs will provide the tools for CDFIs to help small businesses survive and thrive and communities to recover,” **said Jeannine Jacokes, Chief Executive Officer, Community Development Bankers Association.**

“The *Jobs and Neighborhood Investment Act* will put resources and financial mechanisms into the communities where they can do the most good. Senators Warner, Booker and Harris, and Congressman Meeks, have introduced a measure that, if enacted, will catalyze growth and opportunity for underrepresented groups by unleashing the potential of small businesses in minority communities too often left behind by broader economic growth,” **said David Grain, Founder and CEO, Grain Management.**

“The *Jobs and Neighborhood Investment Act* will help get needed funds into communities hardest hit by the crisis, by supporting community development financial institutions and minority depository institutions – those with the on-the-ground expertise and track record to get the job done,” said **Professor Michael S. Barr, Joan and Sanford Weill Dean of Public Policy, Frank Murphy Collegiate Professor of Public Policy, Roy F. and Jean Humphrey Proffitt Professor of Law, University of Michigan.**

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