



For Immediate Release: June 18, 2018

Contact:

Conan Knoll

conan@emcstrategies.com

(831) 524-6764

State Lawmakers Consider Whether to Extend Life of Crucial Program Supporting Small Business Lending

The California State Assembly Committee on Jobs, Economic Development, and the Economy on Tuesday will consider S.B. 551, which would extend the life of the California Capital Access Program, which helps non-profit lenders and small banks make loans to small businesses

June 18, 2018, San Francisco, CA. —The California State Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) on Tuesday will consider Senate Bill 551, which sustains a state program that helps Community Development Financial Institutions (CDFIs) and small banks make responsible small-dollar loans to California small businesses.

[S.B. 551](#), sponsored by State Sen. Ben Hueso (D-San Diego) and strongly supported by Opportunity Fund would extend the life of the California Capital Access Program (CalCAP), which creates a loan loss reserve program that enables non-profit lenders like CDFIs and small banks to extend much needed credit to small business owners that have trouble finding financing from large financial institutions. CalCAP is at risk because funds from the federal State Small Business Credit Initiative that extended \$1.5 billion for state sponsored small business finance programs are nearly gone.

“While the businesses we serve are creditworthy, they don’t meet all the requirements typically desired by traditional lenders,” said Luz Urrutia, CEO of Opportunity Fund, a leading non-profit CDFI with the nation’s largest portfolio of small business microloans under management.

“Opportunity Fund contributes a small portion of each loan we fund and CalCAP provides a match to help us build a loan loss reserve to lessen that risk. Every dollar CalCAP contributes to Opportunity Fund yields as much as \$30 in loans to underserved businesses.”

S.B. 551 would move the small business loan loss reserve program from the California Pollution Control Financing Authority to the Governor’s Office of Business and Economic Development, which is better positioned to access new state funding.

The program, which lenders also pay into, has an enormously positive impact on small businesses, which need capital to launch, grow and thrive. Since 1994, Opportunity Fund has supported 8,000 California small business owners—from food truck operators, to commercial aircraft interior manufacturers, to transportation companies—with \$300 million in loans,



virtually all of which have been backed by the CalCAP program. CalCAP has allowed Opportunity Fund alone to increase its lending five-fold.

Minorities make up 87 percent of Opportunity Fund’s borrowers, while 73 percent are low to moderate-income families and 30 percent are women. Research shows that Opportunity Fund loans sustain or create three jobs, on average, and every dollar invested generates \$2 in local, annual economic activity, totaling \$440 million in California last year alone.

“When you look across the state, in every district, you can see the impact this program has in adding to the vibrancy and vitality of our small businesses,” Urrutia said. “Lawmakers serving on the JEDE Committee have the ability to vote on whether this bill moves forward. I hope they each recognize how vital this program is to entrepreneurs across California.”

###

About Opportunity Fund

Opportunity Fund, the nation’s leading nonprofit small business lender, believes that small amounts of money and financial advice helps people make permanent and lasting change in their own lives, driving economic mobility and stronger communities. Opportunity Fund’s community of donors and investors helps to fund small businesses and build vibrant neighborhoods. Our strategy combines microloans for small business owners and new markets tax credit investments in high-impact infrastructure projects that provide critical medical, housing, and education services that create jobs underserved communities. Since 1994, the team has deployed over \$700 million and helped thousands of families earn, save and invest in their own futures.

Visit www.opportunityfund.org for more information.