We all do better when our local communities and economies are resilient. We invest in underbanked communities and explore ways to expand consumer access to high quality and responsible financial products, services and education.

The Vision and Values of Wells Fargo
Background

- May 2015 – Gallup released the results of a Wells Fargo commissioned study focused on lending to diverse-owned small businesses
- The study’s findings reveal that diverse small business owners were more likely than their counterparts to:
  - Report having personal credit challenges and be declined for business credit
  - Have annual business revenues of less than $50,000 and to have a business in start-up or growing stage
  - Be very interested in learning how to build their business credit application

Wells Fargo's four point plan

- A **credit coaching program** offering expanded support to business owners who have been declined business credit
- A Wells Fargo supported **Chamber Training Institute** that trains leaders of diverse chambers of commerce on key topics
- A **nationwide referral network** to help ensure business owners are aware of the range of financing options that are available
- The **Wells Fargo Works for Small Business®: Diverse Community Capital (DCC) program** focused on distributing $50 million in debt and $25 million in grant capital over 3 years to CDFI’s that serve diverse small businesses
Diverse Community Capital program

- **Grant Capital** – Broad and varied uses to build CDFI capacity to increase and strengthen lending to diverse small businesses.

- **Debt Capital** – Senior debt or subordinate debt to build lending capital of CDFI’s for diverse small businesses.

- **Social Capital** – Activities to build support networks and social infrastructure among CDFI’s for the purpose for the increasing lending to diverse small businesses. The Social Capital activities will be offered through *Opportunity Finance Network (OFN).*

Program goals

- To **increase lending** to diverse small businesses.

- To **build the capacity of CDFIs** to lend to and provide development services to diverse small businesses.

- To **strengthen the readiness** of diverse small businesses to access capital.

- To **improve and transform systems** for how diverse small businesses access capital and development services.

DCC Awardees will provide an **annual report**, including a number of key metrics, to measure how well the program is accomplishing its four goals.
Eligibility requirements

- Organizations with a mission of community development and primarily focused on providing affordable, responsible financial products & services
- Organizations with 501(c)(3) tax status or organizations working with a fiscal sponsor with 501(c)(3) tax status
- Two consecutive years of small business lending, and
- Located in and serving the U.S.

Selection criteria

- A compelling strategy that will result in meaningful and measurable impact and change
- A strategic use of grant loan proceeds
- Specific and credible projected outcomes
- Financial performance – operations, capital, portfolio and management
Priority consideration

- Strategies focused on lending to African-American owned businesses
- CDFI’s led by a person of color
- CDFI’s in states where Wells Fargo has retail banking locations

Program process

- CDFI’s that are interested in one or more components of the DCC Program will submit an Interest Form at http://www.cybergrants.com/wellsfargo/DCC/interestform.

- The first round of Interest Forms are due December 1, 2015.

- There will be 5 additional rounds of funding in 2017-2018.
Program launch

- To launch the DCC Program, funding for three CDFI’s was announced on Monday, November 2.
  - **OBDC Small Business Finance** in Oakland, Calif. received a $750,000 equity equivalent investment for their loan fund for small businesses and a grant for $700,000 to increase outreach to diverse small business owners in the San Francisco Bay Area.
  - **BBIF Florida** in Orlando, Fla. received a grant for $1 million. BBIF specializes in providing loans to underserved small businesses in Florida and in helping those business owners with financial and technical assistance training.
  - **HOPE Enterprise Corporation** in Jackson, Miss. received a $2 million grant to support the costs of HOPE’s commercial lending, outreach and technical assistance programs for small businesses. HOPE is strengthening communities in economically distressed areas of Arkansas, Louisiana, Mississippi, and in Memphis, Tenn.

**CDFIs have their finger on the pulse of challenges that diverse small business owners face. The Diverse Community Capital program will allow us to help CDFIs support these entrepreneurs from all angles – from providing help with creating stronger business plans, to accessing technology, to offering flexible financing.**
For more information

- Visit wellsfargo.com/cdfi

- Email diversecommunitycapital@wellsfargo.com