CommunityWorks COVID-19 Relief Efforts

CommunityWorks, a South Carolina US Treasury certified nonprofit community development financial institution (CDFI), provides critical financing for small business, affordable housing and community development organizations and efforts. CW primarily serves underserved populations and communities, providing them with access to credit, financial services and coaching.

CommunityWorks has a long history of serving the financing needs of undercapitalized and underserved small businesses, individuals and communities, in many cases being the most nimble and responsive organization to meet these needs. CommunityWorks has served over 200 small businesses with over $2M in affordable financing and has helped to create over 800 units of affordable housing, $5.2M in financing to support nonprofit organizations and over $5M in consumer loans.

Most of the businesses we serve are typically minority or women-owned businesses with fewer than 50 employees. They will not see relief from some of the programs currently outlined in the SBA Relief programs that you have probably seen in the news the past few days, which will tend to benefit larger businesses. Demand for credit under $100,000 is highest among black-owned, Hispanic-owned, and women-owned firms. With no revenue (due to forced closings) and ongoing expense needs for an extended and unknown period, many will fail. More than half of small and microbusinesses have less than 15 days of cash buffer, yet these make up our downtowns, our neighborhoods and our communities.

Now more than ever our existing small businesses and nonprofit partners, along with thousands of new small businesses and nonprofit organization, need our help. In the wake of COVID-19, CommunityWorks is responding in the following ways:

1. CW coaches are working diligently with existing small business borrowers to modify their existing loans where necessary, provide guidance and technical assistance on any and all federal assistance for which they might qualify. We are a direct resource and support network during these difficult times.

2. CW Loan Officers are responding to hundreds of new inquiries for small businesses seeking working capital to meet immediate payroll and expenses.

3. CW will provide technical assistance to small business and nonprofit organizations seeking to apply for direct federal relief funds through the Small Business Administration (SBA) and other Federal Relief Programs.
4. CW is developing three new COVID 19 Relief loan products to support small businesses, nonprofit partners and consumers to meet immediate needs.

1) COVID-19 Small Business Relief Fund Line of Credit for small businesses: **up to $10,000**

2) COVID-19 Community (nonprofit) Relief Fund Line of Credit to help nonprofit partners: up to $50,000 unsecured and $250,000 secured

3) COVID-19 Consumer Relief Fund loan to help with emergencies: up to **$1,500** in partnership with Self Help Credit Union.

CommunityWorks has the capital to lend and the staff and expertise to deploy these funds in a timely manner. However, we will need support from philanthropy, individuals, foundations and financial institutions to help set up a special **loan loss reserve to back stop** any losses and to protect borrowers and CommunityWorks long term.

Support can be in the form of direct contributions or as 0-2% Percent Short Term Program Related Investment (PRI) with an option for interest deferral or loan forgiveness. We are also working with our fellow CDFI partners to advocate to Congress to provide grants and capital to CDFIs like CW to support these types of local efforts.

**More Specific Investment details attached.**

CW will continue to monitor the situation and may modify the above products or create additional products if a new response is needed.

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1. 2017 and 2019 Small Business Credit Survey