



Community Developments

Comptroller of the Currency
Administrator of National Banks

from the Community Development Division

Focus on Small Business

Community development focuses on the growth and rebirth of the nation's urban and rural communities. In helping to support community development activities in national banks, the OCC works with many constituencies. No constituency is more important to national banks and to the broader economy than small business. Small businesses are our nation's primary source of jobs (two-thirds of all new jobs) and innovations (twice as many new patents per employee as larger firms). Banks have long been small-business specialists, responsible today for about 60 percent of all small-business credit. Eighty-seven percent of small businesses have some relationship with a commercial bank.

Because of this, it is an important responsibility of the OCC to promote even stronger partnerships between banks and small business, and to ensure that the rapid changes overtaking the financial services industry enhance these partnerships.

This issue of *Community Developments* is devoted to articles on small business because of its importance. Included are articles entitled:

- Capital Access Programs
- Community Express – A small business public/private partnership
- Credit Scoring for Small Business Lending
- Small Business Investment Companies

There is also information on credit cards and small business and what the OCC is doing to help get the word out about small-business lending to our banks. We at the Community Development Division hope you find this information useful. Please let us know what your thoughts are on this subject.

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States "Capital Access Programs" Support Small-Business Lending

—by Clifton G. Kellogg, *Department of the Treasury*

State-run Capital Access Programs (CAPs) facilitate community development by helping banks make small-business loans with slightly higher risk, while eliminating the paperwork of loan guarantees. CAPs currently operate in 19 states and two cities, with cumulative loan volume through 1998 of more than \$1.2 billion. CAPs can fill an important need for smaller business loans, since average loan sizes are relatively small at \$67,000 (1998 average). Currently, more than 300 banks actively originate CAP loans.

Later this year, the U.S. Department of the Treasury plans to release its second summary of these CAP programs, *Capital Access Programs: A Nationwide Summary of Performance* (to download a copy of the October 1998 edition, see <http://www.treas.gov/reports/cap.pdf>). The report describes how CAPs work, gives the first tally of CAPs' national volume, and describes possible federal legislation that would spur these programs to start in states where they do not already exist, and to expand where the programs do exist.

Nationwide CAP Loan Volume Through 1998

	New Loans (millions)	New Loans
1998	\$239	3,531
1997	210	3,395
1996	187	N/A

CAP encourages small-business lending in a highly cost-efficient way. The CAP process is straightforward: When a small-business borrower does not meet traditional lending criteria, the bank may offer the borrower a CAP loan that carries an "insurance premium" generally between 3 and 7 percent of the loan

amount. The bank may also contribute to this premium. Typically, the state will match this contribution one-to-one, and some states match at even higher rates for targeted groups, such as lower-income areas or minority- or women-owned businesses.

All of the premiums that a bank collects from CAP loans go into a single CAP reserve account that it holds. If any CAP loan fails, the bank can offset the loss against this accumulated CAP reserve account. In this way, the CAP reserve account builds up and buffers the bank's losses from the entire portfolio of CAP loans. This creates an accumulated reserve of between 6 and 14 percent, allowing a bank to take higher risks than traditional small-business lending, where losses are generally less than 1 percent annually. The bank remains responsible for losses greater than the reserve account. This ensures that the bank will not take excessive risks.

CAPs are very simple programs that do not require a separate government review of each loan, as loan guarantee programs do. Under CAP, a bank sends to the state a one-page enrollment form. Upon receipt, the state transfers its matching contribution. The state administrative staff is generally fewer than three full-time employees.

Despite the CAP programs success, some states' programs are limited by low funding levels, low loan ceilings, or restrictive eligibility requirements. The reauthorization legislation for the Community Development Financial Institutions Fund (H.R.629) would give the fund authority to reimburse states for up to 50 percent of their CAP lending. This mechanism would preserve states' primary role in CAPs, while creating incentives to start new CAPs and expand existing programs.

For additional information on CAPs, contact Clifton Kellogg at (202) 622-0016.

Community Express – A Unique Public/Private Partnership

—by Brian Burke, *Senior Vice President, Bank One*

The U. S. Small Business Administration (SBA) has long been considered a champion of underserved small and minority-owned businesses, and often urges its participating lenders to focus their lending efforts in this direction. What has been missing, however, is an effort aimed directly at low- and moderate-income (LMI) communities and neighborhoods. With the Clinton administration's focus on "New Market" initiatives, it was only a matter of time before a program was created to address the needs of LMI communities.

In response to this challenge, a partnership of the National Community Reinvestment Coalition (NCRC), the SBA, and several large commercial banks, have created a pilot lending program for small businesses known as Community Express. Under this program, the participating bank lenders each have selected exclusive markets to deliver small-business loans. Bank One, for example, is beginning in Chicago and Milwaukee and will introduce the program in Detroit and Cleveland later this year. Other lenders include Bank of America, BankBoston, Chase Bank, European American Bank, Mellon Bank, Wachovia Bank, and Wells Fargo.

Community Express is actually a hybrid of the SBA's traditional 7(a) loan guarantee program and the new *SBAExpress* program introduced late in 1998. With Community Express, as with *SBAExpress*, the lender is empowered to use its own application and loan documents, and make its own decision. The SBA guarantee to the lender is similar to the 7(a) program at 75 percent or 80 percent rather than the 50 percent now offered under *SBAExpress*. The loan maximum can be \$250,000. This is less than the 7(a) with no maximum loan, but it has a guarantee limit of \$750,000. Also, it is greater than the *SBAExpress* program with its maximum loan of \$150,000.

Other than the mechanics, what makes this program special? The borrowers must come from low- and moderate-income commu-

nities that have been previously identified by the lenders as their target areas. There is no specific minority or gender requirement. Another distinction of this program is that the businesses that borrow must have pre- and post-funding technical assistance from identified providers. This is provided at the expense of the lenders.

Each lender is able to create its own method of delivery. Bank One will be using a large number of community resource organizations to assist the applicants in creating and submitting borrower requests. The post-funding technical assistance providers have been limited to a few organizations that specialize in this type of activity, such as the Small Business Development Centers. The directors of Bank One believe that this method provides the maximum exposure to the community and the best resource for ongoing assistance in order to maximize the prospects for success of the small business. Other lenders have opted for a more intensive effort delivered through the technical assistance provider, where a more limited number of providers counsel the business at both the application and post-funding stages.

This is a very unique effort on the part of the SBA and, if successful, could become a mainstay program with many more participating lenders. The combination of processing ease, higher loan guarantees, and technical assistance for the borrower has the potential to add a real lift to the businesses located in economically distressed communities and neighborhoods. This lift will ultimately translate to new jobs and more pride for the people that live and work in these areas. The success of the Community Express program and the public/private partnership of the SBA, NCRC, and lending banks will enhance the concept of a "hand up" rather than a "hand out."

For additional information about Community Express, contact Mike Shields, Bank One, on (602) 261-5669.

Credit Scoring and Small Business Lending

—by Maury Zeitler, Program Coordinator, Community Development Division
Office of the Comptroller of the Currency

Credit scoring models have been used in mortgage and consumer lending for more than 40 years. Only recently, however, has the banking community used this tool for small-business lending. In today's rapidly changing technology, automated processes are improving the efficiency and effectiveness of the lending process. Credit scoring for small-business lending is proving to be an excellent risk-management tool.

Management Responsibilities

As with any other credit risk tool, bank management is responsible for ensuring that credit-scoring models are used appropriately. Bank management should understand thoroughly the credit scoring models and ensure that they are being used for their intended purpose. This is as true in small-business lending as it was in consumer and mortgage lending. The credit scoring models should be validated and revalidated on a regular basis. It is very important to take quick, appropriate action when it is evident that the credit scoring model's performance deteriorates. These actions could include reviewing lending strategies to determine their affect on the model. Developing a new model altogether could be the only appropriate action, as well, though it may not be as quick.

Fair Lending Issues

Fair lending issues are always important, and credit scoring is no exception. The fair lending issue has moved beyond discrimination in mortgage lending. While trends in credit scoring and fair lending follow different paths, they are linked. By using credit scoring for small-business lending, the subjectivity has been removed from the credit process. There goes the issue of disparate treatment, right? This is not necessarily true.

Disparate impact has been brought into focus in the use of credit scoring for small-

business lending. Disparate impact can occur when a lender uses a practice or policy that, though neutral on its face, could have an adverse effect on a protected group, such as minority or women-owned small businesses, but which cannot be justified by business need. Credit scoring was seen as a fair-lending safe harbor by many financial institutions, causing the federal financial regulatory agencies to look at credit scoring and its disparate impact. Although using credit scoring may reduce unintentional disparate treatment, unintentional disparate impact problems may be increased. If credit scoring causes different outcomes for different groups and these outcomes cannot be justified by business necessity, then discrimination may result. In order to ensure fairness in small business lending, many banks are using "second look" programs for loan applications, particularly for loans to underserved groups.

Credit Scoring – Impact on Small Business Lending

The better the information about the repayment prospects of the small-business borrower, the more likely the lender will price the loan according to the expected risk. This may cut down on the denial of small-business loans because of the fear of charging too little and losing money. This may increase the availability of credit to small businesses.

Credit scoring in small-business lending may also have another effect, that is, it can increase the pool of funds, which the small business can access through securitization. The barriers to the growth of the secondary market for small-business lending have been – a lack of information on long-term performance, and the absence of uniformity in the underwriting of no-reference loans. Credit scoring will eliminate these barriers by providing computerized data on the loans over time. To be cost effective, the lender must use a uniform system for underwriting. Credit

scoring brings this uniformity to the small-business lending process.

Guidance is Available

To assist the national bank community, the OCC provides guidance on credit scoring.

The OCC Bulletin 97-24, Credit Scoring Models provides information on safety and soundness issues, validation, and fair lending. A copy of the bulletin can be obtained by visiting the OCC Web site at <http://www.occ.treas.gov> or by calling the OCC's Public Information Room on (202) 874-5043.

Small Business Investment Company Outreach Workshops

—by Harry Haskins, *Deputy Associate Administrator for Investments, Small Business Administration*

The Small Business Administration (SBA) held a series of six workshops from late March to early June, on the Small Business Investment Company (SBIC) program highlighting how the SBIC program could help financial institutions meet their responsibilities under the Community Reinvestment Act (CRA). The SBA was directed to hold the workshops by President Clinton in July 1998, as part of his efforts to improve access to capital for all segments of the population.

National banks are an important component of the SBIC program. As of July 21 there were 96 bank-owned SBICs with total private capital of \$5.2 billion. Banks are significant investors in a number of other SBICs as well. In addition to CRA credits, banks can also earn significant rates of return through investments in the SBIC program. Finally, investments made through an SBIC enable banks to avoid restrictions under the Glass-Steagall Act and the Bank Holding Company Act that prohibit banks from holding equity positions of more than 5 percent in a company.

The workshops, in Chicago, Kansas City, New York, Atlanta, Dallas, and San Francisco, were designed to bring together venture fund managers, investors (primarily banks), and representatives from community development organizations. SBA Administrator Aida Alvarez and Deputy Administrator Fred Hochberg hosted the workshops. The workshops were co-sponsored by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insur-

ance Corporation, and the Federal Reserve System.

The SBA organized the workshops to encourage the formation of SBICs focused on meeting the capital needs of small businesses located in inner cities and rural areas of the country. SBICs are privately owned and managed venture capital firms, licensed by the SBA, that invest in small businesses. Holding a license normally makes an SBIC eligible to receive funds through the SBA in an amount equal to two to three times their own private capital.

A number of noteworthy speakers made presentations at the workshops. Among these were the Reverend Jesse L. Jackson Jr., Dr. Michael Moskow of the Federal Reserve Bank of Chicago, Ellen Seidman, Director of the Office of Thrift Supervision, Donna Tanoue, Chairman of the Federal Deposit Insurance Corporation, Jesse L. White, Federal Co-Chairman of the Appalachian Regional Commission, and Lynn Reilly Whiteside, Chief Executive of Social Compact. These speakers focused on the need for equity investment in the "New Markets" and the often-missed opportunities afforded by these markets.

The OCC and the other bank regulatory agencies prepared the CRA presentation and provided speakers for this topic. CRA presentations were made by Stephen Cross (FDIC), Malloy Harris (OCC), Robert Mooney (FDIC), Theresa Stark (OTS), Terri Johnsen (Federal Reserve System) and Eloy Villafranca (FDIC). Attendees also learned from managers of existing SBICs how a number of venture capital

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firms are already investing profitably in the "New Markets." These included Frank Kline, Ray Moncrief, Elyn Dortch, Richard Gessner, James O'Donnell, and Reggie Wilkes.

Almost 1,200 individuals attended the workshops, about a third of whom identified themselves as being members of the banking community. In addition, a number of bank and SBIC examiners attended the sessions.

Networking receptions were hosted in Chicago and Dallas by Bank One, while the Harris Bank hosted lunch in Chicago.

Additional information on the SBIC program can be obtained by calling Art Spivey at (202) 205-7098, Lenn Fagan at (202) 205-7583, or Karen Ellis at (202) 205-7546, or by visiting the SBIC Web pages at www.sba.gov/inv.

We'd like to hear from you!

We are updating our *Community Developments* mailing list. We can only do this with your help. If the title and organization on the mailing label is incorrect, please let us know by returning the label with the incorrect information crossed out and any updated information inked in. Please include your phone number in case we have any questions. Mail it to: OCC, Communications Division, Attn: Felicia Belton, 3-1, Washington, DC 20219. Or fax it to: (202) 874-5263, Attn: Felicia Belton.

Thanks for your support

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OCC News

Comptroller Conducts Community Outreach Meetings

Continuing the OCC's practice of holding meetings with key community leaders, Comptroller John D. Hawke, Jr. hosted a series of three outreach meetings with national leaders of community reinvestment, community development and affordable housing organizations during the first half of 1999.

The purpose of these meetings is to provide the OCC with feedback – from a grass-roots perspective – on new issues pertaining to community development, access to financial services, and CRA compliance. They also provide the OCC with an opportunity to inform the attending organizations of new OCC policies and guidance and to gauge consumer and community reaction. The OCC's Community Relations Division coordinates the meetings.

The impact of proposed financial reform legislation upon the Community Reinvestment Act (CRA) and community development was a "hot topic" at each meeting. In addition, other issues raised by the community leaders were:

- The need to modernize the definition of "CRA assessment area" in light of how financial products and services are deliv-

ered in this "Internet Age."

- Concerns about unscrupulous subprime lending activities and involvement in predatory lending by some national banks.
- Encouragement to national banks to participate more actively in economic development activities, including small-business development, in distressed communities.
- Access to financial services in Indian Country.
- The larger role national banks should play in enhancing consumer financial literacy in light of the increased complexity of their products and services.
- Concerns about the impact of credit scoring, especially on minority loan applicants.

The dialogue between the community leaders, the Comptroller, and senior OCC staff produced new ideas and productive suggestions for encouraging continuing national bank participation in safe and sound community reinvestment and development projects.

If you have questions, contact Harvey Gantz, at (202) 874-8770.

Small Business Banking Issues Forum Publication

The National Forum on Small Business Banking Issues, convened by the Office of the Comptroller of the Currency on February 5, 1998, provided a look at substantive and innovative issues affecting today's small-business banking market. The forum reflected the continuing demand and interest in small-

business lending and emphasized many diverse ways to ensure the realization and continuation of entrepreneurship in the new millennium. The publication summarizes the forum for the benefit of bankers, bank examiners, and others interested in small-business banking opportunities.

To obtain a copy of the publication, send your writ-

ten request and check in the amount of \$15, payable to the Comptroller of the Currency to:

Comptroller of the Currency
PO Box 70004
Chicago, IL 60673-0004

For additional information, contact Lillian Long, Community Development Division at (202) 874-4930.

District News

Small Business Lending — Alive and Well in St. Louis

—by Larry Beard, Assistant Deputy Comptroller, Midwestern District

Ten national banks in the St. Louis metropolitan area and surrounding communities have been actively involved in small-business lending. While these banks have not defined a market niche, many of their customers fit a profile. These customers had prior experience with corporate America and, after going through a downsizing, decided to pursue their own business. The banks are willing to look at any small business with a sound business plan.

Studies by the Small Business Administration report that small businesses have a five-year life cycle. Most-recent statistics for the St. Louis area are exceeding that life-cycle average because of effective business planning and stronger up-front capital bases.

Some barriers for small-business lending continue to be a lack of equity capital, insufficient cash flow to properly service debt, and the failure to develop a realistic and effective business plan. To reduce these barriers, local universities and the Small Business Administration offer some form of technical support. This support has been quite useful for small-business owners.

The Midwestern District office of the Office of the Comptroller of the Currency (OCC) recently conducted several events in support of small-business development. A number of St. Louis area bankers entered a partnering arrangement with the OCC in the banks' efforts to promote small-business lending opportunities. The group sponsored two small-business fairs where area bankers hosted workshops, facilitated panel discussions, and disseminated information on various credit services and technical support providers. These small-business fairs were well received and served as a great communication link to the business community. Although these fairs were successful, the Midwestern District

looked for other opportunities to share with local bankers information on what financial institutions in other markets are doing to meet the needs of small-business owners.

On May 21, the OCC's Community Development Division co-sponsored, with the Midwestern District, a forum, "Small Business Lending in a Changing Banking Environment," in St. Louis. The forum focused on small-business lending in community banks; on how to develop your market niche; and on the potential profits, risks, and special issues banks should consider when conducting small-business lending.

The forum was attended by more than 30 community bankers and small-business technical support providers in the St. Louis metropolitan area. The bankers received information from panel presentations on several topics including, "Unlocking Winning Strategies to Serve Small Businesses: Banking the American Dream" and "The Changing Structure of the Banking Industry and Its Effect on Small Business Lending for Community Banks." The panel discussed local market demographics, current innovations in small-business lending and securitization, and the challenges and opportunities for financial institutions from industry consolidation. The attendees received insights on how banks can use the SBA 7(a) program, the Export Import Bank Small Business Program, and the USDA Small Business Programs as funding vehicles to assist them in meeting customer needs. The group also had a chance to hear success stories from a banker who tripled the asset size of his bank in five years through small-business lending. He noted small-business lending has been very profitable for his bank.

The program concluded with a luncheon address by Deputy Comptroller Jeri Gilland. She emphasized the OCC's support of bankers' efforts to meet the needs in their communities

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by ensuring fair access to credit for minority and small businesses.

On June 2, the Midwestern District co-sponsored a small-business fair with area bankers and the St. Louis University Missouri Small Business Development Center. The fair featured two small-business owners, who shared their success stories, and 14 seminar modules on various topics such as: venture capital; technical support providers; city, county, state, and federal funding for small

businesses; creative financing; factoring; and preparing a business plan. The presenters shared their own experiences and fielded questions from the participants. During the lunch period, small-business owners met with area bankers to discuss potential credit needs. By the end of the day many area business owners had gained confidence that better opportunities existed for them to move their businesses to the next level. For additional information, contact Larry Beard, assistant deputy comptroller, on (618) 624-2274.

Southeastern District Reaches Out to Community Bankers

—by Nancy Gresham-Jones, *Community Reinvestment and Development Specialist, Southeastern District*

In a day-long session held at the Southeastern District office, Assistant Deputy Comptroller JoAnn Young (ADC) and community reinvestment and development specialists (CRD) Nancy Gresham-Jones and Karol Klim brought together metropolitan Atlanta community bankers and representatives from housing and small-business-related organizations to discuss community development initiatives. The June 18 meeting was scheduled to help the bankers identify potential community partners and to highlight lending, investment, and service opportunities within their assessment areas.

Welcoming remarks by Young and Anna Alvarez-Boyd, CRD manager in Community and Consumer Policy, stressed the internal support and resources available to banks in fulfilling their responsibilities under the Community Reinvestment Act, including the role of the CRDs and compliance examiners. CRD Gresham-Jones, serving as the program moderator, provided an overview of the day's activities and introduced Klim, whose presentation focused on partnership development and credit enhancements, thereby setting the stage for subsequent speakers.

The "community development success stories" segment followed, featuring local affordable-housing and economic development initiatives. David Perry of the Small Business Administration (SBA) and facilitator of the

Atlanta One-Stop Capital Shop joined Mark Bryant, director of Small Business Lending at Milton National Bank, to discuss current SBA lending policies that facilitate bank participation. Bryant noted that Milton National Bank was the largest volume SBA lender in the state of Georgia for 1997 and 1998, citing over \$75 million in loans since July 1994 (\$55 million of which he originated).

Lynn Brazen, assistant vice president at the Federal Home Loan Bank of Atlanta, discussed resources available through FHLB's Affordable Housing and Community Investment programs; followed by Joe Ferguson, president, and Jane Pitts, vice president of Stevens Federal Bank, who highlighted the innovative affordable housing products designed by this \$93 million thrift, using FHLB resources.

Other community building initiatives were presented by Natallie Keiser of the United Way (UW) of metropolitan Atlanta. She discussed its role and the need for bank investments in individual development accounts (IDAs) and microenterprise development. Representatives from the Cobb Microenterprise Council and Gwinnett Housing Resource Partnership joined her. They described their experiences with the programs and identified opportunities for bank partnerships.

Ernest Jackson, vice president for the National Institute for Community Empowerment (NICE) and featured luncheon speaker, delivered a thought-provoking message that emphasized the importance of building community capacity, leveraging community resources in a collaborative manner, and viewing the “community” as an emerging market.

In an effort to facilitate dialogue and interaction among participants, the afternoon sessions offered concurrent breakout panels that separately focused on affordable housing and small-business development. The housing session panel featured Doug Manning of Cobb Housing (nonprofit CDC), Marina Peed of Gwinnett Housing Resource Partnership (nonprofit CDC), David Young of the Georgia Affordable Housing Corporation (state-wide

multi-bank consortium), and Lynn Brazen of FHLB. Small-business session panelists included Tom Dorman of the Business Development Corporation, Sara Gonzalez of the Hispanic Chamber of Commerce, Annette Rodriguez from the SBA Resource Center, and David Perry from the SBA. This session provided an opportunity for open discussion and networking.

The meeting ended with a brief feedback session in which the participants offered suggestions for planning future sessions. The evaluations completed by the attendees reflected general satisfaction with the meeting and a willingness to attend additional sessions. For additional information contact Nancy Gresham-Jones on (404) 588-4515, extension 538.

To obtain a list of available OCC publications, send a written request, to: Comptroller of the Currency, PO Box 70004, Chicago, IL 60673-0004. The list is also available on the OCC's Information Line at (202) 479-0141. Many OCC publications, including advisory letters, are available on the OCC's Web site at: <http://www.occ.treas.gov>.

Capitol Views

Maryland Offers Mortgage Credit Certificate Program

Maryland is the first state to initiate a program offering mortgage credits for designated historic structures. The state hopes the Maryland Heritage Preservation Tax Credit and the Mortgage Credit Certificate program will expand homeownership and business opportunities for low- and moderate-income families. The legislation enhances the present 25 percent rehabilitation tax credit by allowing individuals and business owners to

elect to receive an income tax credit or a mortgage credit when rehabilitating a designated historic structure.

The new credit provision converts the 25 percent tax credit into a mortgage credit certificate which then is presented to the participating bank or mortgage lender providing financing for the property. The benefit of the credit to the lender, after deduction of the lender's increased federal tax liability, may be

used by the borrower to reduce the amount of the down-payment, reduce the interest rate on the loan, or repay part of the loan.

The Mortgage Credit Certificate ensures that the Maryland Rehabilitation Tax Credit works fairly for all Marylanders and provides an additional incentive for the revitalization of older neighborhoods and commercial districts. For more information, contact the Maryland Historical Trust at (410) 514-7627.

House Banking Committee Funds CDFI Program and Approves Measure to Help Microentrepreneurs

The CDFI Fund is an example of a community development entity that acts as a facilitator for national banks investing in their communities.

The House Banking Committee recently reported a bill to the House Floor that reauthorized the CDFI Fund for four more years. The CDFI Fund is a government-owned corporation that promotes economic revitalization and community development. The fund also encourages more community investment by banks and thrifts through the Bank Enterprise Award

Program. The CDFI program was funded for four more years at \$95 million for fiscal year 2000, with increases of \$5 million increments thereafter.

The House Banking and the House Small Business committees approved a separate measure designed to provide technical assistance for low-income entrepreneurs. The committees approved the Program for Investment in the Microentrepreneurs Act (PRIME ACT) (H.R. 413). This bill is designed to help low-income entrepreneurs interested in starting or expanding a small-busi-

ness through the provision of technical assistance. The bill authorizes \$105 million for the program, spread out over four years. The program will be administered by the CDFI Fund and will provide program grants to help microenterprise development organizations that offer services to low-income and disadvantaged businesses. The bill mandates that 50 percent of PRIME grants must be made to very-low-income persons.

If you need additional information contact the CDFI Fund at (202) 622-8662.

BusinessLINC and Small Business Conference

The BusinessLINC and Small Business Technical Assistance conference was held recently in Washington, D.C. Participants heard lenders and small-business owners describe what works and what does not work in helping financial institutions to strengthen and assist small businesses – both borrowers and suppliers, with more than financing and traditional pre-loan counseling.

The conference was co-

sponsored by the CDFI Fund, Department of the Treasury, Small Business Administration, Federal Housing Finance Board, Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, and the Office of the Comptroller of the Currency.

Some of the topics discussed were: (1) small-business counseling by CDFIs and loan pools, (2) partnerships with specialized nonprofits, (3) tar-

geted supplier development and mentoring programs, and (4) direct assistance through full-time small business counselors. Panels featured representatives from BankBoston Community Bank, Bank of America, Boston Community Capital, Chase Manhattan Bank, GE Capital Small Business College, Southern Dallas Development Corporation, and Unity Bank. For more information call Bill Lutz, CDFI at (202) 622-8662.



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