

## NEWS RELEASE

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### Microbusiness Association Gives Congress Plan to Unblock Capital Flow to Main Street *Trade Group Touts Cross-sector Collaboration As Key to Increasing Access for Underserved Entrepreneurs*

Washington, D.C., July 17, 2014 – The [Association for Enterprise Opportunity \(AEO\)](#)'s Micro Capital Task Force (MCTF) presented recommendations to solve for the **8,000 business loan requests that are declined each week day in America** at a recent Congressional Briefing. **Sen. Maria Cantwell, (D-WA), Chair, Senate Committee on Small Business and Entrepreneurship**, commended the MCTF on its proposals during her remarks.

The recommendations are the result of a direct challenge from Treasury Secretary Jacob Lew to find solutions to the 8,000 daily declines for business capital. **The MCTF's aim for the recommendations to spur Congressional action is already materializing.**

"I plan to work with these recommendations to introduce legislation that will help women entrepreneurs increase their access to capital, and grow successful businesses," Senator Cantwell said. (Click [here](#) to read the MCTF's recommendations to increase capital access for Main Street.)

The [MCTF](#) is a private multi-stakeholder group that AEO convened to present fact-based and practical recommendations about amounts of capital up to \$250,000 to the White House, the Department of Treasury and Congress. Connie Evans, AEO president and CEO and MCTF co-chair, said, "The MCTF is the largest cross-sector collaboration to address this issue."



According to MCTF analysis, the **8,000 daily loan declines create an estimated \$44 billion to \$52 billion gap in capital to Main Street.** "We live in the land of the great American Dream, and the path to realize that Dream should be open to all. That's not the reality, for Main Street entrepreneurs especially; and when business owners are denied capital, their chances to start, grow or hire are also denied," Evans said.

#### MISSION-DRIVEN LENDING + CREDIT TECHNOLOGY = MORE CAPITAL to MAIN STREET

The MCTF relied heavily on private-sector collaborations in its work approach. AEO's recent partnership with OnDeck, a technology-powered Main Street lender, is another example of **private-sector collaboration, which the trade group says is vital for increasing Main Street entrepreneurs' access to capital.** For a trial period, OnDeck will waive the licensing fee on its short-term working capital loan products distributed by community lenders in AEO's 450 member and partner network. Giving AEO access to the OnDeck platform adds speed and convenience to the mission-driven lending process.

Referencing the new partnership, Noah Breslow, OnDeck CEO, told Briefing attendees, "Now is the time for technology to transform the small business lending industry. We think cross-functional collaborations and

partnerships between credit technology companies and mission-driven lenders like those in AEO's network are an ideal marriage of scale and technology with local assistance and local outreach.”

Evans agreed, and said cross-sector collaboration is what holds the key to moving money to Main Street. “There simply is no other path forward,” Evans said, “than bringing together the critical and unique resources and capabilities of community based nonprofits, credit technology companies and financial institutions.”

Mitch Jacobs, MCTF co-chair, said, “The MCTF's collaborative approach is a giant step toward building a financial system that works for Main Street. As important as *what* the recommendations are, is *how* we arrived at them. We think our approach is a private-sector model that Congress can model for its own participation.”

In her closing remarks, Senator Cantwell thanked the Micro Capital Task Force for developing the recommendations, and said, “**These are important recommendations; these are important things we need to be discussing in the nation's capital.**”

The MCTF envisions a more accessible, less painful path to capital and services, and will expand its work in key subject areas to realize that vision.

“Our Congressional Briefing was a significant milestone, but **our work to unclog the flow of capital to Main Street continues.** Our new MCTF working group on pricing will ensure entrepreneurs can access affordable capital, not just any capital. And we'll also examine new ways to deliver technical assistance because our research shows it is critical that entrepreneurs receive support services in order to build capacity,” Evans said.

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## ADDITIONAL QUOTES

“As communities around the country face a variety of economic challenges, we still hear that access to capital is a problem, especially for women and minorities, and that's why these [MCTF] recommendations are so important, because there is so much more we can do in microfinance, including the SBA Microloan Program and community development financial institutions, to work together on these recommendations and move forward.” – **Senator Maria Cantwell (D-WA), Chair, Senate Committee on Small Business and Entrepreneurship**

“Having access to capital is like watering flowers and watching 1,000 flowers bloom.” – **Senator Maria Cantwell (D-WA), Chair, Senate Committee on Small Business and Entrepreneurship**

“The efficient flow of capital is really a life-blood in the economy and it is what facilitates innovation, economic growth and job creation.” – **Daniel Gorfine, Director, Financial Markets Policy & Legal Counsel, Milken Institute & Co-Convener, MCTF Working Group on Capital**

“This is about inclusion for everyone.” – **Paul Quintero, CEO, Accion East**

## INTERVIEW OPPORTUNITIES

**Connie Evans**, president and CEO, Association for Enterprise Opportunity; Co-chair, Micro Capital Task Force

**Mitch Jacobs**, Co-chair, Micro Capital Task Force

**Noah Breslow**, CEO, OnDeck

**Daniel Gorfine**, Director, Financial Markets & Legal Counsel, Milken Institute; Co-convener, MCTF Working Group on Capital

**Paul Quintero**, CEO, Accion East

**Main Street entrepreneurs**

## ABOUT

### Association for Enterprise Opportunity (AEO)



The [Association for Enterprise Opportunity](#) (AEO) is the voice of microbusiness in the United States. For two decades, AEO and its more than 400 member organizations have helped millions of entrepreneurs contribute to economic growth while supporting themselves, their families and their communities. AEO members and partners include a broad range of organizations that provide capital and services to assist underserved entrepreneurs in starting, stabilizing and expanding their businesses. Together, we are working to change the way that capital and services flow to underserved entrepreneurs so that they can create jobs and opportunities for all.

### MICRO CAPITAL TASK FORCE (MCTF)



The [MCTF](#) is a private multi-stakeholder group formed to present fact-based and practical recommendations to Congress, The White House, the Department of Treasury and the Small Business Administration (SBA) regarding access to capital in amounts of up to \$250,000 for the smallest businesses. The MCTF is comprised of thought-leaders and senior executives representing nonprofits, community development finance, international microfinance, Wall Street, philanthropy, national banks, credit bureaus and other private companies.