

Investing in the Future of Mission-Driven Banks

A Guide to Facilitating New Partnerships



Appendix A: Recent Commitments to Support Mission-Driven Banks

Private industry has committed to providing contributions that support mission-driven banks and other CDFIs. The list of private companies, philanthropic organizations, and banks pledging significant funds to support mission-driven banks, racial equity, and minority-owned businesses is growing every day. Below is a small sample of recent commitments, which represents only a portion of the total commitments. This is not intended to be a complete list of all recent pledges.

Bank of America

Industry: Banking

Pledge Amount: \$1 billion

Use of Funds: In June 2020, Bank of America pledged \$1 billion over four years of support to help local communities address economic and racial inequality accelerated by the pandemic. To date, it has expended \$300 million of the \$1 billion commitment to four initiatives: 1) \$25 million in grant funding in support of job initiatives; 2) \$25 million for community outreach and initiatives in underserved and minority communities and personal protection equipment; 3) \$200 million of proprietary equity investments in minority entrepreneurs, businesses, and funds; and 4) \$50 million in direct equity investments to MDIs.

The \$50 million investment to MDIs included the purchase of approximately 5 percent of the common equity in First Independence Corporation in Detroit, Michigan; Liberty Financial Services, Inc. in New Orleans, Louisiana; and SCCB Financial Corp.

(parent company of Optus Bank) in Columbia, South Carolina. This is in addition to the approximately \$100 million in deposits from Bank of America in MDIs. Bank of America also operates a \$1.6 billion CDFI portfolio with 255 partner CDFIs across all 50 states. See [Press Release](#).

Biogen Inc.

Industry: Biotechnology

Pledge Amount: \$10 million

Use of Funds: Biogen deposited \$10 million with OneUnited Bank, an African American MDI. See [Press Release](#).

Citibank

Industry: Banking

Pledge Amount: \$1 billion

Use of Funds: Citibank has pledged \$1 billion over three years to support homeownership for people of color and affordable housing by minority developers, procurement opportunities for African American-owned business suppliers and African American entrepreneurs, and to address racial equity.

Of the \$1 billion, \$100 million will support MDIs' growth and revenue generation by providing \$50 million in growth capital and another \$50 million in loan participation opportunities. Citibank will provide pro-bono technical assistance and training to MDIs to help them navigate the changing economy, improve operational efficiencies, and support talent development. Citibank will expand its Citi ATM Community Network program that removes

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out-of-network fees at Citibank ATMs for customers of participating MDIs and community development credit unions. The bank also plans to launch a new program called Citi Start CreditSM, which will work with CDFIs to help underserved entrepreneurs increase their credit scores and access more affordable credit. See Citibank's [Action for Racial Equity](#) web page and [Press Release](#).

Comerica Bank

Industry: Banking

Pledge Amount: \$10 million

Use of Funds: Comerica Bank has pledged \$10 million in deposits to MDIs. It also plans to build a mutual mentoring relationship with these institutions. Comerica so far has allocated \$7.5 million (\$2.5 million each) to First Independence Bank in Detroit, Michigan; Broadway Federal Bank in Los Angeles, California; and Unity National Bank in Houston, Texas. Comerica and the MDIs will each share their expertise in key lines of business. See [Press Release](#).

Costco Wholesale

Industry: Warehouse Clubs

Pledge Amount: \$25 million

Use of Funds: Costco Wholesale will invest \$25 million into African American communities through a new investment fund, the Black Economic Development Fund, administered by the [Local Initiatives Support Corporation](#) (LISC), a certified CDFI. The Black Economic Development Fund will invest in African American-led financial institutions and community development efforts. The fund will focus on making deposits in African American-owned banks and offering financing to minority businesses,

charter schools, affordable housing projects, and athletic facilities, to support economic development in communities of color. See [Press Release](#).

Goldman Sachs

Industry: Financial Services

Pledge Amount: \$250 million

Use of Funds: Goldman Sachs has committed \$250 million for small business lending. Goldman Sachs will not issue these loans directly since it is not an approved small business loan provider in the United States. Instead, it will provide the financing to CDFIs and other mission-driven lenders to make the loans. See [Press Release](#).

JPMorgan Chase & Co.

Industry: Banking

Pledge Amount: \$30 billion

Use of Funds: JPMorgan Chase has committed \$30 billion over five years, which includes existing spending. Of this funding, the bank will invest \$50 million in capital and deposits in African American- and Hispanic-led MDIs and CDFIs. JPMorgan Chase will use \$8 billion for originating mortgages for African American and Hispanic households. The bank plans to also fund an additional 100,000 affordable housing units for the communities that need them the most, as well as loans to African American, Hispanic and other minority small businesses. See [Press Release](#).

Microsoft

Industry: Technology

Pledge Amount: \$150 million

Use of Funds: Microsoft has committed \$100 million to invest in MDIs and will establish a \$50 million

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investment fund to support African American-owned small businesses. Microsoft will also invest to boost the number of African American-owned companies in its U.S. partner network. See [Press Release](#).

Morgan Stanley

Industry: Financial Services

Pledge Amount: \$24.6 million

Use of Funds: Morgan Stanley has provided \$24.6 million in grants to three MDIs: Industrial Bank of Washington, D.C. (\$5 million), Carver Bancorp, Inc. (\$14.6 million), New York, New York, and Citizens Trust Bank of Atlanta, Georgia (\$5 million). In addition, the grants will help the banks assist small businesses, particularly those that did not receive federal relief loans, and will support additional investments in technology systems to improve delivery of customer, mortgage, and business lending services. Morgan Stanley's grant enabled Carver Bancorp, Inc. to buy back shares and bolster its capital position and will help the bank assist small businesses and customers. See June 11, 2020 [Press Release](#) and July 30, 2020 [Press Release](#).

Netflix

Industry: Entertainment

Pledge Amount: \$100 million

Use of Funds: Netflix will invest \$100 million or up to 2 percent of its holdings with financial institutions that focus on African American communities. It will start with \$35 million, split two ways:

- 1) financing a new fund, the [Black Economic Development Fund](#), which will invest in African American financial institutions, and
- 2) supporting Hope Credit Union, which will use the

funds to fuel economic opportunity in underserved communities across the Deep South. See [Press Release](#).

PayPal

Industry: Financial Services

Pledge Amount: \$510 million

Use of Funds: PayPal has pledged \$500 million for a long-term economic opportunity fund to support African American and underrepresented minority businesses and communities. The initiative will include “bolstering the company’s relationships with community banks and credit unions serving underrepresented minority communities, as well as investing directly into African American and minority-led startups and minority-focused investment funds.” PayPal deposited \$50 million in Optus Bank, an African American MDI in Columbia, South Carolina. PayPal will use another \$10 million for grants to African American-owned businesses affected by the COVID-19 pandemic or civil unrest surrounding protests. See [Press Release](#).

Regions Bank/Regions Foundation

Industry: Banking

Pledge Amount: \$12 million

Use of Funds: Regions Bank and Foundation have made a \$12 million commitment over two years to advance programs and initiatives that promote racial equity and economic empowerment for communities of color. Of the \$12 million, \$1 million will go to the National Urban League, and they will allocate \$2 million through deposits in minority-owned banks and investments in CDFIs. In addition, the Regions Community Development Corporation, a wholly

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owned subsidiary of Regions Bank, will set aside \$2 million to support the services of minority-owned banks and CDFIs that work with minority-owned businesses. See [Press Release](#).

Square, Inc.

Industry: Financial Services

Pledge Amount: \$100 million

Use of Funds: Square, Inc. has pledged \$100 million in support of minority and underserved communities. The investment represents 3 percent of Square's cash and marketable securities as of the end of the second quarter of 2020. In 2019, Square began dedicating deposits to MDIs and CDFIs. These new investments are allocated as follows: 1) \$25 million for deposits in MDIs and CDFIs; 2) \$25 million investment in The Keepers Fund sponsored by the [National Bankers' Association](#); 3) \$25 million investment in The Black Economic Development Fund managed by [LISC](#), a certified CDFI; and 4) \$25 million reserved for future investment into social impact projects, to be announced at a later date. See [Press Release](#).

TCF Bank

Industry: Banking

Pledge Amount: \$1 billion

Use of Funds: TCF Bank has made a \$1 billion loan commitment to minority communities and minority- and women-owned small businesses, and a \$10 million grant program to assist low- to

moderate-income home buyers through its Heart and Home program. TCF plans to work with local CDFIs in the application process for small business loans of up to \$1 million. The Heart and Home program grants up to \$3,000 to help cover closing costs. Homebuyers need not repay the grant, and it is available to customers who earn less than 80 percent of the area median income or who purchase homes in a low- to moderate-income census tract. See [Press Release](#).

Truist

Industry: Banking

Pledge Amount: \$40 million

Use of Funds: Truist has pledged \$40 million to help establish CornerSquare Community Capital, a new national nonprofit fund that will support selected CDFIs through the purchase of 25 percent loan participations. Through this nonprofit program, all funding will be allocated to racially and ethnically diverse small business owners, women, and individuals in LMI communities, with a focus on African American-owned small businesses. See [Press Release](#).

Wells Fargo

Industry: Banking

Pledge Amount: \$50 million

Use of Funds: Wells Fargo has pledged a \$50 million investment in African American MDIs. See [Press Release](#).

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Paycheck Protection Program

The SBA's Paycheck Protection Program (PPP) provided guarantees for bank loans to businesses for payroll and other related business costs following the COVID-19 pandemic. All or part of the loans may be forgiven based on certain requirements.

Financial institutions earn fees for processing PPP loans on a sliding scale based on the total dollar amount approved: 1 percent for loans of at least \$2 million; 3 percent on loans between \$350,000 and less than \$2 million; and 5 percent on loans of \$350,000 or less. Financial institutions may also earn a 1 percent interest rate on loans held that are not eligible for forgiveness.

The following banks have pledged to donate their fees from PPP to mission-driven institutions and the communities they serve.¹

Bank of America

Pledge Amount: \$775 million

Use of Funds: The bank has pledged to donate all of its earnings from PPP fees to CDFIs to reinvest and support charitable programs, including low- to moderate-income housing and small business assistance.

See [Press Release](#).

Citibank

Pledge Amount: \$25 million

Use of Funds: The bank will donate its net profits to the Citi Foundation, which will deploy \$15 million in unrestricted funding of up to \$500,000 per CDFI to support small businesses owned by people of color and low- and moderate-income individuals and communities. The remaining \$10 million was donated to support the [New York Forward Loan Fund](#), which is enabling CDFIs to make loans to small businesses, nonprofits, and small landlords for working capital, including payroll, operating, and emergency maintenance.

See [Press Release](#).

Wells Fargo

Pledge Amount: \$400 million

Use of Funds: The bank will allocate nearly \$400 million in gross processing fees to help businesses impacted by COVID-19. Wells Fargo has created the [Open for Business Fund](#) for nonprofits that serve businesses owned by racially and ethnically underrepresented individuals to provide capital, technical support, and long-term resiliency programs. See [Press Release](#).

¹Saks Frankel, Robin, "Banks Made Billions On PPP Loans. Learn What They're Doing With The Cash," *Forbes*, (July 10, 2020).