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Written Testimony of  
Grace C. Fricks, President and CEO, Access to Capital for Entrepreneurs, Inc. (ACE)

To: Suzanne Killian, Presiding Officer, Board of Governors for Federal Reserve Board System  
Jim Watkins, Presiding Officer, Federal Deposit Insurance Corporation

*Due to unavoidable circumstances I am unable to deliver my comments in person at the Public Meeting Regarding the Proposed Merger of the BB&T Corporation and SunTrust Banks, Inc. on May 3, 2019 at the Federal Reserve Bank of Atlanta. Below is my prepared testimony.*

Good morning. I am Grace Fricks, President and CEO of Access to Capital for Entrepreneurs or ACE located in Atlanta, with offices in rural Georgia. I am here in support of the merger of SunTrust Bank and BB&T Bank.

CDFIs like ACE that specialize in small business provide loans and entrepreneur development resources to help our borrowers create and grow sustainable businesses which generate jobs.

While small business ownership is not the solution for every underserved person, entrepreneurship is a proven pathway from poverty to the middle class. Successful businesses break intergenerational poverty through creating the wealth-building asset of enterprise ownership.

SunTrust supports our work as a CDFI in two important ways:

The first is SunTrust funds an ACE Empowerment Loan Fund that allows us to provide “old fashioned” character-based loans below \$10,000 to emerging business owners in Atlanta’s Westside and NPUV communities. These are two of the most distressed neighborhoods in Atlanta. The loans are designed to help address the credit gap, asset gap and most importantly the trust gap.

Empowerment loans are building blocks (creating a borrowing history) so the business owner can qualify for future capital when needed from traditional CDFI loans and other financial institutions.

Let me share an example of what turned out to be a little bit of collective impact.

- 1- We helped Ms. Kietra Bates owner of a restaurant and shared kitchen (on the Westside) purchase her building last year.

84 Peachtree St. NE  
Atlanta, GA 30303

3173 Hwy 129 North  
Cleveland, GA 30528

10 College St. NW  
Norcross, GA 30071

- 2- We subsequently made 5 empowerment loans, along with providing business consultation to healthy food-option businesses inside that shared kitchen business.
- 3- One of those, a \$2,000 loan to Mr. Nijil Jones, owner of **Pecan Milk Cooperative**, enabled him to make a small, yet substantial process improvement, which allowed him to get the pecan milk he produces pasteurized – extending shelf life from 3 to 10 days. This will not only better his product but make a difference in the Westside community by allowing him to hire additional employees and increase co-op investors.

The second important way that SunTrust has helped our entrepreneurs is through their support of our 3-year pilot of the *High Potential Women's Group*. Two of the SunTrust C-Suite executives have supported this group by hosting and participating in peer discussions on topics such as how to manage growth and overcoming self-confidence issues. These interactions with accomplished women, coupled with the individualized financial consultation shows *incredible results*. In 2018, all participants were profitable and 5 of the women have broken through to the \$1M gross revenue level.

These are two examples of how SunTrust has helped underserved business owners grow and scale, along the continuum for success.

#### **Why does the impact of this merger matter?**

Georgia cities and towns need the new proposed 8<sup>th</sup> largest bank in the US (now more than ever) to not only continue, but also to *expand* its commitment to lighting the way for financial well-being.

In Atlanta the average African American owned business is valued at \$58,000 compared to average white owned business valued at \$706,000. Similar inequitable dismal statistics exist for Hispanic, rural and low-income Georgians.

Collectively, we can break down systemic barriers to small business success that adversely impact underserved people.

We ask that a comprehensive Community Benefits Plan be developed and that the plan include a commitment to providing low cost, patient capital to CDFIs (like ACE) who relend to small businesses, as well as much needed grants, which afford us the ability to provide business financial education, expand capacity and assist more underserved business owners to be successful... Which we believe ultimately strengthens the health and resiliency of their families, businesses, and communities.