AltCap Expands PPP Access to Small and Minority-owned Businesses

Made possible by $1 million in bridge capital provided by PNC Financial Services

(August 27, 2020) Kansas City - AltCap exceeded its goal of deploying $1 million to local small businesses through the Payment Protection Program (PPP). Through a partnership with PNC Bank, AltCap, an approved PPP lender, had committed to increasing access to PPP forgivable loans for local small businesses, in particular minority entrepreneurs, who are disproportionately denied access to affordable capital.

The bridge capital provided by PNC Bank demonstrates support for small and minority-owned businesses, and for mission-driven CDFIs, like AltCap. “Economic development initiatives are critically important to assist small businesses in low- and moderate-income communities,” said Stacy Purvis, vice president of Community Development Banking for PNC in Kansas City. “These businesses are the very backbone of vibrant communities and we are proud to have joined forces with AltCap.”

Designed as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the SBA's PPP forgivable loan was designed to provide a direct incentive for small businesses to keep their employees on the payroll.

As a Community Development Financial Institution (CDFI) that specializes in deploying capital to underserved and overlooked communities and businesses, AltCap's commitment resulted in 64 PPP loans totaling $1,162,206 made to local small businesses. AltCap's average loan size of $18,000 was well below the $101,000 national average for PPP, demonstrating its ability to increase access to capital for small businesses. Minority-owned businesses received 56% of the loans—29 of those were to Black-owned businesses. Over 42% of AltCap's PPP
loans were made to businesses located in economically distressed areas helping to ensure that jobs, goods, and services remain in communities that need them the most.

“Now more than ever, access to capital can be the line between success and failure for businesses and families in our community. PPP funding has been a vital tool to maintain jobs during this period,” said AltCap Business Development Officer, Justin Ikerionwu. “From the moment the opportunity opened for CDFIs to participate in PPP, we knew AltCap’s positioning in the community would allow us to get more funding in the hands of black, brown, and other minority business owners. I’m really thankful we moved as quickly as we did.”

To meet AltCap’s commitment, a team of local certified public accountants (CPAs) were on hand to help small business owners navigate the ever-evolving PPP process, a critical role that helped alleviate confusion and apprehension. Participating CPAs included Brian Welch of Welch & Associates, LLC, Stephanie Parris of Guardian Accounting Services, Marquita Miller of Five Star Tax & Business Solutions, and Barrett Evans of Kansas City Business Solutions LLC.

“Thank you to PNC Bank for their partnership in this effort. By providing AltCap with the loan capital to make these loans, PNC Bank was able to ensure more of Kansas City’s small business community, and especially our minority-owned businesses, were able to access and benefit from this needed federal program”, said Ruben Alonso III, President of AltCap. “I am proud of the AltCap team for standing up a PPP loan operation and who worked hard to be very intentional in our lending effort to make sure small and minority-owned businesses received their share of PPP funds. The full announcement is available here. To learn more, visit www.altcap.org.

PNC Bank, National Association, is a member of The PNC Financial Services Group, Inc. (NYSE: PNC). PNC is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. For information about PNC, visit www.pnc.com.

AltCap is the only minority-controlled CDFI loan fund in the Kansas City region. Whether it is through the New Markets Tax Credit Program, small business and micro loans, or other alternative capital, AltCap is committed to
delivering financing that supports job-creating small business investments and catalytic, community-focused real estate development projects. Since 2008, AltCap has deployed nearly $250 million in New Markets Tax Credits and nearly $10 million in small business financing to entrepreneurs and in communities that have been left out of the financial mainstream. At AltCap, we believe that equitable access to capital and resources creates stronger communities and a thriving, inclusive economy. Learn more about AltCap by visiting www.alt-cap.org.

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