

February 23, 2021

House Committee on Economic Recovery and Prosperity
900 Court Street NE
Salem, Oregon 97301

Re: Support of HB2161 – Access to Capital for Small Businesses

Chair Lively, Vice-Chairs Cate and Kropf, and Members of the Committee:

RAIN urges you to **support House Bill 2161 (HB 2161)**, which is the outgrowth of months of work done by The Governor’s Racial Justice Council Subcommittee on Economic Opportunity. Through HB 2161, historically underserved Oregon entrepreneurs would have improved access to capital, which would help them start and grow their businesses.

HB 2161 would create:

- A **loan loss reserve program** for community lenders would encourage lenders to offer better rates and terms to borrowers by offsetting their risk.
- A **revolving loans fund** for COBID-certified businesses (minority-owned, women-owned, service-disabled veteran-owned businesses, and emerging small businesses) would ensure that historically underserved small businesses would increase their chances of securing capital.

RAIN is a 501(c)(3) nonprofit whose mission is to partner with communities to catalyze entrepreneurial ecosystems, connect entrepreneurs—including overlooked entrepreneurs—to resources, and contribute to the creation of prosperous economies. RAIN provides **technical assistance** to underserved entrepreneurs in 22 rural communities across Lane, Linn, Lincoln, Benton, Clatsop, and Grant Counties.

In a September 2020 survey of the entrepreneurs we serve, 94 entrepreneurs who fit the description of “historically and currently underserved” per the Governor’s Equity Framework¹ responded to the survey. Of those, only 16% were successful at obtaining Paycheck Protection Program money. This same group of historically underserved entrepreneurs is reporting that they need to raise \$19.5M in capital (collectively) in the next 12-18 months. So, it’s clear the need for additional capital exists and is not being met.

Thank you for your consideration of HB 2161 and your support of Oregon’s entrepreneurs.

Sincerely,



Caroline Cummings, CEO
caroline@oregonrain.org | 541-968-2982
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¹ https://www.oregon.gov/gov/policy/Documents/EquityFrameworkCovid19_2020.pdf