

**United States Senate**  
WASHINGTON, DC 20510-3703

March 3, 2023

The Honorable Janet Yellen  
Secretary  
United States Department of Treasury  
1500 Pennsylvania Avenue NW  
Washington D.C. 20220

Dear Secretary Yellen,

We write to highlight a significant opportunity for the U.S. Department of Treasury to bolster opportunities for underserved small businesses and entrepreneurs nationwide without requiring any new spending. We urge Treasury to transfer existing funds from the State Small Business Credit Initiative (SSBCI) technical assistance fund to the Minority Business Development Agency (MBDA) to help underserved, underrepresented entrepreneurs launch and scale their businesses through the Capital Readiness Program (CRP). Transferring additional funds to MBDA will help amplify SSBCI capital previously approved by Congress in the American Rescue Plan and strengthen the next generation of diverse entrepreneurs and small businesses nationwide.

We supported the American Rescue Plan of 2021, which included a \$10 billion investment in the SSBCI to promote American entrepreneurship and democratize access to capital – especially in underserved communities. However, we understand that \$200 million of the \$500 million Treasury initially allocated to the SSBCI remains unallocated. Transferring the remaining \$200 million in funds to MBDA (the only federal agency that solely focuses on minority-owned enterprises and specializes in culturally competent technical assistance) would extend the reach of Congress's and Treasury's goals to invest in minority entrepreneurs. MBDA could then utilize these additional resources to further prepare underserved entrepreneurs to develop their businesses, secure capital, and access networks through enhancing the CRP, a \$100 million program initially capitalized by the SSBCI technical assistance funds, which is already significantly oversubscribed.

The demand and need for CRP in our communities across the country is overwhelming. Already, nearly 3,000 organizations nationwide have notified MBDA in writing of their intent to apply for CRP funding, which provides access to education on debt financing, grant writing, investor relations, mentoring and training – all of which is essential for small businesses to grow. Although CRP received outsized national interest, with only \$100 million in funding, MBDA will be forced to reject thousands of qualified applicants and leave many communities and states without the support or resources necessary to grow and democratize their entrepreneurial ecosystems. With just \$100 million in funding, MBDA estimates the CRP could support between 34-46 grants, leaving several states without access to support for underserved entrepreneurs and businesses. It is clear to us that \$100 million in funding is not nearly enough to close the gap in access to capital, capacity building and network access for underserved entrepreneurs and small

businesses, which is why we urge you to transfer the additional \$200 million that remains at Treasury to expand and extend the reach of the CRP.

In Fiscal Year 2022, MBDA helped underserved and underrepresented small businesses gain access to nearly \$1 billion in capital, secure \$1.7 billion in contracts, and facilitate millions of dollars in export transactions. With an additional \$200 million in repurposed funds from Treasury, MBDA could provide a second round of funding opportunity through the CRP to help those states that did not receive funding in the first phase, extend its reach to more rural communities, and strengthen its existing network of incubators and accelerators. Given the economic challenges facing minority and underserved enterprises, it is imperative that Treasury productively re-deploy the remaining \$200 million of SSBCI technical assistance funding to MBDA for the CRP.

Thank you for considering this request. We appreciate your commitment to advancing access to capital and technical support for aspiring entrepreneurs and small businesses nationwide, and we look forward to working with you to support underserved entrepreneurs nationwide.

Sincerely,



Ron Wyden  
United States Senator



Sherrod Brown  
United States Senator



Benjamin Cardin  
United States Senator



Ben Ray Lujan  
United States Senator



Amy Klobuchar  
United States Senator



Raphael Warnock  
United States Senator

/s/ Chris Van Hollen  
Chris Van Hollen  
United States Senator