



Local Community Development Financial Institutions Offer Varied Financial Services in Time of Crisis

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St. Louis, MO – Agile and nimble, St. Louis-based community development financial institutions (CDFIs) have responded to the financial needs of communities in the wake of Covid-19. Coalesced as the [St. Louis CDFI Coalition](#), its member organizations share a common mission of access to safe and affordable financial products and services, ranging from credit builder loans for consumers to commercial rehab mortgages for non-profits.

At the onset of the pandemic, CDFIs took quick steps to implement the following emergency resources:

- Borrowers were able to request breaks from their loan payments for up to 3 months —oftentimes longer—at no charge. Together they have processed nearly 2,812 payment extensions for over \$74 million dollars in loans over the past two months.
- Short term loan modification and extensions were made available to borrowers with personal loans.
- Temporarily suspended loan foreclosures for 60 days.
- Established 241 small dollar emergency loans to mimic direct deposit paychecks for borrowers who were facing unexpected hardship due to loss of income.
- Funds to support individuals with food, rental, and utility relief.

In addition, the CDFIs quickly moved to deploy Payment Protection Program (PPP) loans for small businesses and nonprofits. Together, they have worked to secure over \$15.9 million in loans for 387 local small businesses and nonprofits. Many of these businesses and organizations were unable to access PPP funds through traditional banks.

CDFIs played a national role in deploying PPP loans to minority small businesses. Rochelle Bea, founder and executive director of Beginning Futures Learning Center

located in North St. Louis City commented, “I didn’t feel that a bank was in a position to serve me. I thought my loan request might be too small, so I explored options.” Justine PETERSEN, a St. Louis-based CDFI loan fund, was able to close on a PPP loan for Beginning Futures Learning Center and other local small businesses whose loan request size skewed smaller compared to the national average.

But CDFIs offer more than just loans, they also walk small businesses and families with fewer economic means through the process of accessing resources and building financial wealth.

Mike Eggleston, Community Development Advisor at the Federal Reserve Bank of St. Louis, applauded the local response of CDFIs. “St. Louis is a stronger region because of our committed CDFIs, which have stepped up in this crisis to financially support individuals, small businesses and nonprofits in our region’s most economically vulnerable communities.”

Local CDFIs are members of the [St. Louis CDFI Coalition](#), a partnership among eight institutions that offer an array of capital, development, personal banking and consulting services and share a common mission to empower a comprehensively healthy St. Louis community through support for nonprofits, small businesses, and communities facing disinvestment.

“CDFIs in St. Louis were quick to respond to the crisis of Covid-19 because we were all created for the purpose of responding to non traditional financial problems,” stated Laura Woods, Vice President of Community Presence at 1st Financial Federal Credit Union. “While we all approach the work with widely varied solutions, we move with one mission. To provide accessible financial tools for businesses and families who have, for too long, been underserved and unseen.”

The Coalition was born out of several calls from the Ferguson Commission Report including, enhanced access to banking in order to build equity. All Coalition members offer mission-driven loans and other resources which are more flexible and accessible than traditional financing. Loans and resources through these institutions are deployed across the region into some of St. Louis’ most economically distressed communities.