FAQ
Open for Business Fund

Background
On July 9, 2020, Wells Fargo announced a new philanthropic small business recovery effort called the Open for Business Fund, created by the donation of its gross Paycheck Protection Program (PPP) processing fees. The Open for Business Fund aims to help small businesses open, recover and rebuild, particularly for racially and ethnically diverse-owned businesses, which have been disproportionately hit by the economic effects of COVID-19. This major initiative, which amounts to approximately $400 million, will open a new avenue for nonprofits to deliver capital, training and long-term recovery efforts to diverse entrepreneurs who see a long road ahead, in three phases: 1) Community Development Financial Institutions (CDFI) support; 2) Technical Assistance; and 3) Recovery & Resiliency.

Open for Business Fund: CDFI Program

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<th>Question</th>
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<td>1. What is the expected impact?</td>
<td>We expect to reach thousands of diverse small businesses to help them stay open and sustain thousands of jobs across the country. We’re going to work with each grantee to track impact in all three grant programs: CDFI support, Technical Assistance, and Recovery &amp; Resiliency.</td>
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<td>2. How do nonprofits apply?</td>
<td>Nonprofits can learn more about the application process and criteria to qualify at <a href="http://www.wellsfargo.com/about/corporate-responsibility/community-giving">www.wellsfargo.com/about/corporate-responsibility/community-giving</a>.</td>
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<td>3. When will applicants be notified of funding decisions?</td>
<td>Immediately after an organization submits their application, they will receive an automated response confirming their application has been received. Funding decisions for the CDFI Program will be made beginning in September 2020 and it is anticipated will continue through Q1 of 2021.</td>
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4. Why are you not taking applications for all aspects of the Open for Business Fund given the need out there?

We are starting with the most pressing need first, which is access to payment relief and capital, so small businesses can reopen, stay open and rebuild. We’ve heard from the small business community and national and local stakeholders that there is great urgency around additional avenues to capital since most small businesses have suffered significant loss in revenue and need critical support to retain staff and their own livelihoods.

The Technical Assistance and Recovery & Resiliency grant cycles will begin in mid-September.

5. What are the eligibility requirements for CDFIs to receive Open for Business Fund grants through the CDFI Program?

To receive funding, organizations must:

- Be a U.S. Department of the Treasury-certified CDFI or an organization of Treasury-certified CDFIs.
- Have completed at least two consecutive years of lending to small businesses as of the date of the application. (Small businesses refer to businesses, including nonprofits, ranging in size from microenterprises, with five or fewer employees - including proprietor, to small businesses with up to 500 employees as defined by the SBA).
- Have a tax-exempt status as a 501(c)(3) public charity as defined under the Internal Revenue Code.
- Demonstrate a history of and an intention to lend to racially and ethnically diverse-owned businesses and located in low and moderate-income communities. Be located in and serving the U.S., including the territories of Puerto Rico and the U.S. Virgin Islands.

Additional information regarding qualifications can be found at: www.wellsfargo.com/about/corporate-responsibility/community-giving

6. Where do I go if I have questions about the Open for Business Fund?

Please visit www.wellsfargo.com/about/corporate-responsibility/community-giving first to review the grant guidelines and learn more about the eligibility requirements, selection criteria and the application process.

After visiting the site if you still have questions, reach out to: smallbusinessphilanthropy@wellsfargo.com

7. Can a small business apply directly?

No. The Open for Business Fund is set up to work with nonprofits who serve entrepreneurs with a focus on racially and ethnically diverse small businesses. We will publish a list of grantees on our website after funding decisions have been made so that small business owners can find resources in their communities. For small businesses interested in working with a CDFI in their area, you can use the following locator tools:

- U.S. Department of the Treasury
- Opportunity Finance Network CDFI Locator
- Venturize

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8. What size grants are available?

Grant size will be determined based on evaluation of the organization’s capacity, geographic scope and alignment with the program’s selection criteria, including focus on racially and ethnically diverse-owned businesses. For the CDFI Program, grants generally ranging from $250,000 up to $5,000,000, may be awarded.

9. Why did you select Black and African American-owned grantees first? What about other racially and ethnically diverse-owned small businesses?

The first few grants are focused on stabilizing and accelerating the recovery of Black and African American-owned small businesses, which have been closing at nearly double the rate of small businesses overall in the wake of the pandemic. But we know that many diverse small businesses are disproportionately impacted by COVID-19, so Wells Fargo is dedicating the Open for Business Fund for underserved businesses with an emphasis on racially and ethnically diverse owners. This approximately $400 million small business recovery effort will be intentional about selecting nonprofits that can reach entrepreneurs struggling to re-open and rebuild.

10. How do you define diverse small businesses?

We want to intentionally reach small business owners most impacted by COVID-19. We plan to emphasize Black and African American, Latino, Asian American and Native American owned businesses. This does not exclude other diverse groups, such as women-owned or other diverse-owned small businesses, but we are emphasizing racially and ethnically diverse small business owners given the data around their closure rates and revenue challenges.

11. Beyond this new fund, what other ways has Wells Fargo supported other small businesses?

As part of COVID-19 relief, Wells Fargo through the Wells Fargo Foundation, has already awarded over 400 grants to nonprofits serving small businesses, totaling more than $25 million as of March 2020. These grants support a number of initiatives including state/city small business relief funds, cash assistance and payment relief from CDFIs, support services and more for struggling entrepreneurs across the U.S.

For example, Wells Fargo recently announced an effort in collaboration with the County of Los Angeles and the City of Los Angeles to create the LA regional COVID-19 Recovery Fund which aims to support small businesses, nonprofits and micro-entrepreneurs that have been adversely impacted by the pandemic. The Wells Fargo Foundation contributed $1.1 million to the fund which will administrated by Local Initiatives Support Corporation (LISC), a CDFI which will work through local partners to reach businesses and nonprofits who may have been left behind by Federal relief funds.