**Wells Fargo $500,000 Open for Business Fund grant to Iowa Community Capital**

* Hundreds of metro Des Moines minority-owned small business entrepreneurs who are struggling to stay afloat as a result of the COVID-19 pandemic will soon have access to additional much-needed capital, thanks to a $500,000 grant to Iowa Community Capital, a charitable nonprofit Community Development Financial Institution.
* Community Development Financial Institutions, or CDFIs, are also known as nonprofit community lenders that target low-income populations and eligible census tracts. They focus on empowering racially and ethnically diverse small business owners with low-interest loans, providing the capital required to sustain and help grow businesses, promote job growth and close the racial wealth gap in America.
* Iowa Community Capital applied for and received the $500,000 grant from Wells Fargo in the initial round of funding from the company’s Open for Business Fund, which was [announced in July](https://newsroom.wf.com/press-release/community-banking-and-small-business/wells-fargo-launches-400-million-small-business) and initially targeted to CDFIs. The Open for Business Fund aims to help small businesses reopen, stay open and rebuild. The effort engages with local nonprofit organizations such as Iowa Community Capital who are serving diverse small businesses – with an emphasis on Black and African American, Hispanic, Asian American and Native American businesses, among others. This major initiative will open a new avenue for nonprofits to deliver capital, training, and long-term recovery efforts to entrepreneurs who see a long road ahead.
* For Iowa Community Capital, the $500,000 grant will allow it to provide much-needed capital in the form of low-interest loans, technical assistance, and to reduce its interest rate from 15% down to 3% for its 255 small business clients. Approximately 45 percent of Iowa Community Capital’s clients are Black while 55 percent are Latino. Solidarity clients typically own and operate small storefront or home-based businesses. Iowa Community Capital makes micro loans ranging between $1,000 to $8,000 to low-income small business entrepreneurs
* “The owners and operators of these small businesses ICC serves are often the poorest of the poor in our community, and they have been hardest hit by this pandemic,” said Mark Edelman, Iowa State University Professor Emeritus and Iowa Community Capital board chair. “Access to capital is one of the hardest things for many of them to obtain, but it is an absolute lifeblood to keeping most small businesses operating. The $500,000 Open for Business Fund grant from Wells Fargo is going to help support and sustain these smalls businesses for the next 18 to 24 months COVID-19 recovery in the Des Moines area.”
* Businesses like Margaret Ajawin’s small grocery store African Express, located at 3428 Martin Luther King Jr. Parkway in Des Moines. Ajawin started the small store with African products not available in most grocery stores five years ago, with the help of a loan from Iowa Community Capital’s Solidarity Microfinance Program. Over the years she has received nine micro loans from the program to buy inventory and grow the business. As her business grew, she moved into a larger storefront and expanded her offerings beyond African groceries. She now refers to her business as a variety store primarily for African customers. She sells African groceries, clothing, jewelry, hair products, cosmetics and beauty products. She also has a license to sell beer, wine and cigarettes.
* Ajawin has paid off her first eight loans, and is working on repaying her current outstanding loan amount of $5,000. Altogether, her nine loans from Iowa Community Capital total $27,000.
* Ajawin said after a rocky spring and summer because of the pandemic, African Express was back to about 75 percent of pre-COVID levels in November. She weathered the spring shutdown in the early stages of the pandemic in part because of a one-time emergency grant from a separate COVID relief fund Wells Fargo provided to Iowa Community Capital. “It helped my business survive last spring,” said Ajawin, who has three boys and her brother living with her. “Thank you for the support.”
* Ajawin’s business is like many who receive the Iowa Community Capital microfinance loans.
* “Wells Fargo has played a critical role in helping ICC to sustain Solidarity Microfinance Program lending activities for low-income entrepreneurs in the community,” said Alomgir Hossain, who has directed the program since 2015. “Solidarity uses Grameen peer-group microfinance methods to provide loans, savings services and learning opportunities to practice good financial habits and develop skills in leadership, teamwork and financial responsibility. Many clients are low-income minority women who are empowered by the program. Many have children and have home-based businesses.”
* “ICC will also use a portion of the Wells Fargo grant to make two additional program-related-investments (PRI). The first PRI is a local match for Iowa Microloan’s statewide program offering $5,000 to $50,000 loans and coaching to small businesses with workable business plans that are unable to access conventional loans. The second PRI will establish One Economy Development Corp. capacity to start lending and coaching activities for Black and minority-owned small businesses in the greater Des Moines area,” said Edelman.
* Edelman said ICC and Iowa Microloan Programs are both nonprofit microfinance programs started as collaborative initiatives facilitated by Iowa State University Extension and the ISU Community Vitality Center during the past two decades.

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