



February 19, 2021

House Committee on Economic Recovery and Prosperity
Chair Lively
Vice Chair Cate
Vice Chair Kropf
Members of the Committee

The Oregon Economic Development Association (OEDA) urges your positive consideration of House Bill 2161. The Governor's Racial Justice Council Subcommittee on Economic Opportunity has worked together for some month to identify meaningful opportunities to extend economic opportunities to Oregonians who have faced chronic and systemic barriers in business creation and business expansion.

We know that businesses owned by Oregon's Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, Tribal, and linguistically-diverse communities have struggled persistently to access traditional forms of capital and to meet the associated collateral requirements. These businesses have also struggled to access effective and culturally competent technical assistance.

House Bill 2161 has two key components: a loan loss reserve fund and a revolving loan fund for COBID-certified firms. The loan loss reserve fund offsets risk for lenders, thereby allowing them to offer better rates and terms to borrowers with a range of credit scores. The revolving loan fund would assist non-COBID-certified firms in obtaining certification and add value for existing certified firms.

As the statewide association for Oregon's economic development community, OEDA recognizes the importance of supporting new business creation and business expansion as a feature economic development in Oregon. As an appointee to the Racial Justice Council Subcommittee on Economic Opportunity that developed House Bill 2161, OEDA's support for this bill reflects our investment in the principle of equitable economic development and the ongoing work it will take to build an equitable economy.

The OEDA network includes over 150 member organizations across the state- cities, counties, ports, utilities, economic development districts, tribal governments and other entities that practice economic development. Our association also includes partners in workforce, entrepreneurship & innovation, business finance and technical assistance providers. The OEDA network represents the experts in Oregon economic development, and we appreciate the opportunity to share what it takes to grow Oregon's economy. We hope you will consider House Bill 2161 favorably.

Regards,

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