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## DIVERSITY AND EQUALITY

# NFL is latest sports league to borrow from minority banks, CDFIs

By [Allissa Kline](#) June 15, 2023, 4:44 p.m. EDT 4 Min Read



Levi's Stadium in Santa Clara, California, is home to the National Football League's San Francisco 49ers. The NFL announced an agreement Thursday to borrow up to \$78 million from 16 minority depository institutions. *Sam Hall/Bloomberg*

The National Football League has negotiated a deal to borrow millions of dollars over the next three years from a group of minority banks and community development financial institutions.

As part of its diversity advancement efforts, the largest U.S. sports league will borrow up to \$78 million from 16 minority depository institutions, community development financial institutions and minority- and women-focused banks across the country. The participating lenders have agreed to lend the NFL between \$1 million and \$10 million apiece, the NFL said Thursday.

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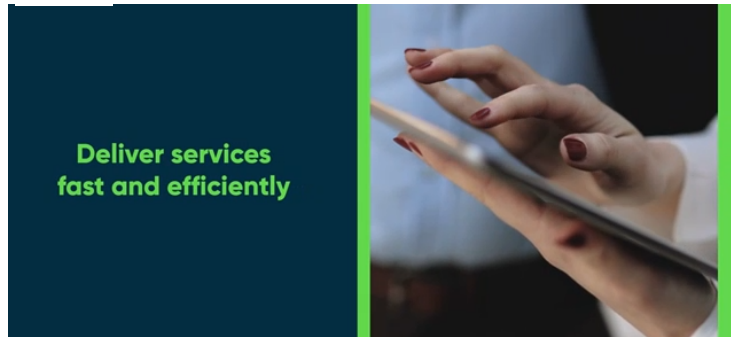
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The NFL's agreement is also similar to an arrangement involving the Atlanta Hawks professional basketball team, which was announced in 2020. Under that deal, Black banks agreed to [refinance a major construction loan](#) for the Hawks.

The funding announced Thursday will be used to finance various aspects of the NFL's business, Joe Siclare, the league's executive vice president of finance and league policy, said in a statement.

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The loans represent a huge win for the participating minority banks, particularly because the borrower is as large as the NFL, said Ashley Bell, co-founder and general counsel of the National Black Bank Foundation, which helps Black banks get access to financing opportunities.

Not only do such loans generate interest income for minority banks and diversify their lending portfolios, they also help amplify each bank's brand and ability to do more complex deals.

"It's a great messaging piece about what they're capable of," Bell said in an interview.

The NFL worked with Bank of America and the National Black Bank Foundation to identify banks that would be able to participate in the financing. Bank of America, the second-largest U.S. bank by assets, has been a major investor in both minority banks and CDFIs as part of its ongoing work to address racial and economic inequities. It has made several direct equity investments in minority banks and CDFIs, and has deposited at least \$200 million into MDIs specifically.

The Charlotte, North Carolina-based bank's efforts are part of a \$1.25 billion commitment to racial equality and economic opportunity, which it made in the wake of George Floyd's murder in May 2020.

Minority banks, particularly Black banks, have been historically undercapitalized. But since Floyd's murder, which renewed calls to address the nation's racial wealth gap, there have been initiatives to inject more equity into those institutions.

Along with efforts to put capital into minority banks and CDFIs, there has been a push more recently to place deposits at those institutions. Members of the Economic Opportunity Coalition, which includes large banks such as Citigroup, Bank of America and Wells Fargo, announced last week it has [reached](#)

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Of the 16 lenders involved in the NFL deal, nine are Black-owned or led, two are women-owned or led, and another two are Hispanic American-owned or led, the NFL said in a press release. One institution is Asian or Pacific Islander American-owned, and two are CDFIs, according to the league.

The list includes [Adelphi Bank in Columbus, Ohio](#). Adelphi is a Black-owned bank that [received regulatory approval to open](#) in January.

It's the only Black bank in Ohio and one of just 22 Black-owned or led banks in the U.S., according to the latest data from the Federal Deposit Insurance Corp.

"We wanted to make sure that banks like Adelphi had an opportunity to participate" in the NFL deal, Bell said. "Being able to come out of the gate with this sort of quality loan is good for them, and it's good for their brand when they're trying to establish themselves in the marketplace."

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The NFL's borrowing plan received praise Thursday from the National Bankers Association, a trade group that represents minority-owned and women-owned financial institutions.

"This investment is an excellent example of the private sector working with minority depository institutions," Nicole Elam, president and CEO of the National Bankers Association, said in an email. "MDIs reflect the communities they serve, and we encourage others to follow suit."

More financing deals between pro sports leagues and minority banks may be in the works. Conversations with other leagues are ongoing, and deals like the one announced with the NFL will hopefully spur more interest, Bell said.

There's also work being done to get Black banks involved in the economic development projects that go along with sports, such as stadium-building in urban areas, Bell added.

"To me, that's the next frontier," he said.

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