



Fintech Alliance Hosts Hackathon to Help Government Distribute \$350B Emergency Funding for Small Businesses

Small businesses will die if they can't access funds quickly. AIR is convening an emergency hackathon to demo how to use tech to get the funds out fast.

NEW YORK, NEW YORK, USA, March 27, 2020 /EINPresswire.com/ -- Fintech Alliance Hosts Hackathon to Help Government Distribute \$350B Emergency Funding for Small Businesses

COVID-19 is stressing the global economy in unprecedented ways, especially for small businesses. Lockdowns and "shelter in place" orders, while necessary for public health, have shuttered small businesses globally. And while foot traffic is gone -- rent, payroll, and other expenses are not. America's 30M small businesses employ 58.9M people, nearly half of the private workforce, and it's critical we provide urgent support to small businesses before they close permanently.

Now that the CARES Act has passed, we have a new challenge: although the bill provides an unprecedented \$350B+ of emergency funding support for small businesses, the Small Business Administration (SBA) has never had to distribute more than \$7.5B -- and the average time for processing an SBA application is 2 months. The process is largely manual and will require 20,000 hours of in-person assessment. Some estimates indicate that the SBA would need to increase productivity by 80 times to disburse the funds.

"This time lag will likely become the death knell for America's small businesses," says Jo Ann Barefoot, Co-Founder and CEO of [AIR](#), the Alliance for Innovative Regulation. "What's needed here is a 'moonshot' approach to help automate and simplify the loan application process to get emergency relief in the hands of small business owners as fast as possible". Indeed, the technology to distribute this enormous volume of emergency relief funding exists, with a bare minimum of fraud and waste. The government has to be prepared to see the opportunity, vet the experiment, and leverage the solution.

AIR, a non-profit dedicated to helping regulators adopt digital age technology and innovation, has coordinated an ad hoc alliance of volunteer fintechns and financial services institutions. AIR is hosting a virtual hackathon starting tonight, Friday March 27th at 7pm ET, to conclude on Sunday night at 7pm ET. Expert fintech developers will build application prototypes to demonstrate how onboarding, verification, underwriting, and distribution of funds can become more efficient by leveraging technology. There are approximately 50 participants from almost 20 companies including Apple Pie Capital, Grasshopper Bank, Petal, Plaid, Protiviti, Sila, and Zenoo.

The participants have personal motivations to volunteer their time. One comment crystallizes the sentiment that people are feeling: "When I walk outside, it breaks my heart to see all the shuttered small businesses in my neighborhood," says Shamir Karkal, Founder and CEO of Sila Money. "When this crisis is over, I want the richness that small businesses bring to my life to still be intact." People are looking for ways to make a difference, and spending their weekend in a hackathon is one way to contribute.

"Speed is the key," says David Ehrich, co-founder and executive director of AIR. "The prototypes we create will help the SBA and other officials understand that there is a community of resources

they can leverage as they shape their guidance and think through options.”

About AIR: AIR catalyzes and shapes the digital transformation of financial regulation. We generate thought leadership, connect and educate innovators and regulators, and run a policy accelerator to test and demonstrate new regulatory technologies. We are a 501(c)(3) nonprofit with seed funding from Flourish Ventures.

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