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MASSACHUSETTS COMMUNITY & BANKING COUNCIL

TO: Distribution

FROM: Jean Horstman, Co-Chair, MCBC Economic Development Committee

DATE: January 19, 2017

RE: Next MCBC Economic Development Committee Meeting

You are invited to attend the next meeting of the Massachusetts Community & Banking Council's (MCBC) Economic Development Committee.

The meeting will be held on **January 26th at 9:30 AM at Interise, 197 Portland Street, 2nd Floor, Boston, MA 02114.**

An agenda for the meeting is enclosed, along with minutes and materials of the last meeting.

If you wish to participate in the January 26th meeting via phone, please call # 712-432-6333, participant passcode 183421#.

We look forward to seeing you on January 26th.

Next Committee Meeting: March 9, 2017

Economic Development Committee

MISSION: MCBC's Economic Development Committee brings together financial institutions, small business assistance providers, city and state agencies and others to promote the economic revitalization of low- and moderate-income communities in Massachusetts by providing insight, ideas and information designed to encourage small business lending and growth.

Meeting of December 8, 2016

AGENDA

Time	Item	Description	Lead
9:30	1. Welcome and Minutes	Reading and Approval of December 8, 2016 Meeting Minutes	Chairs
9:50	2. Taking Your Business to the Next Level with Government Contracting	Presentation	Nadine Boone, SBA
10:30	3. Small Business Lending Report	Presentation	Stuart Ryan
10:50	4. Anchor Institution Mapping	Update	Jean Horstman
11:20	5. Other Business		Chairs
11:30	6. Adjourn		

MASSACHUSETTS COMMUNITY & BANKING COUNCIL

Economic Development Committee
Meeting of December 8, 2016

Draft Minutes

Attending: Mark Allio, City of Central Falls, RI (phone)
Nadine Boone, SBA
Brian Clarke, Federal Reserve Bank of Boston (phone)
Betsy Cowan, City of Boston
Erika Eurkus, Accion East (phone)
Donna Haynes, Leader Bank
Jean Horstman, Interise
Paul Horwitz, FDIC
Dana LeWinter, MCBC
Jose Luis Rojas, Boston Private Bank & Trust Co.
Vicky Stein, CRF (phone)
Eric Uva, LISC
Mark Walker, Citizens Bank

The meeting began at 9:30 a.m. at Interise, Boston, MA and was chaired by Jean Hortsman.

1. Minutes of the Meeting of September 15 and October 27, 2016

Jean noted the minutes of the meeting of September 15 and October 27, 2016. A motion was made by Jose Luis and seconded by Donna to approve the minutes. VOTE: The motion was approved.

2. Northeastern Small Business Lending Program

Eric Uva presented on their program (see [here](#)). LISC is hoping to provide more than just lending and technical assistance through this program. Their mission is to build thriving small business communities. They measure returns through #MBEs, #WBEs, jobs created and increased wages. They lend via Kiva, Microloan program, SBA Community Advantage (with MGCC on Contract Financing). See slides for terms. NE does not have a financial product themselves but they have a partnership with American Express.

They don't see their product as competing with products like Accion, because this is a different population profile. They are looking mostly at the Northeastern hub, but they are open to co-lending if they can't meet the full needs of the small business. They do not offer lines of credit, but are willing to have a discussion about offering in the future.

Capital for the program is 6.5-7 million based off LISC balance sheet with a guarantee from Northeastern. Their goal is for the process to be fully automated, but they are not there yet.

Priority geographies are in concentric circles starting with the immediate Northeastern area, then Boston Hub, then Everett, Malden, Fall River, then Gateway Cities. When they can't serve a small biz, they will refer to another group and are interested in learning where the best referrals in each area are.

If Small Businesses need more help before applying they will connect them with the right resource as well, either SBDC, City of Boston, Interise, etc. They are working on building a pipeline of businesses.

3. Small Business Lending Report Update:

The report is complete and will be released next week.

4. Anchor Institution Mapping Update:

Jean gave an update on the takeaways from the October convening. The group learned more about Systems Thinking and learned about the assumptions each group has about the others. The group explored attitudinal positions and how to better integrate the system. Next steps include a lab with 2 anchor institutions to help work through the mental models and create an example for others via a learning module. After that a report will be written and shared with the City of Boston and Governor's office.

5. Other Business:

The group discussed possible ideas for meetings in the coming year.

The meeting adjourned at 11:30 AM.

The next meeting will be held on Thursday, January 26th at Interise in Boston.



Small business lending & support. All in one place.

We serve small businesses: the backbones of communities and the drivers of job creation, innovation, and economic opportunity.

photo by Gordon Wottek

Since some of you don't know me...

capital markets

Jefferies



scaling operations in lending organizations



Indivisible

Growth phase and transitioning organizations



So much more than just lending...

mission: Build thriving small business communities in Boston and its gateway cities...

...because when small businesses succeed, they:

- create jobs
- hire locally
- benefit their neighborhood

Not only as a financial investment...

...but an investment in Boston's neighborhoods where the return is measured by:

- # of MBEs served
- # of WBEs served
- # of jobs created
- increase in avg. wages

...oh and by the way...



MICROLOAN



Crowdfunding

Micro-loans

SBA loans



type

New Businesses:
<6 mo.

Existing businesses:
> 6mo.

Start-ups & existing
businesses

use

Startup capital,
working capital

Working capital
Growth capital

Working capital
Growth capital

amount

\$1,000 - \$10,000

\$10,000 - \$50,000

\$50,000 - \$250,000

term

\$5,000 @ 2yrs
\$10,000 @ 3yrs

5yrs

7yrs - 10yrs

rate

0.00% (no interest)

7.00%

Prime + 2.75% to 3.75%
(currently 7.25-8.25%)

Loan process



Contact Eric Uva (me)

- euva@liscsb.org
- 617-410-4341

LISC website

- <http://www.liscsmallbusiness.org/impact-lending>

Submit documents

- Years in operation
- 3 mo. bank statements
- 2yrs of business Tax returns
- Business lease
- Business financial statements
- Photos of the business
- Proof of ownership
- Voided check

Eligibility criteria

- Years in operation
- > 575 credit score
- No bankruptcy
- No foreclosures
- No late mortgage or rent

Time to funding

- < 2 weeks for micro-loan
- 6 – 8 weeks for SBA loan

Rates

- 0.0% for Kiva loan
- 7.0% for micro-loan
- 7.25% - 8.25% for SBA loan

Terms

- 2 – 3yrs for Kiva loan
- 5yrs for micro-loan
- 7-10yrs for SBA loan

Payments

- ACH payments (monthly)
- No prepayment penalty
- Payments applied to principal & interest

Scope

Priority Area #1

1. Dudley Sq.
2. Roxbury
3. JP

Priority Area #2

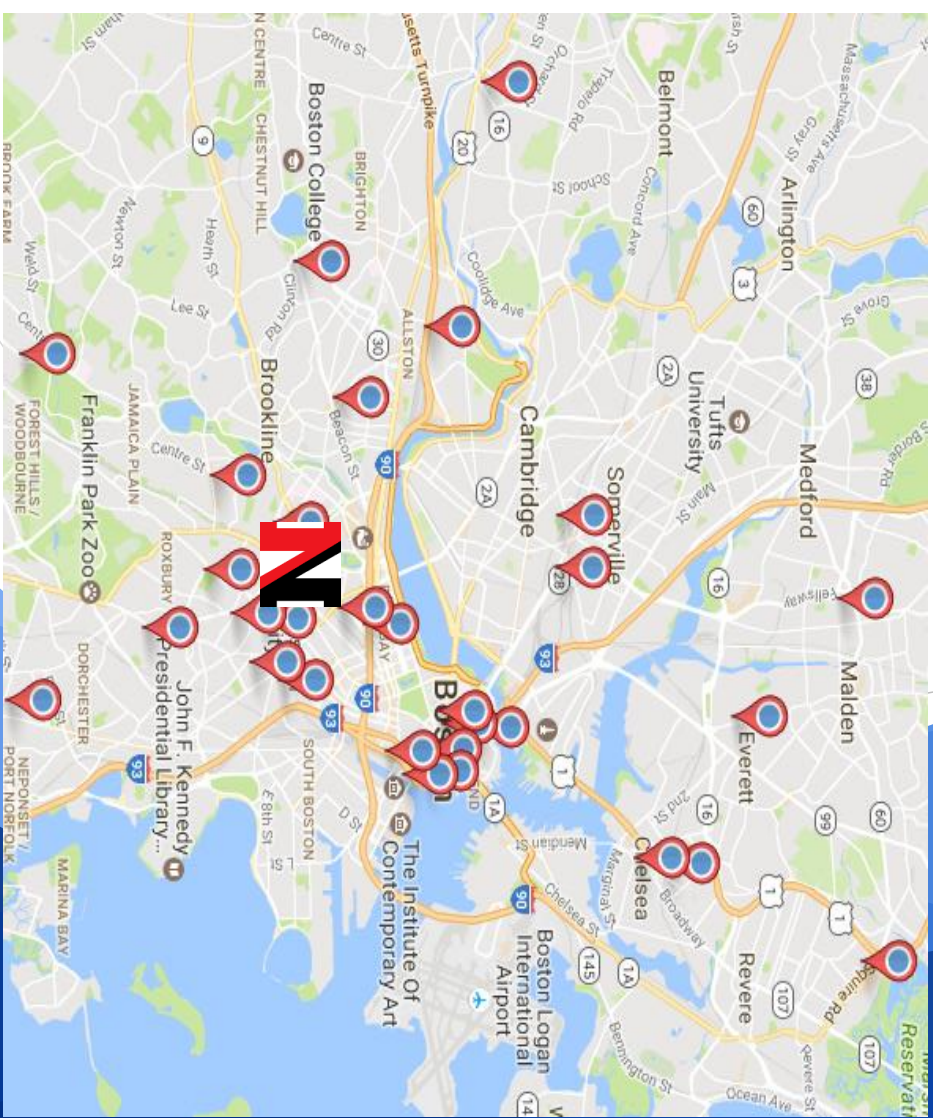
1. North end
2. West end
3. Mattapan

Priority Area #3

1. Everett
2. Malden
3. Fall River

Priority Area #4

1. Haverhill
2. Lowell
3. Brockton



Coverage & scope

Launch: 10/26 @ Bolling Building w/ Mayor Marty Walsh & Northeastern President Aoun

Tweets

24

Facebook posts

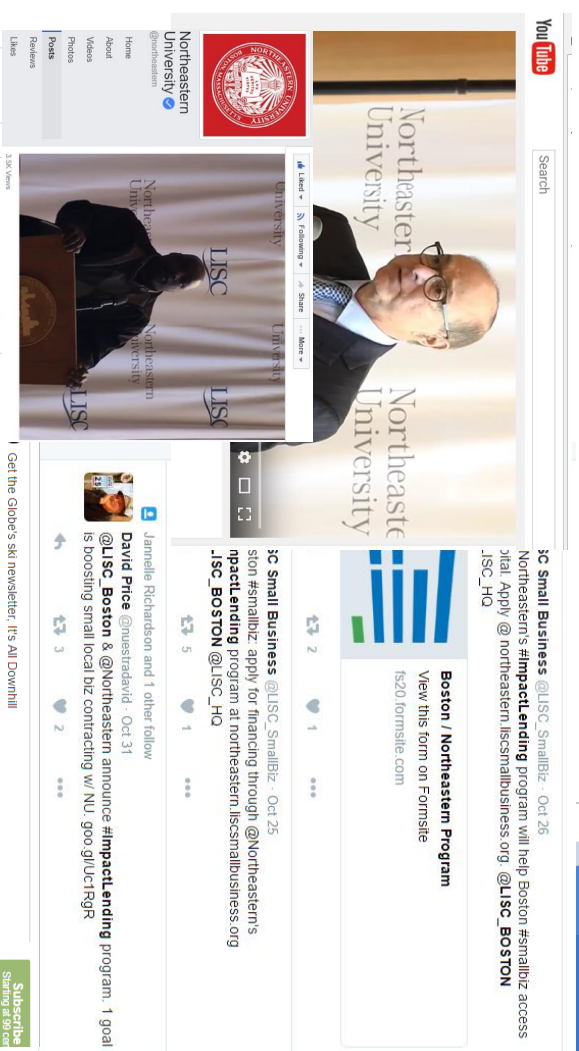
4

Press coverage

4

YouTube videos

3



The screenshot shows the Northeastern University website with a banner for the LIISC Small Business program. The banner features a photo of David Price, LIISC Boston & Northeastern's #impactLending program manager, speaking at a podium. Below the banner, there is a tweet from Janelle Richardson and 1 other follow, dated Oct 31, mentioning the program's goal of boosting small local biz contracting w/ NU. The tweet also includes a link to the program's website, ts20.foresite.com.

Northeastern to launch loan program for neighboring businesses

By Delndre Fernandes | GLOBE STAFF OCTOBER 24, 2016



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Questions???