

PARTNERSHIP for FINANCIAL E Q U I T Y

Small Business Lending Committee

Thursday, February 12, 2026, at 9:00 AM

Co-Chairs:

Elyson dos Santos, VP Business Development, Rockland Trust

Andre Ierace, Senior Vice President of Lending, Ascendus

Meeting Summary/Quick Recap

The meeting focused on discussing the impact of the SBA's new rule excluding legal permanent residents from eligibility for SBA loans, which takes effect on March 1st, 2026. Participants shared concerns about how this change would affect immigrant-owned businesses and the broader economy, particularly in Massachusetts. The group also explored strategies for collecting and sharing anonymous stories of affected businesses to highlight the negative impact of this policy. Additionally, the meeting covered updates on legislation regarding Merchant Cash Advances (MCAs), with a staffer from the Woodstock Institute sharing insights from Illinois's APR for All campaign. The discussion concluded with thoughts on updating PFE's small business lending research report, with participants suggesting various topics of interest including AI's impact on underwriting, CDFI-bank partnerships, and capital access in underserved areas.

Phoenix Conference Agenda Overview

The meeting began with introductions and a discussion about the Phoenix Conference, where a participant mentioned a large contingent from the Boston Fed would attend. Jason, Tom, and Elyson outlined the agenda, which included updates on SBA policy changes, PFE's research report, Truth in Lending Act legislation, and CRA's 50th anniversary. They planned to engage participants with poll questions and gather feedback on updating their small business lending report. Tom was set to provide updates on the lending transparency initiative and CRA success stories.

SBA Loan Rules Impact Immigrants

The meeting focused on the SBA's new lending rules, which took effect on March 1st, making legal permanent residents ineligible for SBA loans. A participant shared a real example of a manufacturing business facing significant challenges due to the change, as the new owner with a green card cannot obtain an SBA loan needed for equipment purchase and job creation. The discussion highlighted the potential negative impact on immigrant-owned small businesses, with a member warning that predatory lenders could exploit the situation, and Jason noting that immigrants are more likely to start businesses in the U.S.

CDFI Loan Changes Impact Discussion

The meeting focused on the impact of recent changes to SBA loan requirements on CDFIs and small businesses. A member from Ascendus discussed how the changes could hinder the graduation of clients from CDFI to mainstream banking, particularly affecting immigrant and startup businesses. A participant from another CDFI expressed frustration over the rapid changes and lack of funding for their microloan program, highlighting the need for alternative sources like EDA. Another attendee suggested collecting success stories from manufacturing firms that would be affected by the changes to demonstrate their impact on the Massachusetts economy. The group agreed to collect these stories to support their advocacy efforts and demonstrate the importance of CDFI-bank partnerships.

LPR SBA Loan Exclusion Concerns

The group discussed concerns about sharing stories of legal permanent residents (LPRs) who are excluded from SBA loans, with several participants expressing caution about potential retaliation against business owners who come forward. Tom and Jason agreed to meet with a member to develop a plan for collecting and sharing stories about the impact of this exclusion, while a participant mentioned she would share a national participation list of affected deals with NADCO for the 504 program. The discussion concluded with a brief mention of Merchant Cash Advances as an alternative lending option for immigrant business owners.

Regulating Merchant Cash Advances

The conversation shifted to focus on legislative efforts to regulate merchant cash advance companies, with a participant providing an update on the APR for All campaign in Illinois. The campaign aims to require APR disclosure for small business loans, similar to consumer loans, and has made progress in the state Senate but faces challenges in the House. The group discussed potential research topics for updating their small business lending report, including the impact of AI on credit underwriting, success of CDFI bank participation models, and the link between asset ownership and capital access. Participants also explored the concept of capital deserts and how banking access may correlate with higher usage of alternative lending options.