

Request for Proposals

FY25 Microlending Operations Support and Lending Capital Matching Grant Program

Program Overview

The Microlending Operations Support and Lending Capital Matching (“MOS/CDFI”) Grant Program offers operational support and lending capital matching grants to qualifying nonprofit community lenders. This Request for Proposals (“RFP”) seeks proposals from nonprofit community lenders to assist small and microbusinesses in the Commonwealth in obtaining capital. The MOS/CDFI program aims to increase the flow of capital into Massachusetts’s small businesses and to continue to foster recovery following the COVID-19 pandemic, sustainability, resilience, and growth. Funds are meant to facilitate lending to small businesses that are unable to obtain traditional sources of capital. Services under this grant program must be listed on applicant’s website at all times.

Qualifying non-profit lenders must propose direct services, grants, and loans to small businesses, prioritizing socially or economically disadvantaged businesses. Successful applicants will leverage state funds along with non-state capital sources, to provide small businesses with a spectrum of loan products provided that proposed loan-readiness technical assistance, grants, and lending advance growth and stability for businesses with fewer than 20 employees and no more than \$2.5 million in revenues.

For FY25, the Commonwealth has allocated a combined \$3,650,000 for the MOS/CDFI program which will be administered by The Growth Capital Division of MassDevelopment. The lending capital awards require a **25%** organizational match. Applicants must show proof of match in hand at submission via bank statement(s). Prior Lending Capital Award must be 100% deployed or obligated to qualify for this round.

This document outlines the application process for three programs to support small business financing through community lenders:

1. Microlending Operations Support (MOS) for operational funds.
2. Lending Capital Matching Funds (for loans, grants, and loan loss reserves).
3. Community Loan Guarantee Program – Preferred Lender Accreditation.

Program	FY25 Allocation Amount
Microlending Operations Support Grant	\$650,000
Lending Capital Matching Grant	\$3,000,000
Community Loan Guarantee Program- <i>Preferred Lender Accreditation</i>	N/A

Eligibility and Award Amounts and Uses

Program	Eligibility	Award Amount	Uses
Microlending Operations Support	<input type="checkbox"/> Certified CDFIs <input type="checkbox"/> SBA microlenders <input type="checkbox"/> USDA microlenders	Up to \$50,000	To support the eligible organization's lending and technical assistance activities. <input type="checkbox"/> Payroll <input type="checkbox"/> Benefits
Lending Capital Matching Funds	<input type="checkbox"/> Certified CDCs <input type="checkbox"/> Certified CDFIs	Up to \$250,000. 25% organization match required (funds must be in-hand at time of submission)	<input type="checkbox"/> Qualified Loans <input type="checkbox"/> Qualified Grants <input type="checkbox"/> Up to 5% of the award can be used as a loan loss reserve ("LLR") to support de-risking individual loans or a portfolio. All funds used for LLR must be segregated funds; a bank statement will be required at reporting time.
Community Loan Guarantee Program <i>Preferred Lender Accreditation</i>	<input type="checkbox"/> Certified CDCs <input type="checkbox"/> Certified CDFIs	<p>MassDevelopment will soon be launching a Loan Guarantee Program for community-based lenders, designed to increase access to capital for small and microbusinesses in Massachusetts. Through this program, MassDevelopment intends to provide a 50% loan guarantee on qualified small business loans. The goal is to reduce risk to lenders and encourage more flexible, inclusive financing terms for borrowers, particularly those in underserved markets.</p> <p>As part of that effort, MassDevelopment intends to qualify and designate <i>Preferred Community Lenders</i>, who will be able to obtain expedited approval of guarantees under the program. Organizations that demonstrate strong underwriting practices will be considered for the <i>Preferred Community Lender Designation</i>. All information provided under the FY25 Microlending Operations Support and Lending Capital Program Application will be reviewed and used to determine eligibility for the Preferred Lender Accreditation.</p> <p>Additional information and guidance on the Community Loan Guarantee Program will be provided upon the launch of the program.</p>	

Qualified Loans and Grants

All lending and loan-readiness technical assistance under this grant program must be provided to Massachusetts-based small and microbusinesses only. Applicants must provide loans to small businesses, prioritizing socially and economically disadvantaged small businesses. Grants of up to \$5,000 can be used to address bookkeeping, legal, and operations matters in relation to securing a loan. Funds used as grants must address and resolve loan-readiness issue(s) to make a loan possible and feasible. No working capital grants. No grants for equipment. Loans and grants deemed unqualified will not count towards program deployed funds. Organizations are expected to redeploy funds deemed unqualified.

Required Documentation

1. Narrative: Proposed work plan and budget
2. Organization's latest Annual CDFI Fund Certification Report (CDFIs) or MACDC Small Business Technical Assistance. & Lending Survey Submission (CDCs)
3. Matching funds: Bank statements and/or commitment letters
4. Copy of loan application
5. Copy of underwriting Policy
6. Most recent Audited Financial Statement or Review
7. U.S. IRS Tax Exempt Certification/ Determination Letter
8. Certificate of Good Standing (2024) from the Secretary of State of the Commonwealth
9. *Performance at Risk Report*

Application Evaluation Process

The strongest applications will align closely with program goals and submit all required documentation. Incomplete applications will not be considered.

Applications will be reviewed for:

- Alignment with program funding priorities
- Experience and capacity to be responsive to the current needs of the small business community
- Track record and historical impact
- Comprehensive Loan-readiness technical assistance services
- Projected volume and program impact
- Portfolio Management

The review process uses a point system with a maximum score of 100. This process will ensure a thorough and fair evaluation of applications, prioritizing those that demonstrate strong alignment with program goals and readiness for implementation of their proposed lending and loan-readiness TA work plan

Scoring-Based Award Recommendations

Applications which score at **least 80 points** will be automatically considered for an award. These applications demonstrated strong alignment with program goals and mission.

Applications which score **75 – 79** points may be considered for an award if the program is not oversubscribed. Applicants who fall into this range may be contacted for additional information.

74 points or below will not be recommended for an award. Applications need substantial revision to demonstrate strong alignment with program goals and mission.

Submissions

Applications will be accepted beginning June 30-July 31, 2025 through 11:59 p.m. via Submittable. A completed application and supplemental information will be required to be uploaded and submitted. **Incomplete and late applications will not be accepted.**

Submittable

Submittable streamlines the application process by allowing applicants to upload all required documents in one place for quick and efficient submission. Applicants will need to create an account to access and submit an application. The MOS/CDFI **Program application is only available online through Submittable.** After submission, applicants can track the status of the application and receive updates to stay informed.

Award Process and Timeline

Grant Program Opens: June 30, 2025

Grant Program Closes: July 31, 2025

Award Notification: September-October 2025

Funding Disbursement: Awarded Applicants must sign and upload their signed Grant Agreement contract to their Submittable account.

Program Reporting: All Awarded Applications must submit a final report including performance, demographic, outcome data, expense report for MOS, and loan/grant report for CDFI.

Submittable Application: <https://massgcc6.submittable.com/submit>

COMPLIANCE WITH FEDERAL FUNDS, LAWS AND REGULATIONS

Applicants must comply with all applicable laws.

TECHNICAL SUPPORT FOR SUBMITTABLE

Visit the Help Center: <https://www.submittable.com/help/submitter/>

OTHER QUESTIONS: Contact MassDevelopment

Email: aveloz@massdevelopment.com

FY25 Application Microlending Operations Support and Lending Capital Matching **Grant Program**

Organization Information

EIN:

Organization Name:

Headquarters Address:

Service Delivery Address (if different)

Website*: *Website must list lending and Technical Assistance Services

Services Your Organization Provides:

- ☐ Small Business General Technical Assistance Provider
- ☐ Small Business Loan-Readiness Technical Assistance Provider
- ☐ Small Business Post-Loan Technical Assistance Provider
- ☐ Microloan Lender
- ☐ Small Business Lender
- ☐ Small Business Loan Packaging for other outside of organization loans
- ☐ Provide co-working space for businesses
- ☐ Residential Green Product Lender
- ☐ Residential Home Improvement Lender
- ☐ Emergency Loans
- ☐ Workforce Training
- ☐ Financial Literacy Programming
- ☐ Increasing Food Access in Areas Designed as Food Deserts
- ☐ Health Programming
- ☐ Programming for Youth

Eligibility: Non-profit Lender (must check at least 1 one for each program)	
Microlending Operations Support	<input type="checkbox"/> Certified CDFIs <input type="checkbox"/> SBA microlenders <input type="checkbox"/> USDA microlenders
Lending Capital Matching Funds	<input type="checkbox"/> Certified CDC <input type="checkbox"/> Certified CDFIs
Community Loan Guarantee Program <i>Preferred Lender Accreditation</i>	<input type="checkbox"/> Certified CDCs <input type="checkbox"/> Certified CDFIs

Request type (only check one):

☐ Microlending Operations Support Funds only.
Award amounts up to \$50,000.

☐ Lending Capital Matching Funds only.
Award amounts up to \$250,000.

☐ **Statement of Interest**

My organization would like to be considered for the Preferred Lender Accreditation under MassDevelopment's Community Loan Guarantee Program. I understand that all information provided under the FY25 Microlending Operations Support and Lending Capital Program Application will be reviewed and used to determine eligibility for the Preferred Lender Accreditation.

Narrative- Proposed Work Plan and Budget

1. How does your organization's mission align with the goal of increasing capital access to small and microbusinesses, prioritizing socially or economically disadvantaged businesses?
2. What percentage of your organization's current loan portfolio serves small and microbusinesses with fewer than 20 employees and revenues not exceeding \$2.5 million?

- ☐ Above 70%
☐ Between 60-69%
☐ Between 50-59%
☐ Between 40-49%
☐ Between 30-39%
☐ Below 29%

3.

Eligibility: Proposed Work Plan and Uses of Funds (check all that apply)	
Microlending Operations Support	To support the eligible organization's lending and technical assistance activities. <input type="checkbox"/> Payroll <input type="checkbox"/> Employee Benefits
Lending Capital Matching Funds	<input type="checkbox"/> Qualified Loans <input type="checkbox"/> Qualified Grants [Up to \$5,000] <input type="checkbox"/> Up to 5% of the award can be used as a loan loss reserve to support de-risking individual loans or a portfolio.

4. Geographic Area Served

- ☐ Statewide
- ☐ Central
- ☐ Greater Boston
- ☐ North
- ☐ South
- ☐ West

5. Please list the top 10 cities that you served.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Small Business Lending and Technical Assistance Team

6. Describe your organization's strategy to deploy the lending capital funds received through the requested Lending Capital amount requested in this application and the required corresponding matching funds. How does your team ensure effective support and growth for these businesses?

7. Use the table below to describe your organization's staff capacity and relevant experience in working with small and microbusinesses.

Team Role	Staff member: Name & Title	Relevant Experience	Years of Experience
Direct Service Provider			
Direct Service Provider			
Direct Service Provider			
Direct Service Provider			
Indirect service: Impact and outcome tracking			
Indirect service: Loan serving			
Indirect service: Portfolio monitoring			

8. If your organization provides multilingual services, describe your outreach strategy and efforts to reach non-native English speakers. List all languages available on site to engaged borrowers.

Proposed Activity Volume & Outcomes

9. Describe your organization's **loan-readiness technical assistance** to ensure small and microbusinesses are prepared for successful loan applications.
10. Describe your organization's **proposed grants** under this program and explain which barriers to securing a loan they will address. How will these grants help small and microbusinesses secure loans?

Activity	Lending Capital + Required Matching Funds	Outcomes/Comments
Projected # of loans		
Projected average loan amount		
Projected # of grants		
Projected average grant amount		
Projected # of Owner(s) receiving loan-readiness TA		

11. How does your organization effectively manage loan servicing?

12. How does your organization effectively monitor loan performance?

13. How will your organization effectively track the impact and outcomes under grant program for reporting?

Description of Matching Sources

14. Use the table below to list and describe matching funds.

Matching Source: Name	Matching Source: Description	Is this a non-state source?	Are these funds in hand and ready to be deployed?	Amount
Total				

Proposed Microlending Operations Support Budget

15. Use the table below to detailed budget for the funds received through the Microlending Operations Support Grant Program.

Expected Cost	Total Expenses	MOS Funds	Comments
Payroll			
Benefits			

Total			

16. How will these funds be allocated to enhance loan-readiness technical assistance for small and microbusinesses?