



Equitable Access to Credit Program Grant Guidelines & Instructions 2024-2025

Washington State Department of Commerce
Office of Economic Development & Competitiveness
Small Business Finance & Community Support Unit

Grant Overview

The Equitable Access to Credit Program, authorized by [HB 1015 \(RCW 82.04.449\) \(PDF\)](#), provides a tax preference mechanism that generates funds for grants to qualified lending institutions. These grants, funded through contributions in exchange for Business & Occupation (B & O) tax credit, are dedicated to providing access to credit for historically underserved communities. The Program's goal is to encourage investment in small, rural, and underserved business to boost community and economic development in Washington.

Grant Objectives

- Support native Community Development Financial Institutions (CDFI) or grantees to provide services or invest, or both, in rural counties.
- Encourage investment in small, rural, and underserved business to boost community and economic development in Washington.

Eligible Grant Activities

- Loans and investments to small business and individuals in underserved communities.
- Up to 20 percent of all grants awarded may be used by the grant recipient to fund a loan loss reserve, technical assistance, and/or small business training.

Grant Funding Criteria and Amounts

Grant Funding Available

For the 2024 grant cycle, Commerce has \$1 million in funding available to allocate to eligible CDFIs.

Grant Eligibility

In order to receive a grant award under the equitable access to credit program, a qualified lending institution must:

- Be recognized by the United States Department of the Treasury as an emerging community development financial institution (CDFI) or a certified CDFI
- Be registered as a nonprofit organization exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986
- Demonstrate a history of lending in Washington
- Cash match any grant awarded by the equitable access to credit program on:
 - At least a five percent basis, if the institution is an emerging CDFI
 - At least a ten percent basis, if recognized as a CDFI and has net assets fewer than \$3M at the time of grant application

- At least a twenty-five percent basis if recognized as an emerging CDFI and has net assets of more than \$3M at the time of grant application

Grant Award Amounts

There are no minimum or maximum grant award amounts. All eligible applicants may be awarded up to or less than the grant amount requested in their application, with consideration of the following:

- The amount of available funds to grant in any calendar year is contingent upon the amount of tax credit claimed in the preceding year as reported by Department of Revenue (DOR).
- No more than 25 percent of all grants awarded in any calendar year may be awarded to the same grant recipient.
- At least 65 percent of the value of all grants awarded in any calendar year must be provided for native CDFIs or grantees to provide services or invest, or both, in rural counties.
- Advisory Board panel application review

The Department of Commerce reserves the right to make adjustments to funding requests to ensure compliance with the above legal requirements.

Grant Application

Application Process

Applicants are required to submit applications electronically here: [Equitable Access to Credit Program Grant Application](#). **Applications must be received by June 12, 2024 at 5:00PM.**

- The agency does not assume responsibility for any application submission errors. Late applications will not be accepted and will be automatically disqualified from further consideration.
- Failure to respond to any portion of the application document, answer the narrative questions, or upload the requested documents may result in rejection of the application as non-responsive. All applications and any accompanying documentation become the property of Commerce and will not be returned.
- Submission of an application does not guarantee that applicants will receive funds.
- Commerce plans to award multiple grants from this application process.

Application Evaluation & Selection

Commerce must appoint members to an advisory board that will assist in ranking applications for the grants. Commerce sought representation from members with relevant expertise, including those from the banking industry familiar with community development financial

institutions, rural economic development professionals, local government representatives, and representatives from federally recognized Indian tribes. Commerce shall seek, to the greatest extent possible, a fair geographic balance.

The following criteria will be considered in ranking applications:

- The number and total value of loans and investments closed during the previous five-year period by the qualified lending institution in Washington and the percentage of those loans and investments that went to historically underserved communities
- Funds leveraged by the proposed grant award (cash match), which may be no less than 25 percent for certified CDFIs with net assets of \$3,000,000 or more at the time of the grant application
- Projected loan or investment production with the award over the performance period of the grant
- How the award supports the growth of the qualified lending institution
- Past performance of loans and investments made by the qualified lending institution including and/or past performance of loans and investments made using funds from the equitable access to credit program
- Awards to a diversity of qualified lending institution awardees, including institutions of different sizes or with different target markets or products, access to historically underserved communities, or other differentiators that ensure a broad-base access to capital

*Commerce may also include such additional criteria, as it deems helpful in achieving the goal of ensuring access to credit to underserved communities across the state.

Unsuccessful Applicant Notification: Unsuccessful Applicants will be notified by e-mail.

Debriefing of Unsuccessful Applicants: A debriefing conference may be requested from an unsuccessful Applicant. The request must be received by the Program Manager within three business days after receiving email notification. Discussion will be limited to a critique of the requesting Applicant's application. Comparison evaluation of the other applications will not be discussed. A debriefing conference will be held on the telephone and will be scheduled for a maximum of 30 (30) minutes.

Grant Timeline

Application Timeline

- May 14, 2024: Grant application opens
- May 16, 2024, from 3:00PM – 4:00PM: Pre-application Microsoft TEAMS webinar
- June 12, 2024 at 5:00PM: Grant application closes

- June 28, 2024: Grant awards announced (tentative)
- July 1, 2024: Grant agreement drafted and executed (tentative)

Performance Timeline

The period of performance of any Grant Agreement resulting from this grant application is tentatively scheduled to begin on or about July 1, 2024 and to end on June 30, 2025. Amendments extending the period of performance, if any, shall be at the sole discretion of the Commerce.

Reporting Requirements

Successful applicants that receive grant funds from the program must submit a report to Commerce both quarterly and annually by June 30th of each year that contains the following information:

- a) A list of loans and investments made using funds from the equitable access to credit program's grant and associated match, including, on a per-borrower or per-investee basis:
 - i. The date the loan or investment was originated
 - ii. The amount of the loan or investment
 - iii. The total cost of the project, including owner equity and leverage
 - iv. The interest rate and interest type
 - v. The Wall Street Journal prime rate at the time the loan or investment is made
 - vi. The term
 - vii. The number of permanent full-time equivalent jobs projected to be created in the business due to this financing
 - viii. Whether the loan or investment utilized a guarantee program
 - ix. The North American industry classification system code
 - x. The entity structure
 - xi. Whether the investee or borrower is more than 50 percent owned or controlled by:
 - One or more minority
 - One or more women
 - One or more low-income persons
 - xii. The race of the primary investee(s) or borrower(s)
 - xiii. Whether the primary investee or borrower is Hispanic or Latino
 - xiv. The location, by city and county, in which funds from the program will be invested
- b) Certification that each loan or investment made using funds from the program was to a historically underserved community
- c) Other information as required by Commerce

Completing the Grant Application

Applicant Information

Complete the required fields with the applicants' information. Supporting documentation must be uploaded, as requested. Due to upload limitations, please only upload a single file for each upload request.

Unified Business Identifier (UBI) Number: The 9-digit UBI number is assigned for doing business in Washington State. It is written as “___ - ___ - ___.” Your accounting/finance officer should provide this number or you can search for it here: [Washington State Department of Revenue](#).

What You Will Need

The electronic grant application **MUST** be completed and submitted in one sitting. **If you leave the application without completing the required fields and hit the submit button, your information will be lost.**

Information required for the application:

- Business name and contact information, including website
- Unified Business Identifier (UBI) Number
- Financial institution type
- Institutions mission and goals
- Point of contact name and contact information
- Describe the institutions loan products currently offers to historically underserved populations
- Total Number of loans and investments the institution has closed in AND outside Washington during the previous five-year period
- Total value of loans and investments the institution has closed in AND outside Washington during the previous five-year period
- Percentage of loans and investments that went to historically underserved communities in AND outside Washington during the previous five-year period
- Number of loans paid as agreed relative to the total number of loans in AND outside Washington during the previous five-year period (currency rate by loans)
- The dollar amount of past-due loans relative to the total dollar amount outstanding in AND outside Washington during the previous five-year period (currency rate by dollars)
- Number of loans which have defaulted within 12 months of inception in AND outside Washington during the previous five-year period (12 month default rate)
- Number of loans which have defaulted within 5 years of inception in AND outside Washington during the previous five-year period (5 year default rate)
- Unemployment level and trends in the subject service areas or counties
- Requested grant award amount

- Detailed description on how the grant funds will be used, including goals
- Detailed description on the projected loan or investment production with the award
- Detailed description on how the grant would support the growth of the institution
- Target markets
- Primary counties served
- Dollar amount of net assets at the time of application
- Cash match amount
- Uploads (please remove or redact all personal identifiable information (PII) from your documents before uploading)
 - Proof of nonprofit status
 - List of current board members and loan committee members including what community they represent
 - Board-certified strategic plan (if the institution does not have a board-certified strategic plan, please provide the 2024 initiatives and goals)
 - Proof of emerging or certified CDFI status
 - Proposed budget using grant funds and matching funds
 - Audited or certified financial statement from last fiscal year
 - Loan portfolio for the last 5 years (if the institution has less than five years lending history, provide the number of years in the lending history questions of the application and upload that data)

Budget Information

In the proposed budget, provide detailed information about how you will use the grant award, including cost for loan loss reserve, technical assistance, small business training (if a percentage of the grant award will be used for these purposes), and loans/investments. If the grant is awarded, budget amounts can be adjusted before the final grant agreement is executed to update information.

Application Submittal Requirements

The completed application and supporting documentation must be submitted in Smartsheet by 5:00PM, June 12, 2024: [Equitable Access to Credit Program Grant Application](#)

For more information, please contact:

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Definitions

- “Historically underserved communities” means concentrated areas of poverty, areas of low to moderate access to opportunity, areas with high vulnerability of displacement, areas related to Tribal Entities, and rural areas.

- “Target market” means a particular group of consumers at which a product or service is aimed.
- “Rural counties” include Adams, Asotin, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Stevens, Wahkiakum, Walla Walla, Whitman, and Yakima.

Resources

[Equitable Access to Credit Program website](#)

[Equitable Access to Credit Program Legislation \(HB 1015\)](#)