



# CDFI Microloan Growth: Process + Timeline Considerations

---

IOWA CENTER FOR  
ECONOMIC SUCCESS

# Iowa Center for Economic Success

---

## Mission

Our mission is to empower Iowans with the potential to succeed as they pursue opportunities for financial success.

## Priorities

Education · Capital · Networking

## Our Why

The Iowa Center is committed to empowering people to strengthen and stabilize their financial futures through business ownership and investment. It is our belief that to be successful in small business, one needs support in three core areas: education, capital, and networking. We have built key programs that support those core areas and empower individuals to succeed, families to prosper, and communities to thrive. Success to us is people supporting themselves and their families through the execution of their own ideas.

# Proposed Structure for Loan Growth

---

- Iowa Center for Economic Success launches second “Junior” 501c3, The Iowa Center Loan Fund
- This non-profit only houses the loan fund(s) for our loan program
- All supportive services, loan marketing, loan processing, underwriting, etc. would be channeled through the “Senior” nonprofit
- WeLend funds would be moved over to this Junior organization, in addition, we could direct a portion of the Stanley Gift.
- Fundraising to grow this fund could commence immediately in tandem with applying for CDFI status for this new entity
- The board of directors would consist of The Iowa Center (Senior) executive committee
- Bylaws would include language indicating the fund serves to provide capital exclusively to The Iowa Center microloan program
- Two potential sub committees would include a loan committee and investment committee

# Proposed Staffing/Infrastructure for Launch

---

- A microloan director with experience in leading a lending team, managing a portfolio(s) would be hired. The proposal would be to allocate a portion of the Stanley Gift to augment the salary for a specific period of time
- A small launch committee would be established with members of the board and leadership staff (including the new microloan director) to finalize the CDFI application, raise funds for the new loan fund, and finalize staffing/process infrastructure
- Once CDFI certification is complete, we grow the fund(s) and program at a calibrated rate, including adding staff (loan officers, etc.) in the way consistent with The Iowa Center growth plans

# Next Steps/Timeline

---

1. The Iowa Center executive committee discerns becoming a CDFI and makes a decision to move forward (or not).
2. The Iowa Center executive committee discerns the structure to become a CDFI (2<sup>nd</sup> non profit...or other options that aren't yet obvious).
3. Once the above to decisions are made, a motion and vote is cast by the executive committee. The result of that vote is moved forward as a recommendation to the full board for consideration and vote as well
4. If board moves forward with CDFI/2<sup>nd</sup> Non-profit, a microloan director is hired and small support committee is formed.
5. Steps to create new 501c3 and movement of existing loan funds commence.
6. Conversations with donors and investors begin more assertively
7. CDFI certification granted
8. Calibrated growth commences

# Next Steps/Timeline - Questions

---

1. The executive committee has moved forward with the following motion for the board to consider:

We, The Board of Directors of The Iowa Center, support to direct and authorize Megan Milligan to use the structure she has put forward as well as direct some funds from Stanley gift for staff or application fees to gain CDFI certification.

2. What additional questions does the board have?