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IOWA CENTER LOAN FUND RECEIVES CDFI CERTIFICATION

On January 30, 2022, Iowa Center Loan Fund (The Loan Fund) became certified by the U.S. Department of Treasury as a Community Development Financial Institution (CDFI). The Loan Fund was created by the staff and board of Directors of Iowa Center for Economic Success in 2021. This initiative furthers the mission and capacity of The Iowa Center's credit and lending program.

The certification process began more than a year ago when The Iowa Center built a team and infrastructure to support this important initiative, however the mission to serve small businesses in the State of Iowa began more than 30 years ago.

"We are honored to continue our mission of providing critical resources to small business owners. We recognize the confusing and often restrictive landscape that entrepreneurs must navigate and this CDFI is one important component in wrapping our arms around our community of small businesses," says Megan Milligan, President and CEO of The Iowa Center. "Our lending team, led by Jose Venales, has worked hard to live up to the expectations set by the Department of Treasury in pursuit of this certification. More importantly, they have worked tirelessly to live up to the needs of entrepreneurs in service to our mission," Milligan continues.

Jose Venales started with The Iowa Center as a volunteer while employed as a banker. He joined the team in an official capacity when the Greater Des Moines Partnership hired The Iowa Center to manage their Pandemic Emergency Grant Program. He shares, "The Iowa Center has been lending since 2015, but began the ardent pursuit of CDFI certification in 2021 to address the growing capital needs within the market. This certification ensures Iowa Center Loan Fund can grow to scale while meeting borrower capital needs. This loan product fulfills a primary mission by filling crucial gaps in small business credit, including micro-enterprise credit."

The Loan Fund will provide responsible, affordable lending to expand economic opportunity in the State of Iowa. In addition to financing, Iowa Center Loan Fund ensures clients access The Iowa Center's additional services including technical assistance, business classes and coaching, and credit counseling.

Iowa Center Loan Fund supports projects and economic development efforts that help meet its mission. Eligible projects or businesses must meet a least one of the following objectives:

- Small business development for statewide businesses.
- Provide essential or important services in low-income and moderate-income communities.
- Create or maintain jobs for low – and moderate – income persons.
- Resulting in a lasting contribution to the region's economic development.

While the most important advantage of The Iowa Center launching this CDFI is the service it provides to the small business community, it also provides an opportunity to partner in new and expanding ways with other financial institutions. "Many of our best referrals come to us from financial institutions such as banks and credit unions", says Venales. "They may already do banking with a client, but they cannot make a loan work. They send the client our way and we are able to help the client with their loan application to the bank or do the loan ourselves," he continues.

"Banks have long been generous partners, making annual gifts to support our operating expenses now there is a new way for them to make financial contributions. Donations to CDFIs are very advantageous. In addition, we work with banks, foundations, and even individuals to accept loans to our loan portfolio. Through impact investing, the institution that makes a loan to our portfolio, would see a guaranteed rate of return, and make a huge impact on the economic development of our state, as we raise more money, our individual loan capacity will increase as well. Eventually we will do loans of \$100,000 plus," says Milligan.

The next several months will see Milligan and her team reaching out to raise the critical funds to strengthen this loan fund while also serving the ever-growing list of entrepreneurs seeking capital and supportive services.

"We have our work cut out for us for sure, but what an honor," says Milligan. "Small business is what makes our state go. We are grateful for these entrepreneurs that run the restaurants that feed us, the daycares that nurture our kids, the services that clean our homes and cut our hair. We are honored to serve them."

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IOWA CENTER FOR ECONOMIC SUCCESS: For more than 30 years, Iowa Center for Economic Success has been committed to empowering Iowans to pursue opportunities for financial success. Whether someone starts their relationship with us through our Education, Capital or Networking, our commitment remains the same: empowering them to turn good ideas into strong plans that result in financial success. www.theiowacenter.org

IOWA CENTER LOAN FUND: The Loan Fund provides loans up to \$50,000 in combination with extensive TA and business support. Our funding provides access to capital for Iowans to launch a business or expand their businesses. We look to create jobs through business ownership to reduce poverty in Iowa. We are providing loans to borrowers who do not have access to traditional capital sources and to those who do not qualify for conventional lending. The majority of small businesses we serve, do not qualify for loans with traditional lenders (i.e. banks). 100% of our historical lending has been to low-income business owners, business owners who live in economically distressed areas and otherwise diverse or historically disadvantaged business owners. The goal of our lending product is to provide capital and business TA services to grow a business, create jobs in the market, and essentially work to ensure the business is bankable. Our patient capital and comprehensive TA services work to bring stability to historically disadvantaged business owners to support their business model and create a supportive environment in route to sustainability.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION: The vision of the CDFI Fund is to economically empower America's underserved and distressed communities. The CDFI Fund was created for the

purpose of promoting economic revitalization and community development through investment in and assistance to CDFIs. The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative.