

The GoWest Foundation is initiating a Request for Credit Union Participation to solicit applications from eligible credit unions interested in participating in the Credit Building Pilot Program (CBPP). GoWest Foundation has been contracted by the Washington Department of Commerce utilizing federal State & Local Fiscal Recovery Funds (SLFRF) pandemic relief dollars. GoWest is seeking credit unions that will serve as lenders for the product offered through the Credit Building Pilot Program, called the Small Business Resiliency Loan. The Small Business Resiliency Loan is intended to help Washington small businesses and entrepreneurs furthest from opportunity access capital and build their credit.

This is an exciting opportunity for credit unions to deploy a significant amount of federal COVID relief funds within your community and help small businesses and entrepreneurs furthest from opportunity build credit and thrive. These businesses, which include start-ups and entrepreneurs with no- or limited-credit histories or banking experience, generally would not qualify for traditional business loans, making this an exceptional offering. This program aligns well with the credit union ethos of serving the underserved and will benefit your organization in a number of ways.

Please review all documents provided with this packet before submitting your credit union's application. **Priority consideration will be given to applications received before 11:59 PM PST on February 2, 2024.**

Benefits to Credit Unions

- Positively impacting small businesses in your community
- Potentially expanding reach of lending diversity programs
- Acquiring and developing relationships with new members
- Streamlined, easy process
- Virtually risk-free product offering

Program Overview

GoWest Foundation was selected by the Washington Department of Commerce to design, implement and administer a pilot program that addresses barriers to conventional lending. This work is done in coordination with the Small Business Resiliency Network (SBRN) which exists to assist small businesses and entrepreneurs. Through credit unions doing business in Washington state, over \$6 million is available to be deployed to small business and entrepreneurs impacted by COVID by the end of 2024. We need your participation to make this happen.

Simple Product Solution

A solution to deploy these funds has been developed with a focus on simplicity. It utilizes existing credit union products and processes where possible and relies on the SBRN partners to support outreach and technical aspects of the process. The solution involves establishing memberships for eligible small businesses and originating a share-secured loan to these businesses. In support of keeping things simple, some key process features include the following:

- SBRN partners determine business eligibility for program participation
- SBRN partners assist the business with gathering required documentation
- Streamlined loan application developed specific to this program
- Documentation requirements minimized due to the fully-secured nature of the loan (financial statements for the business and responsible individuals are not required, but governance documents remain a requirement)
- No credit inquiry will be made due to the fully-secured nature of the loan
- Share-secured loans are virtually risk free with the share deposit in the amount of the loan principal and interest provided from COVID relief funds
- Deposited funds become a grant to the small business upon repayment of their share-secured loan after making at least 12 monthly payments, further amplifying the impact of this program

The utilization of existing products and support from SBRN partners will minimize the need for participating credit unions to develop program-specific processes while supporting a safe and sound small business program. This can lead to deepening business relationships over time, as well as new personal memberships.

Program Requirements

In order to administer this program consistently across the state and to meet the requirements of the federal grant and program partners, participating credit unions will be required to conduct this program offering according to established parameters. This will include committing to a number of operational requirements, including the following:

- Identifying a point person and backup to act as program contact for the duration of the pilot program
- Collaborating with SBRN partners as needed to enhance the success of the small business applicants
- Utilizing prescribed loan application and minimized documentation packet
- Devising a method to track these loans on your core system so they are easily identified and reportable
- Committing to a fixed loan interest rate of 4.00%
- Adhering to program-specific delinquency and collection practices
- Reporting information on these loans monthly

A contract will be executed between GoWest Foundation and participating credit unions, and detailed program documentation will be provided, to ensure that program requirements are clear.

This program will end December 31, 2024, as the federal COVID funds must be distributed by the end of 2024, and the share-secured loans originated during the program must reach final maturity by December 31, 2026.

Request for Participants

Please join GoWest Foundation in extending this valuable program to small businesses and entrepreneurs in your community that have so much to gain. This is a rare opportunity to develop banking relationships and lend to businesses that often are unable to secure the funds they need, with minimal risk to your credit union. We look forward to working with you.

To apply, please visit the GoWest Foundation's Credit Building Pilot Program page (<https://gowestfoundation.org/credit-building-pilot-program/>) where you will find all necessary documents, the application form, and additional resources.

[Apply Here](#)

Priority consideration will be given to applications received before 11:59 PM PST on **February 2, 2024**.

If, after reviewing all materials, you have questions or need additional information, please contact us by emailing cbpp@gowest.org. Additionally, we invite you to join one of two informal Q&A sessions, where the team will be available to answer your questions. Please register using the following links:

- [Session 1](#): January 25, 2024 – 3:00 to 4:00 PM PST
- [Session 2](#): February 1, 2024 – 10:00 to 11:00 AM PST