

SENATE No. 815

The Commonwealth of Massachusetts

PRESENTED BY:

Jacob R. Oliveira

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to establish the Massachusetts loan loss guarantee program for community development financial institutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>9/16/2025</i>

SENATE No. 815

By Mr. Oliveira, a petition (accompanied by bill, Senate, No. 815) of Jacob R. Oliveira for legislation to establish the Massachusetts loan loss guarantee program for community development financial institutions. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act to establish the Massachusetts loan loss guarantee program for community development financial institutions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 23G of the General Laws, is hereby amended by adding the
2 following section:-

3 Section 50: Establishing the CDFI loan loss guarantee program

4 Section 50. (a) There shall be established within the agency the Massachusetts loan loss
5 guarantee program for community development financial institutions and other nonprofit and
6 non-traditional lenders.

7 (b) The agency, in partnership with the executive office of economic development, shall
8 establish and administer the Massachusetts Loan Loss Guarantee Program.

9 (c) The liabilities and obligations of the program shall not extend beyond the monies
10 which are held by the agency and shall not constitute a debt or pledge of the faith and credit of
11 the commonwealth or any political subdivision of the commonwealth.

- 12 (c) The program shall:
- 13 (i) Provide guarantees covering up to 80% of eligible loan losses incurred by CDFIs;
- 14 (ii) Prioritize loans that serve microbusinesses and small businesses that serve low-
- 15 income communities, Gateway Cities, minority-owned businesses, worker-owned businesses,
- 16 women-owned businesses, and socially or economically disadvantaged enterprises; and
- 17 (iii) Include technical assistance and training for participating CDFIs to improve risk
- 18 management and lending practices.
- 19 (d) The program shall be supported through:
- 20 (i) Relevant appropriations;
- 21 (ii) fees assessed on community development financial institutions for guarantee services;
- 22 (iii) Contributions from private individuals and entities, philanthropic organizations, and
- 23 federal funding opportunities;
- 24 (iv) Subventions, grants, loans, advances and contributions from any source of money,
- 25 property, labor or other things of value to be held, used and applied in furtherance of this section;
- 26 (v) Income earned through equity investments, fees, interest, and other income earned by
- 27 the agency and its divisions; and
- 28 (vi) unspent revenue held by the Transformative Development Fund, growth capital
- 29 division, or other sources identified by the agency or the executive office of economic
- 30 development.

31 (e) To administer the program, the agency shall:

32 (i) Develop criteria for loan eligibility, guarantee terms, and risk-sharing arrangements;

33 (ii) Monitor the financial performance of loans guaranteed under the Program; and

34 (ii) Submit annual reports to the General Court, detailing the Program's impact, financial
35 performance, and recommended improvements within 90 days of the end of the fiscal year.

36 (f) The agency, in collaboration with the executive office of economic development, shall
37 convene an advisory board comprising representatives from three leaders of community
38 development financial institutions, three leaders of other nonprofit or non-traditional lending
39 institutions, two leaders of national banks, two leaders of state-chartered banks, two leaders of
40 credit unions, the executive director of the Coalition for an Equitable Economy or their designee,
41 the executive director of the Massachusetts Association of Community Development
42 Corporations or their designee, the executive director of the Black Economic Council of
43 Massachusetts or their designee, the executive director of The Boston Foundation or their
44 designee, the director of the growth capital division or their designee, the director of the
45 transformational development initiative or their designee, the commissioner of banks or their
46 designee, and the house and senate chairs of the joint committee on financial services or their
47 designee.

48 (i) The secretary of economic development shall serve as chair and the executive director
49 of the agency shall serve as vice chair.

50 (ii) The advisory board may vote to appoint additional ex officio members.

51 (iii) Any advisory board member may appoint a designee to serve in their place.