



COMMONWEALTH OF MASSACHUSETTS

Division of Banks

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COMMISSIONER

December 29, 2025

Michael D. Hurley
Senate Clerk, Office of the Clerk of the Senate
State House, Room 335
Boston, MA 02133

Timothy Carroll
House Clerk, Office of the Clerk of the House
State House, Room 145
Boston, MA 02133

Dear Honorable Clerks Hurley and Carroll,

Pursuant to Massachusetts General Laws chapter 167, § 14C and in accordance with Massachusetts General Laws chapter 6, § 222, the Massachusetts Division of Banks is required to submit an annual report on the Small Business Loan Review Boards to:

- the Chairs of the Joint Committee on Community Development and Small Businesses;
- the Chairs of the Joint Committee on Economic Development and Emerging Technologies; and
- the Chairs of the Joint Committee on Revenue.

I am submitting the **Small Business Loan Review Boards Annual Report for July 1, 2024 through June 30, 2025** for your review and distribution.

Please do not hesitate to reach out should you have any questions.

Sincerely,

Cynthia A. Begin
First Deputy Commissioner of Banks
Massachusetts Division of Banks

Small Business Loan Review Boards Annual Report for July 1, 2024 through June 30, 2025

The Division of Banks (Division) is submitting this report describing the activities of the Small Business Loan Review Boards (Board) from July 1, 2024 through June 30, 2025 to the Chairs of the Joint Committee on Community Development and Small Businesses, the Joint Committee on Economic Development and Emerging Technologies, and the Joint Committee on Revenue in accordance with the provisions of G.L. c. 167, § 14C.

Background and Statutory Authority

The purpose of the Board is to provide an independent review option for small businesses that were denied an extension of credit. Since the establishment of the Board in the early 1990s, a “small business” has been defined as a business that had gross revenues of \$1 million or less in its preceding fiscal year.

The enabling statute for the Board, G.L. c. 167, § 14C, was established by SECTION 10 of Chapter 102 of the Acts of 1990, *An Act Relative to the Community Reinvestment Act and Nationwide Interstate Banking*. The composition of the Board represents the entire Commonwealth geographically. The Commissioner of Banks appoints the members of the Board, three of whom shall be representatives of small business and two of whom shall be representatives of banks or bank holding companies; provided, however, that at least three of the members of each such board shall either live or work within the respective region. While the originating statute anticipated a need for four separate regional boards, due to significantly decreased volume of applications as set forth below, at present there is one Board comprised of six geographically diverse individual members.

The statute was further amended in SECTION 53 of Chapter 238 of the Acts of 2012, *An Act Relative to Infrastructure Investment, Enhanced Competitiveness, and Economic Growth in the Commonwealth*. The 2012 amendments required that the Board report the results of their findings to the applicant within 30 days of submission of the request, although the Board at its discretion may extend the timeframe to 60 days to report its findings, including feedback on alternative funding sources available to small business. In addition, the 2012 amendments included requirements regarding reporting on the Board’s activities and marketing and promoting the Board as a resource for small businesses located in the Commonwealth. In 2015, the Division issued an Industry Letter which in conjunction with the enabling statute and additional materials on the Division’s website serve to provide consistency with the long-term practices of the Board.

The statute also requires the Board to conduct an annual study and issue an annual report on the availability of credit to small businesses within the Commonwealth and report back to the Commissioner of Banks on its findings. The Report of the Small Business Loan Review Board on the Availability of Credit for Small Businesses within the Commonwealth as of June 30, 2025 has been posted [here](#).

Review Process

- Eligible Loan Types

As noted above, small businesses with gross revenues of \$1 million or less in the preceding fiscal year can appeal to the Board. Eligible loan types include:

- Lines of credit;
- Term loans;
- Overdraft protection on corporate accounts; and

- Corporate credit cards.

The Division notes that requests for the acquisition or refinancing of commercial real estate or investment properties are not eligible for review.

- ***Appeal Process***

A lender must include with each small business loan denial a notice instructing the applicant of the right to appeal the denial to the Board. The form of the notice is provided in an Industry Letter of the Division dated November 5, 2015.

Upon receipt by the Board, the Board's Administrative Secretary contacts the lender requesting that copies of the full loan package be sent to the Board. The loan package is then presented for review at the Board's next scheduled meeting. At the next scheduled meeting, the Board will determine whether the loan was denied on an unreasonable basis. The applicant will then be notified by mail of the appeal decision. The Board meets on an "as needed" basis, depending on the number of appeals awaiting review and the availability of Board members.

The Division notes that the Board cannot require a lender to offer credit.

Board Activity for July 1, 2024 through June 30, 2025

Following is a summary of the Board's activity for July 1, 2024 through June 30, 2025, describing meetings, applications, and determinations:

- ***Meetings/Applications***

There were two meetings held virtually with a total of two applications reviewed, from the following counties: Bristol (1) and Plymouth County (1).

- ***Determinations***

The Board affirmed that the lenders did not unreasonably deny the two applications reviewed.

Current Board Composition

There are currently six members of the Board. They represent different regions of the Commonwealth, and also are employed in different areas of the financial sector. The Board members work in the following counties: one in Essex County; one in Hampshire County; one in Hampden County; and three in Middlesex County. With regard to their work experience, the membership includes the following: two mortgage lenders; a realtor/mortgage loan originator; a credit union employee; a bank employee; and a member of a professional services firm.

Conclusion

Although the trend in the number of applications for the Board's review continues to diminish, the Board's review process remains timely and responsive to applicants.

If you have any questions or would like additional information, please contact the Division of Banks at 617-956-1500.