



Request for Proposal

Community Benefiting Organizations Cohort Participation for the Colorado Household Financial Recovery Program

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Request for Proposal Synopsis:

Impact Development Fund seeks eligible Community Benefiting Organizations (CBOs) to join a cohort of organizations helping with education, intake, and applications for the Colorado Household Financial Recovery (CHFR) program. The CHFR program is being administered by Impact Development Fund and is launching Spring 2024 on behalf of the State's Department of Treasury. The CHFR program is designed to assist households with debt consolidation and repayment by providing low-cost financing that is fully amortized over a term calculated for affordability. CHFR serves as a flexible, efficient, and low-cost alternative to credit card financing, personal loans, or fast-cash loans. The CBOs will act as thought partners in outreach efforts and deployment of low-cost loans intended to support households who have been historically unbanked or underserved by the banking industry.

Who is Impact Development Fund and What is the Cohort:

Impact Development Fund is a Community Development Financial Institution (CDFI) with a mission to create economic opportunity by delivering flexible capital into underserved communities; this program will be operated within the organization's consumer lending department. Impact Development Fund is a community builder and partner, and frequently collaborates with other nonprofit organizations. The five selected CBOs for the CHFR cohort will be crucial to reach the underserved populations, conduct financial coaching, and assist with application intake. The Impact Development Fund team will review and underwrite the loans, service the loans, and provide support for the borrowers who need assistance with consistent repayment or technical help working with a financial institution. The cohort will meet ongoing to refine the ease of program communication and outreach, create streamlined ways to accept new applications, and identify barriers for entry and solutions, among other things.

Anticipated Impact of the Colorado Household Financial Recovery Program:

Impact Development Fund has contracted with the State of Colorado to aid in the deployment of a \$5,000,000 small-dollar loan fund. Loans will be made to individuals for the full payoff and consolidation of the following credit accounts: medical expenses or collections; vehicle debt, repair, or release from impounding; childcare or other family care expense for dependents; payday loans (defined as predatory interest rates of 20% or higher); and utility expenses or collections. These will be unsecured loans up to

\$5,000 with a fixed rate not to exceed 5%. There will be no fees or minimum credit score eligibility. There are more details, in the term sheet, but the intention is truly to assist unbanked and underbanked people with costly debt, help build their credit, and get them comfortable with financial institutions. With a \$5,000,000 revolving loan fund, we anticipate hundreds of households served and expect numerous additional financial strengthening benefits for these households over time.

Expectations for Delivery:

This application is for one year of participation in the CHFR cohort. Participating organizations will receive a \$30,000 grant for the year to support the execution of this work and compliment the financial services that their organization already conducts. Participating organizations will be expected to commit to the following: attend monthly virtual cohort meetings; conduct at least one financial training course or financial literacy initiative in the first year; conduct active outreach and marketing of the program; assist at least 15 people with CHFR intake in the first year; and provide brief quarterly reports during the first year. If the first year's participation is successful and these deliverables were met, CBOs may be asked to continue cohort participation. Impact Development Fund has set aside some additional grant funding for cohort participants in the following year.

Eligible Community Benefiting Organizations must meet the following criteria:

- 1) is a Colorado-based 501(c)3 nonprofit organization in good standing;
- 2) existed prior to the Covid-19 pandemic and continued services throughout the pandemic;
- 3) focuses its services for LMI households, primarily serving 80% AMI and below.
- 4) provides other types of financial assistance (ex: rental, mortgage, utility, home repair, financial literacy, coaching, etc.);
- 5) has bilingual staff and services for non-English speaking populations;
- 6) has programmatic services specifically tailored for one or more of the identified underserved populations from the HB22-1359 legislation including: people of color, individuals with low-wage employment, women, and individuals without college degrees.

Application information:

The application to complete is located here: <https://forms.zohopublic.com/megan31/form/CHFRCBORFP/formperma/atiZLH3UplwKaqSGyMqr0LC4F-jfS2zqLzQLjgpA8Ms>

Please apply by March 18th. Applicants will be reviewed and contacted with any follow up questions by March 22nd. Impact Development Fund committee completes selection of CBOs March 29th. Selected CBOs are contacted and met with individually first two weeks of April. The CBO cohort will have their first convening before May 3rd.

Any questions? Please contact Emily Nilsen, Chief Program Officer, at emily@impactdf.org.