



**STATE OF LOUISIANA  
LOUISIANA ECONOMIC DEVELOPMENT**

**REQUEST FOR QUALIFICATIONS (RFQ)  
FOR CERTIFIED DEVELOPMENT FINANCIAL INSTITUTION OR  
OTHER QUALIFYING LENDER PARTICIPATION ON THE LED  
REVOLVING LOAN FUND (MICRO LENDING PROGRAM)**

**March 28, 2022**

## **TABLE OF CONTENTS**

1	GENERAL INFORMATION	
1.1	Purpose	3
1.2	Scope of Services	4
1.3	Required Qualifications-General	4
1.4	Required Qualifications-Specific	5
1.5	Independence	6
2	RFQ INFORMATION	
2.1	Organization Information	6
2.2	Experience and Qualifications of Proposed Staff	6
2.3	Selection Process	7
3	ADMINISTRATION INFORMATION	
3.1	Term of Contract	8
3.2	Public Record	8
3.3	RFQ Coordinator	9
3.4	RFQ Inquiries	9
3.5	RFQ Submission	10
3.6	RFQ Consideration	10
3.7	RFQ Award	10

# **1 GENERAL INFORMATION**

## **1.1 Purpose**

This Request for Qualifications (RFQ) is issued by LOUISIANA ECONOMIC DEVELOPMENT CORPORATION (“LEDC”) acting herein through the LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT, also known as LOUISIANA ECONOMIC DEVELOPMENT (“LED”), an agency for the State of Louisiana, for the purpose of obtaining information to assist LED, in identifying and selecting qualified, experienced Louisiana-based Community Development Financial Institutions (CDFIs), or other qualifying organizations, to support private financing to Louisiana small businesses and businesses in underserved communities impacted by COVID-19 pandemic through participation in the LED Revolving Loan Fund (RLF). Selected Lender(s) will promote access to this “revolving loan fund” to the businesses within their communities. The fund will be created through a performance-based contract structured as a loan participation agreement, which are not required to be competitively awarded through public bid or request for proposal procedures; this is an informal, informational procedure. LED will select multiple Lenders from financial institutions providing sufficient information for LED to determine they possess adequate business lending, financial, operational and managerial experience, and are aligned in the mission of their lending activities to meet the objectives as outlined in the program.

Funding for this project is provided through the American Rescue Plan Act (ARPA) of 2021 that reauthorized the State Small Business Credit Initiative (SSBCI). Programs under Treasury’s ARPA SSBCI must, among other things, explain clearly how the proposed loan, or line of credit will support private financing to small businesses with access to capital to create jobs and improve the State’s economy. With the support of the U.S. Treasury through the SSBCI funding, LED will build a sustainable microloan program leveraged on partnerships and collaborations designed to restore and augment economic growth across Louisiana to meet the financial needs of Very Small Businesses and small businesses owned by Socially and Economically Disadvantaged Individuals as defined by U.S. Treasury.

The scope of work elements will include, but not be limited to: a Lender revolving loan fund (direct loan participation program) where participating Lenders will make direct loans to State small businesses meeting the criteria established by State and Treasury’s SSBCI guidelines.

## **1.2 Scope of Services**

The Louisiana Micro Lending Program (MLP) is a loan participation structured as a revolving loan fund for Louisiana CDFIs or other qualifying organization (Lender).

The Louisiana Economic Development Corporation (LEDC) wishes to stimulate the flow of private capital, short-term loans, lines of credit loans, and other financial assistance

through a mission-driven focus in creating a revolving loan fund for the sound financing of development, expansion, and retention of small businesses in Louisiana. This revolving loan fund will help start or grow a business, provide employment, income growth, and expand economic opportunities, especially to small businesses owned by Socially and Economically Disadvantaged Individuals (SEDI) and to Very Small Businesses (VSB).

The Micro Lending Program will provide funding to CDFIs, and other qualifying organizations, through a loan participation arrangement to make loans directly to companies not otherwise qualified under the lender's standard credit policy.

To access underserved communities, such as urban and rural communities, Louisiana will undergo a request for qualification (RFQ) process to evaluate and select financially sound state-certified area CDFIs and other qualifying organizations. Louisiana will contract with Lenders to market the loan fund, identify potential borrowers, underwrite, close, and service loans.

### **1.3 Required Qualifications – General**

The participating Lender should provide a brief description of its organization; type (credit union, bank, or other lending institution); if registered as a non-profit or for-profit lender; where the organization is authorized and/or registered with the Louisiana Secretary of State's office, to do business in the State; number of years in commercial lending; and copies of the latest financial statement. CDFIs applying for consideration under the MLP RFQ must be certified as a Lender by the Department of Treasury CDFI Fund.

- A. The applicant must be organized and registered to do business in Louisiana.
- B. The applicant will use SSBCI funds issued by LEDC to provide loans to SSBCI-eligible businesses with an SSBCI-eligible business purpose as outlined in the program rules.
- C. If the applicant is a CDFI, the CDFI must be certified as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury and provide its CDFI certification number.
- D. The applicant may be either a for-profit or a non-profit entity and must meet all requirements below:
  - i. Having a primary mission of community development, and its predominant business activity is the provision of loans, and
  - ii. Serves an underserved investment area or targeted population meeting the description as outlined by Treasury in its definition of SEDI-owned businesses and CDFI Investment Areas as outlined in Appendix A.
- E. Preference will be given to applicants or their organization who demonstrate they have a minimum of four years' experience in direct lending.
- F. Loans made by the RLF shall target the following types of businesses
  - i. average business size of 100 or less employees;
  - ii. socially and economically disadvantaged Individuals (SEDI)-owned business;
  - iii. very small businesses (VSB); and
  - iv. businesses located in Louisiana or local region.

- G. Each program participant will be required to report monthly, quarterly and annually, at a minimum, performance tracking to capture the number of businesses served, the estimated number of jobs created and retained, the number of closed loans, the amount of capital distributed from the loan fund, and the Lender program leverage of private financing to public financing.

#### **1.4 Required Qualifications – Specific**

The Participating Lender must demonstrate it is qualified and experienced in a “revolving loan fund” with the type of commercial lending described above in this RFQ.

- A. The applicant should describe who they are, sources of funding, the organization’s mission, and a business plan if desired.
- B. The applicant must demonstrate adequate staffing, and they are performing at capacity. The applicant should provide its number of employees and any special qualifications, experiences, responsibilities, and achievements, including but not limited to, economic and business development and expansion activities.
- C. The applicant must provide the geographic area or region served, types of loans offered, types of businesses served in this lending geography, and number of years in business.
- D. The applicant must demonstrate their qualifications and experience in commercial lending specific to administering a “revolving loan fund” consistent with the type of commercial lending services described above in this RFQ. The applicant should demonstrate it possesses sufficient commercial lending experience, sufficient financial and managerial capacity to administer a sustainable revolving fund, and the operational skills necessary to meet the objectives as required by Treasury under the SSBCI Program regarding compliance and reporting.
- E. The applicant must employ and document the qualifications of a Chief Risk Officer or a Chief Compliance Officer, either as an employee or under a contract for services, who has at least five years’ experience in managing or supervising the risk of commercial lending and at least two years of capital (not real estate) lending to small businesses.
- F. The applicant must execute a Loan Participation Agreement with LED.
- G. The applicant must submit all required documentation necessary for LED to track, report, and monitor program performance that may include onsite visits to meet the reporting requirements as outlined by the U.S. Treasury SSBCI Program.

LED welcomes ideas on the Scope of Work beyond what has been outlined in this RFQ. Please provide ideas and suggestions to enhance the Scope of Work on this project. For example, customizing the RLF to serve solely as a short-term working capital fund and limiting products under the RLF to those products whose structure aligns with the RLF’s design.

## **1.5 Independence**

**Conflicts of interest** checks will be required. The Lender may contract with LED for other general services but will be expected to perform conflict checks prior to acceptance of any requested assignment, report the results of the conflicts checks to LED, and LED may not select a Lender to perform these services or other general services if the Lender has any conflict or appearance of any conflict of interest with regard to any project related to the program in which this RFQ is intended.

## **2 RFQ INFORMATION**

To be considered as a Lender under the Micro Lending Program, the RFQ response must include the following information:

### **2.1 Organization Information**

Interested parties should submit physical and mailing address, telephone and fax numbers, email address and website. Indicate if organization is local, regional, or national.

### **2.2 Experience and Qualifications of Proposed Staff**

The written RFQ response must specify:

- A. Experience and qualifications to perform the small business lending services as required to operate a revolving loan fund.
- B. Identity the organization's Point of Contact responsible for day-to-day operations and provide a list of key personnel who will participate in performing the Scope of Work indicating their role, background, experience, qualifications, and any certifications and/or awards received by the organization or staff.
- C. Include a brief statement why Lender feels it should be considered for this engagement.
- D. The applicant must provide the three most recent years' financial statements, prepared by an independent Certified Public Accountant in accordance with GAAP.
- E. The applicant must demonstrate a strong historical performance, including underwriting practices, portfolio management, risk management, overall financial performance, and internal audit procedures.
- F. Provide a plan of action describing the proposed approach and methodology for the revolving loan fund. The applicant must submit a current Business Plan describing the following items:
  - i. Depth of management experience in community development and/or economic development lending;
  - ii. Market analysis including methodology of determining client needs and statistical data that supports financial projections;
  - iii. Information describing how the applicant supports underserved communities;
  - iv. Marketing and outreach plans to small business loan customers and prospects that support the financial projections;
  - v. Credit Policy to include product offerings, loan terms and interest rate range;

- vi. Closing Policy;
- vii. Describe how a loan is serviced, to include but not limited to, reporting systems used and internal controls for implementation;
- viii. Delinquency & collection procedures;
- ix. Default rate;
- x. Current loan loss reserve;
- xi. Customer demographics.

### **2.3 Selection Process**

All responses received shall be evaluated by LED and recommendation made to the LEDC BOD, the approving body of the RFQ candidates evaluated and selected for consideration for approval. The LEDC BOD will approve multiple lenders (CDFIs and other qualified lenders) under Micro Lending Program based on the evaluation criteria listed below. Upon approval by the LEDC BOD for participation under the MLP as a participating Lender, LEDC will execute a loan participation agreement to create the RLF with each Lender selected and approved by the LEDC BOD. LED reserves the right to reject all responses in whole or in part if in the judgment of the Selection Committee, the best interests of all parties will be served.

The initial phase in evaluating applicants will be based on the applicant's submission herein and the following evaluation criteria will be applied to each applicant submission having submitted a completed application and received within the specified time frame on page 10.

The criteria and weight of consideration in making the selections are as follows:

#### **Experience and Qualifications: 25 Points**

Each applicant must have a qualified, experienced management team and staff supporting the proposed MLP RLF. Please include the qualifications and experience of the applicant and team members to be assigned to the project as specified in the response, including any third parties.

#### **Business Plan: 25 Points**

Each applicant should submit a Business Plan to the MLP RLF to include information regarding the goals of the RLF, the customized business purpose of the RLF, the geographic area it will cover, marketing strategy, application process, underwriting process and closing process for each loan to be originated under the RLF. Ability to reach disadvantaged businesses, minority and women-owned businesses, veteran-owned businesses and the other small businesses of Louisiana is a plus.

#### **Business Advisory Services: 20 Points**

Each applicant should describe what type of technical assistance or financial literacy services are offered to small businesses, as well as describe the process for a small business to receive such advisory or educational services. Please describe the usage of these services by small businesses and any success resulting from such services.

**Louisiana Location: 15 Points**

As a Louisiana state agency, we value the expertise of firms in our state, and welcome the opportunity to contribute to the state’s economy. The applicant’s team experience working as a cooperative Louisiana team with relevance is a plus.

**Capacity: 15 Points**

Each applicant must have sufficient capital to establish and sustain the revolving loan fund as described below in 3.1 to meet the \$1 to \$1 requirement of public to private capital as required by SSBCI.

**Responders will be awarded points as indicated above in Section 2.3**

<b>Criteria</b>	<b>Maximum Score</b>
Experience and Qualification	25
Business Plan	25
Business Advisory Services	20
Louisiana Location	15
Capacity	15
<b>TOTAL SCORE</b>	<b>100</b>

**3 ADMINISTRATIVE INFORMATION**

**3.1 Term of Contract**

The term of any contract resulting from this RFQ is tentatively scheduled to begin in June 2022.

- A. Lender must demonstrate the ability to participate at 50% in forming the RLF pool with a minimum dollar threshold as follows:
  - i. CDFIs, as well as both Traditional and Non-Traditional Banks, must demonstrate it has a minimum of \$250,000;
  - ii. Economic Development Organizations, and other qualified Lenders applying under this MLP RFQ, must demonstrate that it has a minimum of \$125,000;
  
- B. The applicant will use RLF funds issued to provide loans for business activities and projects based in Louisiana.

**3.2 Public Record**

Pursuant to the Louisiana Public Records Law (La. R.S. 44.1 et. seq.), all proceedings, records, contracts, and other public documents relating to this Contract shall be open to public inspection. While trade secrets and other proprietary information submitted to the State may not be subject to public disclosure, the Contractor is required to claim protection. The Contractor shall clearly designate parts of materials that contain proprietary

or trade secret information as “confidential” in order to claim protection from disclosure.

By submitting materials with data, information, or material designated as containing trade secrets and/or confidential proprietary information, or otherwise designated as “confidential,” the Contractor shall indemnify the State and hold the State harmless against all costs and expenses (including attorney’s fees), actions or court proceedings that may ensue which seek to order the State to disclose the information. At its own expense, Contractor shall cooperate with the State in defending the Contractor’s confidential information, including being present in court, providing witnesses, etc.

The State reserves the right to make any submitted documents containing trade secrets or confidential proprietary information available to OSP personnel, the Office of the Governor, or any other State agency or governmental body for the sole purpose of assisting the State in its review and negotiation of Contract terms.

### **3.3 RFQ Coordinator**

The RFQ is available in PDF form at [www.louisianaeconomicdevelopment.com/RFQ](http://www.louisianaeconomicdevelopment.com/RFQ)

All questions regarding the RFQ process must be directed to the RFQ Coordinator:

Christina Ocmann, Contract/Grant  
Reviewer Louisiana Economic  
Development  
Office of the Secretary, Legal Division

Mailing Address:  
P.O. Box 94185  
Baton Rouge, LA 70804-9185

Physical Address:  
LaSalle Building, 11<sup>th</sup>  
Floor 617 North 3<sup>rd</sup> Street  
Baton Rouge, LA  
70802

Telephone:  
225.342.4071

Email: [christina.ocmand@la.gov](mailto:christina.ocmand@la.gov)

### **3.4 RFQ Inquiries**

LED will consider written inquiries and requests for clarification regarding the Scope of Services and other substantive matters relating to this RFQ, submitted to the RFQ Coordinator, by 4:00 p.m., CST, on **Friday, April 22, 2022**.

Responses and clarifications to this RFQ will be posted at

[www.opportunitylouisiana.com/RFQ](http://www.opportunitylouisiana.com/RFQ)

LED reserves the right to modify the RFQ should a need for change be identified. Requests for email notification of such modifications may be made through the RFQ Coordinator.

### **3.5 RFQ Submission**

To be considered by LED, responses to this RFQ must be received by 4:00 p.m., CST, **Friday, April 29, 2022.**

Interested parties shall submit one copy of the completed RFQ response, signed by an authorized representative of the prospective lending organization via email to the RFQ Coordinator: [christina.ocmand@la.gov](mailto:christina.ocmand@la.gov). The applicant must provide the name(s) of person(s) authorized to sign the RFQ response, the contract/agreement, and contracts for the organization.

### **3.6 RFQ Consideration**

LED reserves the right to reject submitted RFQ responses, and to request additional information from applicants.

### **3.7 RFQ Selection**

LED will notify selected applicants once approved by the LEDC BOD.