

W8CIF GRANT-SECURED LOAN PROGRAM INFORMATION PACKET



The application for the Inaugural Cohort of recipients opens on Monday, August 15, 2022 at 5:00PM. All applications must be submitted by 11:59PM on Wednesday, September 7, 2022.

For questions about the program or application process please email us at connect@DCCDC.org.

PROGRAM OVERVIEW

DC Community Development Consortium's (DCCDC) mission is to research, develop and implement hyper-local, place-based economic equity strategies through public, private and philanthropic partnerships to support Black entrepreneurs and enterprises in Ward 8.

DCCDC serves as a brain trust to facilitate systemic solutions to help close the growing racial wealth gap, and help to produce intergenerational wealth for Black Washingtonians who have historically been excluded from economic opportunities— financial education, mobility and wellness.

The Ward 8 Community Investment Fund (W8CIF) is one of DCCDC's five innovative community economic development initiatives. W8CIF is a grant-secured loan products developed in partnership with government officials, Agencies, and the private sector to serve Ward 8 residents and businesses.

For the inaugural cohort, DCCDC will award a total of 30 Grant-Secured Loans, 10 recipients from each of the three tiers:

- Explorer - \$5,000 Award (\$2,500 Grant + \$2,500 Loan)
- Start-Up - \$10,000 Award (\$5,000 Grant + \$5,000 Loan)
- In-Business - \$20,000 Award (\$10,000 Grant + \$10,000 Loan)

WHAT IS A “GRANT-SECURED LOAN” AND HOW DOES THE PROCESS WORK?

The Ward8CIF is a Grant-Secured Loan program that awards grant funds to use as collateral to secure a credit-building loan at 6% APR and flexible terms to help Ward 8 residents and business owners start or grow their business. Once the loan is paid back in full the grant funds become available to the recipient to continue building their business.

This grant-secured loan product is designed to address the unmet needs for funding not available to many Black founders due to structural barriers and the racial wealth gap in Washington, DC. The goal is to channel this “friends and family” round of funding where it's needed most, while enhancing the credit history of recipients and preparing Ward 8 businesses for mainstream funding options.

How it works:

1. Applicants submit the application on the DCCDC website by Wednesday, September 7, 2022.
2. Applicants will receive an award notification via email on Friday, September 16, 2022.
3. Recipients attend W8CIF Award Session the week of September 19th to sign:
 - a. The Grant agreement, issued by DCCDC; and
 - b. The Matching loan agreement, issued by Life Asset

4. Immediately after being awarded the grant funds, the recipients will authorize DCCDC to deposit the full amount of the grant into an escrow account at City First Bank to use as collateral to secure their matching loan.
5. Life Asset, our partner CDFI, issues the matching loan amount in the form of an ACH transfer to the recipients' bank account, minus a 3% fee to cover the cost of hands-on instructional training classes for recipients.
6. Once the loan is secured the recipients can use the loan funds to start or grow their business and generate additional revenue.
7. Recipients begins paying on the loan amount 30 days after the loan is disbursed with the following terms:
8. 6% annual percentage rate
9. Loan payment options of 12, 24 or 36 months
10. Payments will be reported monthly to TransUnion and Equifax to enhance the recipients' credit reports.
11. Repayments are paid via automated debit from the recipients' checking account monthly.
12. If a recipient misses a monthly payment, the payment will be deducted from their grant funds in their escrow account.
13. Once the recipient pays off the full balance of the loan per the terms, the recipient receives the remaining grant funds from their escrow account.
14. Recipients will use grant funds to continue building their business. No portion of the grant must be repaid.
15. Recipients are required to return a recap survey declaring expenditures, other related information regarding the use of funds, and any economic impacts by Oct 23, 2022.

CLIENT JOURNEY EXAMPLE

Ashley submits the application for the Explorer tier through the DCCDC website and is notified that she is a program Recipient. After signing the agreements Ashley authorizes DCCDC to transfer her grant funds to her escrow account at City Bank to use as collateral to secure her \$2,500 matching loan from Life Asset. Ashley receives the loan amount via ACH to her checking account, minus the 3% technical assistance fee. Ashley pays her loan back monthly according to her loan agreement for 12 months, the term length she selected. Upon full repayment, the loan is made whole.

Ashley missed one payment throughout the 12 months of her loan, but the payment was covered with the grant funds held in escrow. When she receives her grant funds at the end of the loan repayment it will be minus this one, or more payments.

Ashley now accesses the remaining grant funding in her escrow account to continue building her business and enjoying an improved credit score (barring no other personal credit issues).

PROGRAM TIERS

	Explorer	Start-Up	In Business
Grant Award	\$2,500	\$5,000	\$10,000
Matching Loan Amount	\$2,500	\$5,000	\$10,000
Loan Fee(s)	6% APR One-time 3% technical training fee.	6% APR One-time 3% technical training fee.	6% APR One-time 3% technical training fee.
Ideal Applicant	The Explorer tier is for aspiring entrepreneurs who need funds to explore a business idea. Explorers may still be in the research phase and need funds to further that research to finalize the product, service, or business.	The Start-Up tier is for aspiring or current entrepreneurs who have completed the research phase and have a plan for a new business, service, or product ready for launch. Start-Up funding is to support entrepreneurs with launching their business or taking their new product/service to market.	The In-Business tier is for established business owners with a minimum of 1 year in operation, either as a sole proprietorship or other legal business entity. In-Business applicants should be seeking funding to enhance operations and build capacity.
Must provide a completed application and:	Pitch Deck	Executive Summary	<ul style="list-style-type: none"> ▪ Proof of a minimum of 1 year of operations ▪ Implementation Plan ▪ Profit & Loss Statement (previous year) ▪ 3 Months of Bank Statement
Application Evaluation Commitment	Cohort Roundtable for Questionnaire	Pitch Competition Cohort Roundtable for Questionnaire	Cohort Roundtable for Questionnaire
Targeted Outcome(s):	Executive Summary Completed	Business Begins Operation/Project Launch	Business builds capacity Enhances operations
Allowable Expenses	Planning, prototyping, testing, equipment, supplies, business formation, and marketing/branding	Marketing/branding, equipment, and supplies	Marketing/branding, equipment, personnel, inventory, and supplies

KEY DATES

KICK OFF: Meet & Great/Information Session (1)	Monday, August 15, 2022 at 3:00PM – 4:30PM
Application Opens	Monday, August 15, 2022 at 5:00pm
Information Session – Virtual (2)	Monday, August 22, 2022 at 6:30PM
Information Session - In person (3)	Monday, August 29, 2022 at 6:30PM @ Life Assets
Application Closes	Wednesday, September 7, 2022 at 11:59PM
Awardees Announced via Email	Friday, September 16, 2022.
Awardee Information Session	The week of September 19, 2022
Funds Awarded	The week of September 26 th
Report/Survey Due	Sunday, October 23, 2022 at 11:59PM

APPLICATION PROCESS

The application for the Inaugural Cohort of recipients opens on Monday, August 15, 2022 at 5:00PM. All applications must be submitted by 11:59PM on Wednesday, September 7, 2022.

To review and submit the application visit: www.DCCDC.org

- Click on “Grants” from the navigation bar
- Click on “Apply Now”

You will need the following information and/or documents to complete the application:

- **Applicant Contact Information**
 - Full Name
 - Mobile Phone Number
 - Email Address
 - Home Address
- **Business Information**
 - Business Name
 - Legal Entity Type
 - Business Address
 - Length of Time in Business
 - Industry
- **Attach Supporting Documents**
 - State Issued Photo ID
 - Proof of Ward 8 Residency for Applicant or Business
- **Attach Supporting Documents for Explorer Tier**
 - Pitch deck
- **Attach Supporting Documents for Start-Up Tier**
 - Executive Summary
- **Attach Supporting Documents for In-Business Tier**
 - Implementation Plan
 - Proof of 1 year in business
 - 1 Year Profit & Loss Statement

For questions about W8CIF or the Grant-Secured Loan application process please email us at connect@DCCDC.org.