



DEED **SMALL BUSINESS** PROGRAMS POLICY UPDATE

Statewide Working Group

From September 2023 to January 2024, MCCD convened a working group to conduct a review of existing small business programs at the Department of Employment and Economic Development (DEED). The goals of the group were to provide recommendations for policy changes to better support economic opportunities for BIPOC, Immigrant and intentionally underserved populations + changes that allow economic development organizations to operate in a more streamlined and efficient manner.



Programs Reviewed



**EMERGING
ENTREPRENEUR
LOAN FUND**



**COMMUNITY
WEALTH BUILDING
PROGRAM**



**SMALL BUSINESS
ASSISTANCE
PARTNERSHIP PROGRAM**



**EXPANDING
OPPORTUNITY
GROWTH LOAN FUND**

SF 4925 | HF 3847

KEY THEMES & RECOMMENDATIONS

Fee-Based Loans

Require that all loan programs have the option of being fee based to provide inclusive financial products to meet the needs of all communities.



Cap Interest Rates

Ensure loan programs provide fair opportunities by capping rates at Wall-Street Prime + 2% (up to 10%).



Tribes & CDFIs

Clarify that Tribes and CDFIs are eligible to access DEED small business programs.



Streamline Loan Processes

Remove duplicative underwriting processes when available, and speed up approval process to get funding to small businesses faster.



Free Technical Assistance

Adjust the small business partnership program to clarify the funds can only be used for free technical assistance.



Automatic Forgiveness

Incorporate automatic loan forgiveness for borrowers in good standing and that have met all requirements.



Working Group Participants

Springboard for the Arts

WomenVenture

The Alliance/Business Resource Collective

MCCD

Northwest Initiative Foundation

African Career Education Resource, Inc.
(ACER)

African Economic Development Solutions

Minnesota Indigenous Business Alliance

Hmong American Partnership

Neighborhood Development Center



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