BDC COMMUNITY CAPITAL
CONNECT AND GROW

Good afternoon, Ranking Member Markey. Thank you for the opportunity to speak with you today.

My name is Karim Hill; I am the President of BDC Community Capital Corporation. Prior to my time at BDC Community Capital, I spent more than 20 years working in the financial services industry. I had the pleasure of leading teams for some of the largest banking institutions in the country such as Wells Fargo, Bank of America, Capital One, and locally at Citizens Bank. I also served as President and CEO for the Smaller Business Association of New England. Currently I am a member of Governor Healey's SDO Diverse and Small Business Advisory Board. These experiences have provided me with a very keen insight into the challenges facing entrepreneurs within low-income, majority minority, and rural communities.

BDC Community Capital Corporation is a US Treasury Certified CDFI loan fund based in Wakefield, Massachusetts, with a focus on small businesses that have been denied financing by a traditional lender such as banks or credit unions. We are an SBA Community Advantage lender, and we are affiliated with CDC New England, who is the #3 SBA 504 lender throughout the New England Region. Our product suite ranges from $500 loan reserves to $2MM term loans and lines of credit.

Since our creation in 2021 we have closed 185 loans totaling more than $25 million to small businesses throughout the New England Region. The most important fact is 92% of these loans were provided to small businesses that are in low-income areas or minority owned.

BDC Community Capital truly believes in the importance of uplifting underserved and minority entrepreneurs. We approach this work by focusing on collaboration between public and private sources of capital. One example of this is BDC Community Capital's role as the grant administrator for the City of Boston's SCALE Grant Program. The SCALE Grant Program is the City of Boston's $5MM grant and incubator program for underserved small businesses located within the city limits. This program received applications from 189 small businesses, and 27 small businesses were accepted into the program. The program started with each participant receiving a $50k grant which allowed the business owners to attend a 6-month technical assistance training session. The task was to create a strategic plan and a 3 year budget with guidance from subject matter expert. Once complete, the technical assistance provider assisted the entrepreneur in creating a proposal focused on strategies to grow their business, which was then submitted to a committee that decided on additional grant funding. We then provided the businesses with an additional grant up to $150k.

Following this, my organization created a $10MM Growth Loan Fund, which focused on providing these companies with the financing needed to execute their strategic plans, through a public-private partnership with the City of Boston, our CDFI, and bank partners, The program ended in January of 2026, and we are currently underwriting lines of credit for 2 of the small businesses within the program who were previously denied by traditional funding sources.

Another example of collaboration to provide access to entrepreneurs within low-income, majority minority, and rural communities is our SBA Down Payment Program. This program is a partnership between our CDFI, CDC New England, and a bank partner to make the SBA 504 Program more available to underserved small businesses. Our program provides up to $100,000 to assist in the required 10% equity requirement for the small business owner to acquire the building. This program addresses one of the most pressing issues for underserved small businesses. Underserved and minority entrepreneurs often do not come from generational wealth and despite running successful businesses, can struggle to meet down payment requirements. To date, we have executed 11 of these loans for just over $1MM dollars. We truly believe this program will reduce the racial wealth gap, sustain jobs in low-income areas, and increase capital levels for these business owners.

BDC Community Capital supports the SPARK Act because the bill would allow us to expand our investments in underserved entrepreneurs. It focuses on spurring economic growth in underserved communities, it encourages collaboration between the Small Business Administration and organizations that serve low-income, minority, and rural communities. This is critical to supporting local entrepreneurial ecosystems.

In summary, I truly believe collaboration between public, private, and philanthropic partners is the only sustainable way to close the racial wealth gap, make capital truly accessible to all, and to grow jobs in all communities within our economy. My hope is, with the help of the SBA, Congress, and all entities within the financial sector, that we can truly make capital accessible to all small business owners.

Thank you for allowing me to attend this hearing, and I look forward to answering any questions you may have.

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