



Impact Development Fund

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Dear House Finance Committee Members,

I'm writing to you in support of HB22-1359. My name is Megan Ferguson and I'm Deputy Executive Director of Impact Development Fund (IDF).

IDF is recognized as a community-based 501c3 organization with a mission to create economic opportunity by delivering flexible capital to strengthen under-served communities. Certified by the U.S. Department of the Treasury as a nonprofit Community Development Financial Institution (CDFI), IDF embodies the concept of public-private partnership through its investor network that includes banks, foundations, private interests, local and federal government. IDF serves constituents throughout Colorado, with a robust lending platform from which local community partners are able to implement highly focused affordable housing initiatives. This not only expedites the timeline from concept to delivery but provides a level of economic scale and technical sophistication that might otherwise take years to develop.

As others have highlighted, there is a need for low-interest, small dollar loans for Coloradans who lack access to traditional capital sources. Designed responsibly and underwritten correctly, these small dollar loans can be instrumental in helping households consolidate high cost debt, overcome unexpected financial obligations, build and repair credit. While currently scarce, we believe HB22-1359 provides a meaningful vehicle to ensure these products are available.

HB22-1359 would seed a new loan fund, which would build on the existing infrastructure of community-based financial institutions like IDF. As a partner who is interested in working with the state to facilitate this program, we have the loan fund expertise and infrastructure to advance this program statewide, in coordination with local community agencies providing wrap around financial counseling. Importantly, organizations like ours have already shown that these public-private partnerships to be effective.

We are particularly encouraged by the interest we are seeing in the philanthropic community around this concept. I can attest that lenders and fund investors respond favorably when risk reduction funds are made available for direct to consumer, debt consolidation and credit building programs. The resources allocated by this legislation will be instrumental in making a low interest, small dollar loan pilot program a reality for Colorado households.

Thank you again for the opportunity to submit written testimony, and we strongly encourage your support of this bill. I welcome any questions members of the committee might have for Impact Development Fund.

Megan Ferguson

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