



Rosa Flores, Paradise Power, a.k.a. Gita. Photo courtesy of Brentor Green for Accion Opportunity Fund.



FIRST BANK

Empowering Entrepreneurs Together: First Bank and Scale Link's Strategic Partnership in Florida

AT A GLANCE

TRANSACTION

- \$38,355 in microloans purchased
- \$9,589 in additional grant capital provided

PORTFOLIO

- Average loan size: \$12,784
- 3 small businesses
- 100% of loans to businesses with <\$1M in Gross Annual Revenue (GAR)
- 100% of loans in LMI census tracts

OBJECTIVES

In response to the expansion of their assessment area into Florida, First Bank strategically partnered with Scale Link to extend their reach to entrepreneurs and small businesses. Beginning with a pilot collaboration, First Bank initiated their partnership with Scale Link by engaging with a single Community Development Financial Institution (CDFI) operating within their expanded assessment area. This initial transaction laid the groundwork for future endeavors, enabling First Bank to test the effectiveness of Scale Link's services in facilitating access to financial resources for entrepreneurs in Florida. This collaboration extended beyond mere financial transactions, as it actively contributes to increasing financial access and empowerment for entrepreneurs in Florida. By working together, First Bank and Scale Link exemplify how financial institutions can strategically collaborate to address emerging market needs and drive meaningful change within communities.

CRA DETAILS

By taking on the risk of loan loss and providing capital for loans in the bank's assessment area, First Bank made a direct and consequential impact. The purchase of small business loan participations is unequivocally considered part of a bank's CRA lending in the interagency Q&A. Donations provided meet the definition of qualified investment in the interagency CRA rules, and promote economic development in the bank's assessment area, which in turn provides positive CRA consideration.

“This initial collaboration with Scale Link was the perfect opportunity to accelerate CRA impact in a new assessment area and get comfortable with the process. The Scale Link team was attentive and accommodating. We look forward to future transactions in other assessment areas to generate more community impact.”

FIRST BANK

TRANSACTION PROCESS

Step One

After connecting with First Bank and learning about their goals, Scale Link identified available loans in their footprint and credit box to determine if a transaction would be possible. Loans for the initial transaction came from Accion Opportunity Fund (<https://aofund.org/>).

Step Two

Before the initial transaction, Scale Link provided standard legal documents to First Bank for review (nonrecourse master participation agreement). First Bank reviewed the available loans using a loan tape with key risk variables. After loans were narrowed, key documents for each loan were provided to review in Scale Link's online portal.

Step Three

Scale Link confirmed the final portfolio and price, then prepared all documents and set a closing date. Scale Link sent formal acknowledgement letters with CRA qualification information for both the loan purchase and grant request to use in First Bank's CRA evaluation.

Step Four

Scale Link provides monthly transaction reports and a single transfer of all payments each month.