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State authorizes \$10 million to reinvest in Massachusetts small businesses

Commitment builds on CDFC's best lending year ever

BOSTON – Andres Lopez, president of the Massachusetts Community Development Finance Corporation (CDFC) announced today that the capital facilities bond bill, recently passed by the Legislature and signed by Governor Deval Patrick, includes a \$10 million bond authorization to re-capitalize CDFC, which specializes in loans to small businesses in targeted areas across the state. With the Governor's signature, the bill became Chapter 304 of the Acts of 2008, An Act Providing for Capital Facility Repairs and Improvements for the Commonwealth.

"I would like to thank the Governor and the Legislature for their continued support of CDFC and our mission to protect and expand Massachusetts' jobs," Lopez said. "This authorization is especially helpful now because tight credit is forcing many business owners to delay expansion plans."

"The Patrick-Murray Administration is committed to expanding economic opportunities for small businesses across our state," said Gregory Bialecki, Undersecretary of Business Development for the Commonwealth of Massachusetts. "CDFC is a valuable resource that allows the state to leverage millions of private investment dollars to not only create jobs, but also retain jobs in areas that have been historically underserved."

"The Legislature wanted to help small businesses in a concrete way and this bond authorization does just that," said state Rep. Daniel E. Bosley (D- North Adams), House Chairman of the Joint Committee on Economic Development and Emerging Technologies. "This authorization will make it easier for small businesses to stay in Massachusetts and expand here."

CDFC has worked with small businesses for more than 30 years to lend money for various purposes including inventory, accounts receivable, and business expansion by extending loans of \$100,000 to \$500,000. The businesses CDFC lends to are typically located in low income communities where they may have trouble accessing traditional credit. In addition, CDFC often works in conjunction with traditional lenders on larger financing packages that fit the needs of small businesses.

Last year CDFC was part of a team of lenders that saved 230 manufacturing jobs at a Chelsea par-baked bread maker, Signature Breads. CDFC and others stepped in to help local managers buy the company from General Mills, which had scheduled the plant for closure. This year,

CDFC helped create 120 new jobs at FFP Global in Fairhaven by financing the Westborough-based internet order fulfillment company's new South Coast call center.

Created by the Legislature in 1975, CDFC is one of the nation's first state-wide community development finance institutions. To date, CDFC has invested more than \$70 million in the Massachusetts economy, \$6.4 million of that over the last year.

"Part of the reason for our most recent success was our commitment to expanding our outreach by appointing loan officers for Central and Western Massachusetts and appointing a senior loan officer to oversee our lending statewide," said Lopez. "Having loan officers on the ground reaching out to lenders and businesses alike really raised our profile across the state."

Lopez said he is particularly happy that CDFC has been successful in making loans to manufacturing companies in the state, a traditional sector of the economy that has been hurt by low cost alternatives out of state and offshore. Most recently, CDFC has lent money to a maker of automotive airbag material, Mastex Industries in Holyoke, two sportswear manufacturers, Old Time Sports in Salisbury and CranBarry in Lynn, and a plastic liner manufacturer, Hy-De Liners in Orange.

"These loans help keep good paying manufacturing jobs in Massachusetts," said Lopez. "We know that if these jobs leave the state they are unlikely to be replaced in any equivalent way. Our 33-year history shows that CDFC is a great asset that can step in to help small businesses succeed."

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