From: Palmer, Maureen
To: Niemann, Gail
Cc: Ribley, Warren
Subject: RE: IKE--Business Assistance Program; Accion Loans and Tax Clearance Letters
Date: Friday, June 03, 2011 2:20:16 PM
Attachments: IL-Neighborhood Recovery-RELEASE-10.06.10.pdf

Gail,

Thanks for this update. I did speak to ACCION this afternoon, and they have seen more of the DOR clearances achieved at this point, so Mike (Mark) Hartigan is correct about this. However, as I suspected, although ACCION is happy w/ the development, they did not see this as a long term solution. They are really looking for a long-term solution that avoids the possibility of time delays and numerous follow-up w/ DOR and loan prospects. As Brett confirmed, their hope is (1) waiver of the tax clearance (ie, since an argument can be made that the provision requires the clearance to be achieved on behalf of grantees (ACCION, CCV, not the BAP loan recipients), or (2) a self-certification without follow-up are both options that ACCION seems amenable to.

Additionally, as I had mentioned, it is also not clear that this requirement was ever made part of the WBDC's grant to support this program. WBDC received their funding through another source managed by BD, but to support this same Governor's Neighborhood Recovery loan program. I don't know which DCEO attorney finalized the WBDC grant terms-the grant number is 11-89201. There may therefore not be consistency about this state provision across the three lenders. As mentioned, ACCION supports the high-volume (small size loan) end of the spectrum, making this most cumbersome for them. To give you a sense of ACCION's volume, they have closed on 65 loans under the program to date—this totals less than $200,000 in loan funds, or only 10% of the funding they were provided for loan purposes—there could easily be another 550-575 loans that they would need to award before their funding is exhausted. Here is the press announcement, that identifies the three lenders under this program, on page 2, second paragraph. Thx

Maureen

From: Niemann, Gail
Sent: Wednesday, June 01, 2011 11:48 AM
To: Palmer, Maureen
Cc: Budzileni, Susan
Subject: IKE--Business Assistance Program; Accion Loans and Tax Clearance Letters

Maureen,

I had a good discussion earlier today with Mark Hartigan from DOR. Mike is the head of Internal Affairs at DOR and supervises a group of 4 investigators who research the tax status of potential borrowers for Accion's loans. Mike gave me a lot of background about some of the problems and delays they have encountered, but said that he believes things have improved significantly, both in terms of the percentage of borrowers who get cleared and also in terms of shortening the turnaround time.

I would like to propose that you and I set up a call with Brett Simmons to get his views about whether the situation is improving and what his thoughts are about other steps we could take. Let me know if that makes sense to you.

Thanks,
Gail