Request for Proposals
Underwriting for Racial Justice Research Design Partner

Beneficial State Foundation and Underwriting for Racial Justice (URJ)

Beneficial State Foundation is a bank owner, investor, and practitioner that seeks to advance racial justice in and through the banking system. Our unique model allows us to bridge the work of grassroots organizations, policymakers, professional associations, and the banking industry. As a nonprofit shareholder of Beneficial State Bank and an advocacy organization, we work toward creating systemic change in the banking and transportation sectors.

One of our programs is a national working group called Underwriting for Racial Justice (URJ). We convene underwriters, impact leaders at financial institutions, regulators, innovators in alternative underwriting, and borrowers of color nationwide to develop solutions to increase credit access to people rising from longstanding systemic inequities and barriers. After having convened for 2 years to discuss different models for alternative underwriting, we have launched a lender cohort pilot program consisting of more than twenty lenders (banks, credit unions, and nonprofit lending organizations) who have or want to establish pilot lending programs that address racial inequities in their respective communities.

This pilot is launching in the third quarter of 2023 and will run for 2 years. Each lender will vary in loan start date, size, geography, target borrower (though all will be a community of color), loan type, and new underwriting approach they will use.

We seek a research design partner to support evaluating the URJ Lender Pilot program.

Research Questions

1. Borrower Impact + Loan Performance: Did the new underwriting approaches that URJ pilot participants employed increase access to capital for borrowers of color and maintain a high-performing loan portfolio in which borrowers could successfully repay?
2. Direct Community Impact: How did the capital impact PoC borrowers and their communities?
3. Lending Institution & Industry Impact: What permanent changes were made at the lender institution beyond the pilot program? (e.g., did the underwriting approaches or business processes tested in the pilot inspire credit policy or business process changes across all other aspects of the company?)
4. Lending Institution & Industry Impact: Have the lenders influenced the financial industry by sharing practices with other lenders? What, if any, are the ripple effects of that sharing?

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5. Lending Institution & Industry Impact: How did the URJ pilot impact the participating lenders themselves?

Research Questions #1 and #2 will be addressed by GreenArc and Stratyfy. Questions #3, #4, and #5 will be addressed by the Research Design Partner.

See Appendix H of the URJ Lender Pilot Program Guide for a detailed preliminary list of goals and impact metrics: https://beneficialstate.org/urjguide/

Data Collection and Analysis Resources

Beneficial State Foundation is partnering with two entities, Stratyfy and GreenArc, to collect and analyze loan and impact data. Lenders will provide data to these entities, some data points on a quarterly basis, others on an annual or one-time basis.

Stratyfy will offer lenders the ability to use their tools to choose an underwriting approach at the outset of the program, and then collect loan-level data on a quarterly basis to provide reports on the performance of each loan against the underwriting criteria and borrower demographics.

GreenArc will use loan-level data to develop quarterly and annual reports on the social impact of each lender's loan portfolio.

Beneficial State Foundation staff will conduct surveys and/or interviews with lenders.

The Research Design Partner will not be asked to collect original data.

Call for Proposals

Beneficial State Foundation requests proposals from prospective partners ("Research Design Partner") to design and create a plan to evaluate the effectiveness of our Underwriting for Racial Justice program and produce a post-program report.

The chosen Research Design Partner will be able to recommend data collection processes on the front end to ensure we are collecting the right data, asking the best questions, and controlling for variables and externalities to ensure our insights are valid.

The Research Design Partner will also access the de-identified and aggregate outputs from Stratyfy, GreenArc, and Beneficial State Foundation to produce a final summary evaluation report.

Specifically, the Partner will be asked to:

- Meet with our team and the data and analytics partners (Stratyfy and GreenArc) to assess the resources we have available and determine the data and resources we would need for an evaluation

- Advise on and help finalize the research approach and final report contents to maximize the validity of program insights, incorporating the concerns and considerations of the most progressive thought in the financial justice field
- Provide recommendations on necessary data points and collection methods
- Review the data collected and reports produced by our data and analytics partners (Stratyfy and GreenArc)
- Review the survey and interview data collected by Beneficial State Foundation staff
- Produce a final post-program report synthesizing findings about the effectiveness of the alternative underwriting methods used in the program and identifying future opportunities for building on the work of the URJ cohort. These reports will be shared externally and widely to support our goal of creating learnings that can help increase racial equity in the financial industry.

We invite research institutions, interested individual researchers, faculty, consultants, nonprofit evaluation organizations, and others to apply.

Deliverables:

1. A program evaluation plan that details
    - Necessary and ideal data points to collect
    - Recommended analytical methodologies based on the data available
    - A framework describing the roles and outputs of each partner
    - The expected elements of a final report
2. Final post-program report synthesizing findings for each of the research questions listed above and evaluating the findings of our data and analytics partners (Stratyfy and GreenArc). All report elements will be sourced from data provided by GreenArc, Stratyfy, and Beneficial State Foundation. No original data collection will be required by the Research Design Partner.

Selection considerations:

Proposals will be evaluated based on the following considerations:

1. Significant program evaluation experience, particularly in lending- and underwriting-related programs
2. Experience working with multiple stakeholders, including non-profits
3. Experience producing high-quality reports with findings that are meaningful to relevant players in the field
4. Expertise in any of the following: community development, racial equity and economic justice issues, mission-driven banking/finance, credit and underwriting, systems change, small business or consumer finance, special purpose credit programs, relevant banking regulations, progressive policy issues in banking, technical assistance, program evaluation.

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Budget

Beneficial State Foundation anticipates a budget of $75,000--$100,000 for this project.

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Anticipated timeline:

		Research Design Partner Deliverable
June 15	Lender Pilot cohort determined	
June/July	Onboarding of Lender Pilot participants	
July	Selection and onboarding of Research Design Partner	
August 2023	Finalize research approach and data needs	X
August 2024	One year of program	
August 2025	Program complete	
November 2025	Produce final evaluation report	X

Submissions:

All proposals must be submitted via email to Maria Oldiges at mkeioldiges@beneficialstate.org. Proposals should include:

- A summary of qualifications
- A description of resources that you intend to deploy for the project (including outside expertise, if needed)
- A proposed budget
- Two to three examples of relevant past work
- Two references (Include contact person's name, organization/business, affiliation, and email address)

Submission Deadline: 11:59pm PT Monday July 17, 2023

Submission Contact: Maria Oldiges mkeioldiges@beneficialstate.org

We aim to announce the selection of a Partner by July 31, 2023.

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