



REINVESTMENT  
FUND

# Montgomery County Early Care and Education (ECE) Facility Loan Program

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ECE Program Manager

# Reinvestment Fund

- We are a mission-driven financial partner that supports communities in building strong, vibrant, inclusive neighborhoods that families are proud to call home.
- Federally designated Community Development Financial Institution (CDFI) who lends nationally and have physical offices in Atlanta and Philadelphia.
- Committed to quality Early Childhood Education and have provided financing, grants and technical assistance to hundreds of child care businesses and organizations across the country, so that they can expand and sustain the critical child care services they provide for underserved children and families.

# Agenda

- **Program Overview and Eligibility Criteria**
- **Funding Details — Allowable and Unallowable use of funds**
- **Application Process**
- **Frequently Asked Questions**
- **Support Available**



# Montgomery County ECE Facility Loan Program

## Overview

- A loan and Technical Assistance (TA) initiative that helps child care programs in Montgomery County, Maryland grow, improve, and serve more children.
- Available to both home and center based child care business operators and owners.

# Program's Goal

Centered on equity, the program works to ensure that children across Montgomery County— especially those in underserved and low-income communities— have access to safe, high-quality early learning environments.

# What does the program offer?

The Program offers two types of loans to help child care programs invest in their facilities:

- **Forgivable Loans** (for Homes and Centers): These loans do not need to be paid back if requirements are met over time, up to \$74,000
- **0% Interest Loans** (for Centers): These loans must be repaid, but with no interest, up to \$300,000

*\*Maximum amounts vary by program type and whether the project supports facility improvement or expansion*

# Eligibility Criteria

- Licensed child care program in Montgomery County, MD
- Program with a published [Maryland EXCELS](#) rating
- Program serving areas with a shortage of child care for infants and toddlers (based on [The State of Supply and Demand for Childcare in Montgomery County, MD report](#)), or those serving low-income and underserved communities



# What is Quality Improvement?

Renovating or upgrading child care facility and spaces to improve quality

## **Examples include:**

- Fixing safety issues by repairing uneven flooring, broken steps, poor lighting
- Enhancing outdoor play by adding shade, fencing, equipment
- Refreshing interior and exterior with new paint, signage, flooring

For more examples, please see the [Examples of Common Facility Improvement](#) document

# What is an Expansion?

Projects that will increase licensed capacity for children.

## Examples include:

- Converting unused space into a classroom
- Growing from a family child care to large family child care

For more examples, please see the [Examples of Common Facility Improvement](#) document

# Allowable Use of Funds

- Renovating or upgrading child care facility and spaces to improve quality
- Construction or renovation to expand licensed capacity
- Pre Construction costs: architectural plans, permit fees, environmental assessment, zoning fees, etc.
- Purchasing furniture, fixtures, equipment and learning materials

# Non-Allowable Cost

- Operational expenses such as:
  - Staff salaries
  - Training costs
  - Rent or Mortgage
  - Marketing materials
- Past expenses before loan approval

# Forgivable Loans (Homes and Centers)

- Special loans that child care programs do **not** have to repay if they meet the basic forgiveness requirements.

# Forgiveness Requirements

To be eligible for loan forgiveness, programs must:

- Remain open and licensed for a five-year period
- Complete 12 hours of free business training each year. Note, program staff will provide a list of trainings that count towards the requirement.

\*Forgiveness occurs over five years, 20% of the loan is forgiven each year.

# Maximum Forgivable Loan Amounts

- Family Child Care Expansion: \$74,000
- Family Child Care Quality Improvement: \$50,000
- Center Quality Improvement: \$74,000

# Forgivable Loan Funding Process

- **Quality improvement projects:** 50% upfront → 50% after midway progress and reporting
- **Expansion projects:** 30% upfront → 60% after midway progress and site visit → 10% at completion



# What Are Pre-Development Loans?

Pre-Development loans help pay for early planning costs for big projects, like hiring architects or getting permits. These loans are fully forgiven after one year if requirements are met.

# What Can Be Funded with a Pre-Development Loan?

- Zoning costs
- Architect costs
- Permit fees
- Other planning expenses needed before starting construction

# Maximum Pre-Development Loan Amounts

- Homes: \$1,000–\$10,000
- Centers: \$5,000–\$50,000

# Where to Start?

- Guide to Plan Your Project
- Examples of Common Facility Improvements

# Key Dates to Remember

Applications are currently open and are being approved on a rolling basis through **May 2026**.

# Required Documents

## Business insurance

- General liability
- Workers' compensation coverage (required if you have staff on payroll)
- Abuse/molestation coverage (required for 0% interest loans)
- Business personal property coverage (required for 0% interest loans)

## Financial Documents

- Most Recent Tax Return
- Previous tax returns
- Current Budget
- Basic 4-year budget projection

## Organization Documents

- Tax EIN Issuance Letter
- Copy of Child Care license
- Certificate of Formation (if available)
- Maryland EXCELS certificate or printout
- Lease or deed for project site
- Enrollment Report [less than 30 days old]
- Preliminary quotes/estimates (as available)
- Preliminary quotes or architect plans (as available)

\*Other documents may be required during the application and funding process

# Top Frequently Asked Questions

**Can I only use the funds for a project in Montgomery County, MD?**

Yes. Your project must be located in Montgomery County, Maryland to qualify.

**What if I have two child care locations, can I apply for both?**

Yes, however, each site must have its own application, budget, and project plan. Funding decisions will be made separately for each site.

**Do I need to show proof that I used the funds correctly?**

You must keep and submit proof of all purchases and work done with the funds.

**Will there be site visits?**

Yes, program staff may visit before, during, and after your project to confirm progress and completion.

# Top Frequently Asked Questions (Continued)

**Can I get reimbursed for expenses I paid for before my application is approved?**

No. The Montgomery County ECE Facility Loan Program is for future projects only. You cannot be reimbursed for work started before the application is approved.

**Do I need to use licensed contractors?**

Yes, if your project requires specialized work such as electrical, plumbing, or structural changes. For smaller improvements, you may hire skilled people or professionals if it is safe and within legal guidelines.

**What if my project ends up costing more than the funds I originally applied for?**

You are responsible for covering any costs above your award amount.



# Application /Funding Process

- **Step 1.** Submit a Letter of Intent (LOI) via the online portal: Short form to confirm eligibility.
- **Step 2.** Submit your Loan Application for Underwriting: If eligible, this step includes details on the business and project.
- **Step 3.** Loan Closing: If your application is approved, during this step the applicant completes paperwork, signs the loan documents, and starts the project.

**Technical assistance and bilingual services are available to help at every step.**

# Live Application Walkthrough

# Contact Information

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**Webpage:** [Montgomery County Early Care and Education \(ECE\)  
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