

PeopleFund



Inspire.



Educate.



Fund.



Elevate.

ACCESS TO CAPITAL FOR ENTREPRENEURS

Gary Lindner, President & CEO



Who We Are

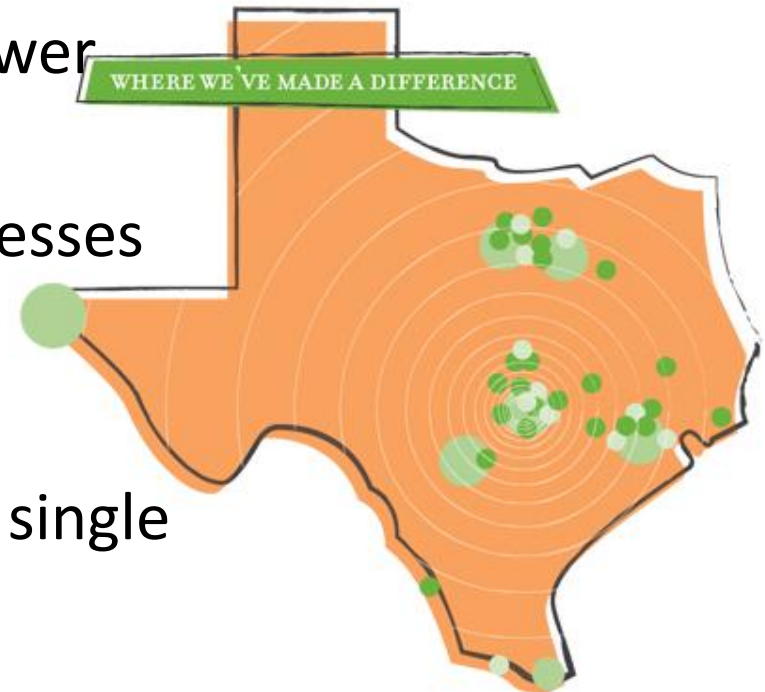


- Texas registered **Non-Profit 501(c)3** and U.S. Treasury Certified Community Development Financial Institution (CDFI)
- SBA certified lender - SBA microloan to **\$50,000**,
- SBA 7A up to **\$250,000**
- Provide loans to small businesses, nonprofits and startups up to **\$250,000**
- Commitment to economic and social inclusion for **Texas** small business owners and entrepreneurs



Texas Market

- Small business is **BIG** business in Texas
- 254** counties
- 2.2 million** businesses with **5** or fewer employees
- Represent **89.4%** of all Texas businesses
- Access to capital cited as **biggest** challenge
- If just 1 of 3 small business hired a single employee, U.S. would be at **full employment**



Access to Capital

- Biggest challenge for business owners
- How to become **bank loan ready**
- Questions you need to ask prospective lenders
- How to choose best source of capital
- Money alone not the answer, particularly for small startups
- Ongoing mentorship, businesses education & training
essential to success



Bank Loan Readiness

- 🌱 Get **personal credit** in order—FICO score will enable or limit you (unpaid collections, past due/default student loans, tax liens, past due child support)
- 🌱 Source of **Income**— must verify with tax returns/pay stubs. Is income stable? Retirement ?Disability Pay?
- 🌱 **Business Plan**—resume, project budget, use of funds, 2-3 years financial projections, business description, use of funds, market research, < \$25K – 2-3 pages
- 🌱 **Collateral**— adequate to support loan. 100% + for some lenders. Most lenders use liquidation value (50-80%). Options for loans without collateral.



Bank Loan Readiness

- Most lenders require borrower **Equity** “skin in the game”.

May require 20% or more equity for the loan (cash, inventory, real estate).

- Your business must be **Competitive** as assessed by lender.

- Character**— honorable in meeting past obligations.

Sincere and responsive. Can be “gut feeling”.

- Understanding **Financials** essential to any well run business.

- Profit & Loss

- Balance Sheet



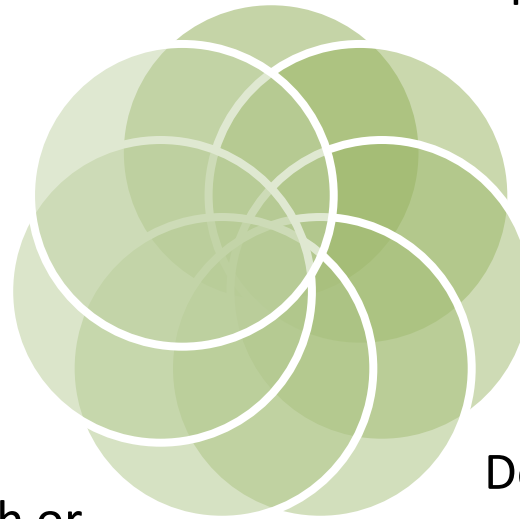
Questions to Ask Lender

Is there a **penalty** for early payment?

Is **Interest Rate** on loan fixed or variable?

Must I have **insurance** as a condition of loan. If so what kind (e.g. life, liability, property)?

What **post loan support** do you provide such as business training, education, workshops?



Is there a **monthly service fee** for my loan?

How much or % of loan are **closing costs**?

Do you give **loan interest rate discounts** if I have business account or business credit card with you?



Other Capital Options

Bootstrapping + Family + Friends

Credit Cards

- 🌱 Beware introductory periods
- 🌱 Late payments – rates rise to 30% APR in some instances
- 🌱 Cannot close account with outstanding balance

Pay Day Loans

- 🌱 Who uses and why?
- 🌱 Example: pay \$15 for a 2 week \$ 100 loan
- 🌱 APR – $26 \times .15\% = 390\%$ APR



SBA Products

- 🌱 SBA Microloans-----> up to \$50,000(CDFI's)
- 🌱 SBA 7(a) Community Advantage---> up to \$250,000 (CDFI's)
- 🌱 SBA 7(a) Small Loan Advantage--- > up to \$350,000 (Bank)
- 🌱 SBA 7(a) with SBA Guaranty-----> up to 5,000,000(Bank)
- 🌱 SBA 504 (debenture)-----> up to 5,000,000(Banks/CDC's)

U.S. Small Business Administration



Your Small Business Resource



Financing Alternatives

Person to Person (P2P) Financing

www.prosper.com – 1.74 million members - \$2,000-\$35,000. \$500,000,000 funded – similar to E-Bay and KIVA model



Business to Business B2B Financing

www.ibank.com - apply for a loan online; lenders purchase lead from i-bank and make contact, 600,000 loan applicants, also has crowdfunding site, insurance, mortgage, business services





CDFI's



- Community Development Financial Institutions
- U.S. Treasury Designation
- Underserved Population:** minorities, women owned business, businesses in low income census tracts.
- PeopleFund has included “veterans” as underserved population.

www.CDFIfund.org for list of CDFI's

500 Community Development Loan Funds

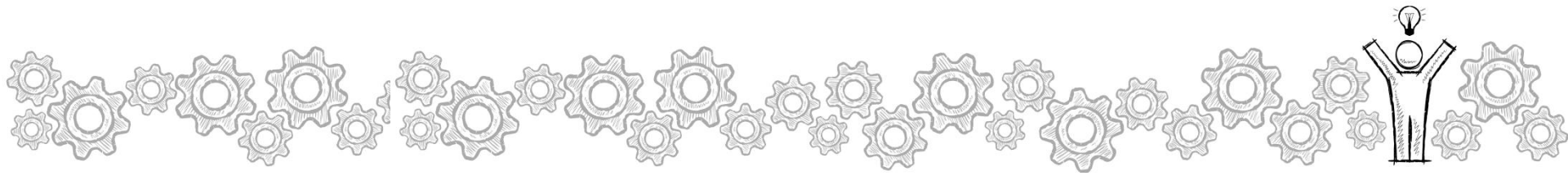
350 Community Development Banks

290 Community Development Credit Unions



Crowdfunding

- ❖ Collective efforts of individuals who pool their money to support a cause or project – 1884 example
- ❖ Historic use: Disaster relief, political campaigns
- ❖ 2012 JOBS Act: Relaxed SEC rules - Investment, equity
- ❖ 2000-2012: 450 Crowdfunding platforms



Crowdfunding

Kickstarter – Creative (film, arts)

Fundable - Startups

Gofundme – Anything Goes

StartSomeGood- Social Change Initiative

RocketHub – Any Legal Project

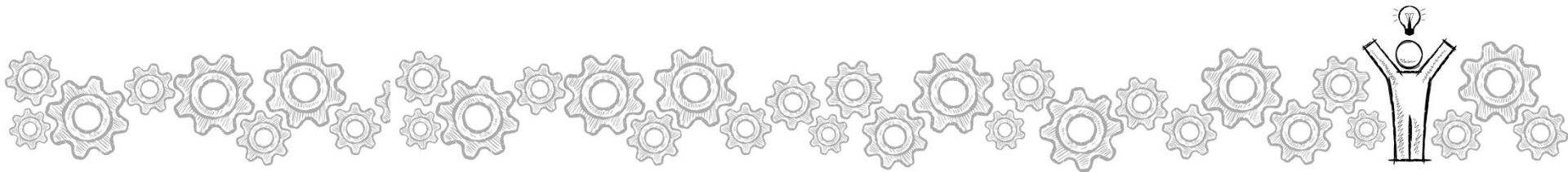
Microyza – Science Research

LendingClub – Individual Borrowers and Lenders

Pozible – Creative Projects

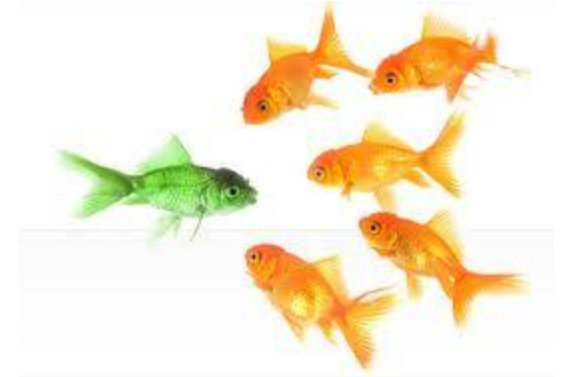
Causes – Funding for Positive Causes

Repayvets – support for veterans



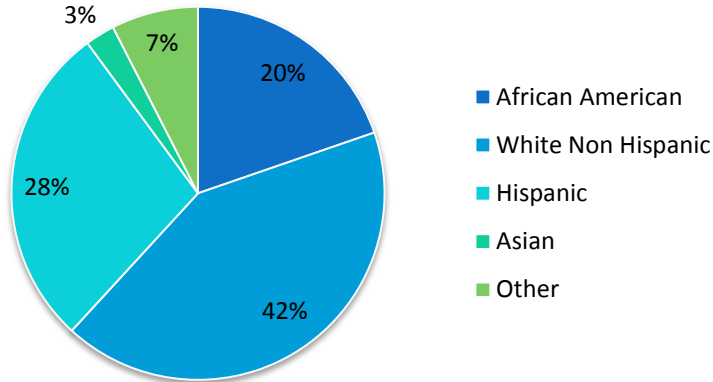
What Makes PeopleFund & CDFI's Different

- Non-Profit Business Lender
- CDFI – Support Underserved Populations
- No Application Fee
- No Established Minimum FICO Score
- Low Loan Equity Contribution
- Flexible Loan Terms and No Pre-Payment Penalty
- Post Loan Business Training and Support
- Variety of Loan Products: PeopleFund Loans, SBA Microloan, SBA Community Advantage Loans, Lines of Credit – amounts vary – \$250,000 maximum

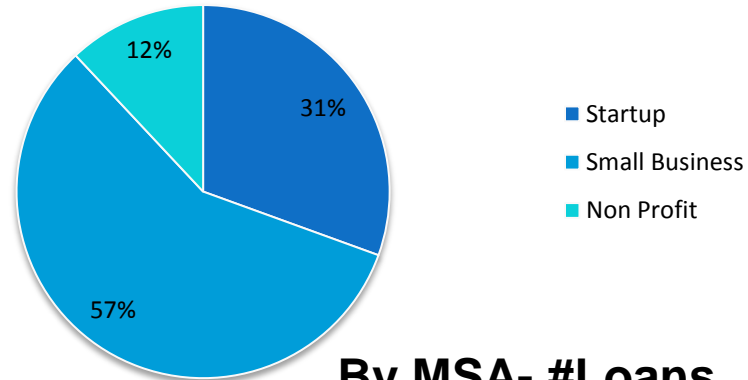


Dollars Invested

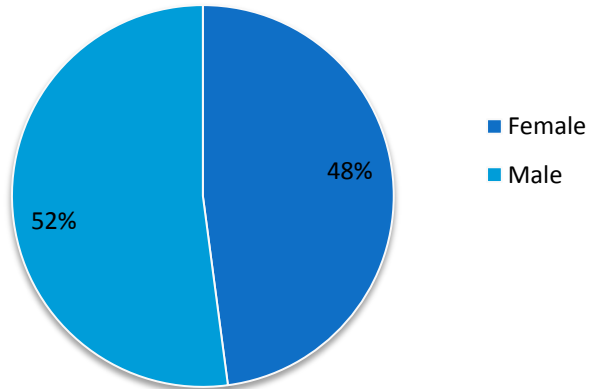
Ethnicity by \$ Balance



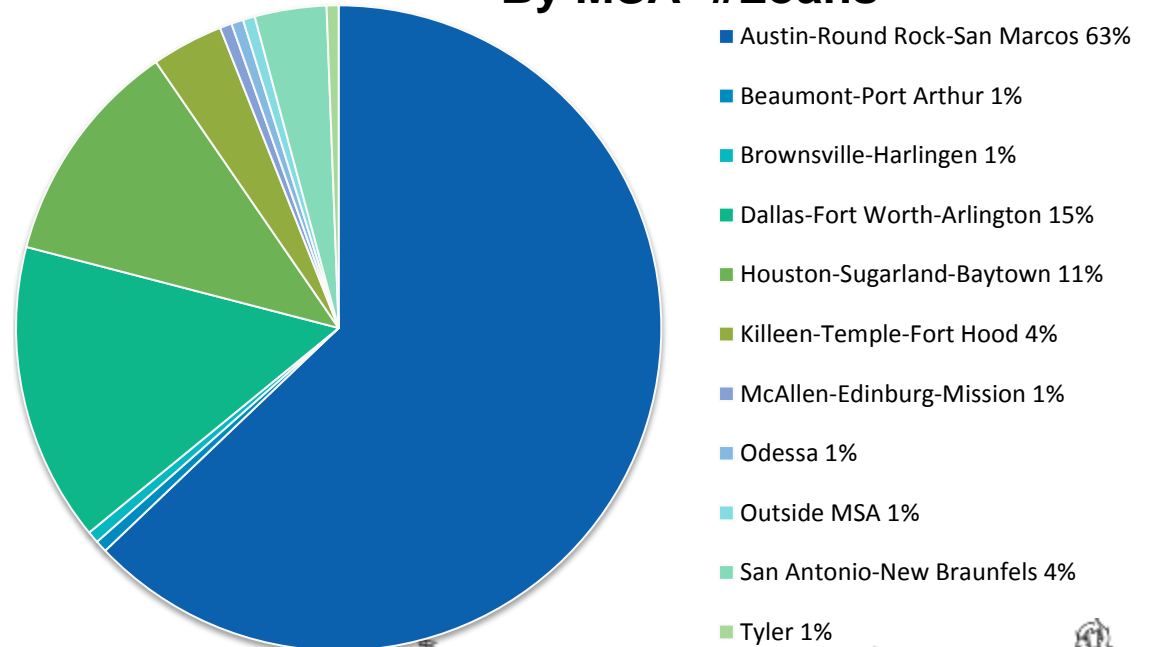
By Business Type



By Gender- # Loans



By MSA- #Loans



How to Apply

Online at www.peoplefund.org

Click on “get a loan”

Call 888-222-0017

Ask to speak to a loan officer

Visit Us

2921 East 17th St., Austin, TX 78702

2801 Swiss Ave., #120, Dallas, TX 75204

12337 Jones Rd. #407 Houston, TX 77070



Contact Us



Gary Lindner
President & CEO
gary@peoplefund.org
512-222-1015

Rocio Vallejo
Director of Lending
rocio@peoplefund.org
512-222-1011

Christine Flores
SBA Loan Specialist
christine@peoplefund.org
512-222-1012

Sandra Gonzales
Loan Officer – Houston
sandra@peoplefund.org
713-550-4515

Allie Cook
Loan Officer - Austin
allie@peoplefund.org
512-222-1002

Mari Montoya
Loan Officer - Dallas
mari@peoplefund.org
214-942-6698

