



How Can Mainstreet Programs Leverage CDFIs?

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What are CDFIs

1. Responsive
2. Inventive
3. Wholistic
4. The Future of Finance





Why are CDFIs important to you?

- CDFIs are on the front lines of many issues
- Several Types of CDFIs
- CDFIs are **INCLUSIVE**

How CDFIs Help Small Business

Thread Capital



- Subsidiary of the NC Rural Center
- Community Development Financial Institution (CDFI)
- Small business loans up to \$100,000
- For-profit businesses based in NC



Challenges to Secure Small Business Financing



- Start-ups viewed “risky”
- Leverage personal credit
- Limited access to bank products
- Limited financial literacy skills
- Attractiveness of non-transparent lending



Unpacking Non-transparent lending



- APR is often not disclosed
- Drains cash flow
- Creates unsustainable debt cycle
- Puts business at risk



WHAT BANKS REQUIRE



- Strong FICO score
- Equity in real estate
- 3 years business taxes
- 20% owner contribution
- Loan requests >\$250K



WHO CDFIs HELP

- Unbanked/underbanked individuals
- Start-ups
- Higher-risk businesses
- Low-to-moderate income individuals
- Minorities
- Women



Ma'am's HotJam, LLC, Murphy NC
<https://www.maamshotjam.com/>

Products CDFIs Offer

- Small business loans (<\$100K)
- Microloans (<\$50K)
- Specialized loan programs
- Grants, rarely



THREAD CAPITAL



THREAD CAPITAL
A subsidiary of the NC Rural Center



ARRAY
COMMUNITY DEVELOPMENT CORPORATION



NC RURAL CENTER



40
YEARS
North Carolina Coastal Federation

Visit www.threadcap.org/shellfishgrowers to learn more or apply for a loan. If you have questions, contact us at connect@threadcap.org or 919.212.4950.

SHELLFISH GROWERS LOAN PROGRAM

threadcap.org/shellfishgrowers

A RESOURCE FOR SHELLFISH GROWERS

Thread Capital and Array Community Development Corporation offer loans up to \$50,000 for new and existing shellfish growers in North Carolina. This is not a grant program. This loan program is a partnership with the North Carolina Rural Economic Development Center and the North Carolina Coastal Federation, designed to support the growth of the NC shellfish industry.

We have a specific focus on small businesses that are owned by people of color, women, low-income individuals, and rural-based individuals.

Apply for the Shellfish Growers Loan at threadcap.org/shellfishgrowers.

DETAILS

- Loans are available for up to \$50,000 and can be used for working capital or equipment.
- Loan terms are for a minimum of 12 and a maximum of 60 months.
- Loan payments are fully amortized over the term of the loan.
- Interest rates are fixed at Prime rate plus 2.25 percent.
- There is no pre-payment penalty.
- Defaulted loans are subject to commercial collection processes.

ELIGIBILITY

The business must have:

- USDA FSA Noninsured Crop Disaster Assistance Program (NAP) coverage.
- A shellfish lease from the NC Department of Environmental Quality.
- The shellfish operation must be physically located in North Carolina.

OTHER REQUIREMENTS

- Any individual with greater than 20 percent ownership in the applying business must co-sign the loan.

More information about the USDA Noninsured Crop Disaster Assistance Program (NAP)

The Noninsured Crop Disaster Assistance Program (NAP) administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA), provides financial assistance to producers of non-insurable crops to protect against natural disasters that result in lower yields or crop losses, or prevent crop planting.

USDA NAP coverage is a requirement of the Shellfish Growers Loan Program. Your loan officer can connect you to local service providers that can assist you in applying for and maintaining coverage. Coverage costs are an acceptable use of funds for this loan program.



THREAD CAPITAL
A subsidiary of the NC Rural Center



Golden LEAF FOUNDATION
Awarding Economic Opportunity to North Carolina Since 1997

We connect opportunity through: **small business to Capital Coaching Connections**

Visit www.threadcap.org/disaster-recovery to learn more or apply for a loan.

If you have questions, contact us at connect@threadcap.org or 919.212.4950.

DISASTER RECOVERY Resilient Recovery Express Loan

threadcap.org/disaster-recovery

A RESOURCE FOR SMALL BUSINESSES

Thread Capital's Resilient Recovery Express Loan supports North Carolina small businesses and family farms as they recover from the effects of declared natural disasters. The Resilient Recovery Express Loan helps small businesses close the gap between when the disaster strikes and when federal loans, insurance payouts, and other disaster relief funds are approved.

This is **NOT** a grant program. Resilient Recovery Express loans were created to make sure your business can get funding to re-open as quickly as possible. Eligibility for funding is contingent on documentation of storm damage from a declared natural disaster. Funding is provided on a first-come, first-served basis.

DETAILS

- Loans are available for up to \$50,000 (based on the business's current revenue).
- Loan agreements require interest only payments for the first 6 months. The loan will then term out with monthly principal and interest payments for 60 months.
- Interest rates are 1% for the first 6 months and between 4.99% and 9.99% for the final 60 months.
- Resilient Recovery Express loan recipients have the opportunity to increase their loan up to a maximum of \$250,000 through the standard Resilient Recovery loan.
- There is no pre-payment penalty.
- Defaulted loans are subject to commercial collection processes.

ELIGIBILITY

- Applicants must be a North Carolina small business affected by a declared natural disaster.
- Applicants must have at least one employee, who could be the owner.

OTHER REQUIREMENTS

- Any individual with greater than 20% ownership in the applying business must co-sign the loan.
- Proceeds from the Resilient Recovery Express loan may only be used for maintaining or restarting a business.
- The use of loan funds to pay off debts already incurred for qualifying business maintenance or restart purposes may be authorized on a case-by-case basis.
- Borrowers are required to use proceeds of any anticipated claims, outside loans, or financial assistance grants to repay their Thread Capital Resilient Recovery Express Loan.



TECpark, LLC



Alana & Steve Bennett
Burlington, NC

<https://www.yourtecpark.com/>



Rosser Trucking, LLC



Demetria Rosser
Littleton, NC



Ashley's Styles 252, LLC



Ashley Gorham
Roanoke Rapids, NC



Mountain BizWorks



OUR VISION

Mountain BizWorks envisions a thriving Western North Carolina in which small business owners and aspiring entrepreneurs have access to the resources needed to make their dreams a reality—a region where collaboration, creativity, innovation, and investment generate opportunity and prosperity for all.



SERVING THE NC MOUNTAINS

- Founded in 1989
- US Treasury-certified CDFI
- Offices in Asheville & Boone
- All decisions made locally



Get tailored funding.

Our financing helps WNC small businesses launch and expand. Loans range from \$1,000 to \$500,000 and can help when traditional bank funding is not available or sufficient.

Our loans can be used for a variety of business purposes from equipment purchases to working capital to expansion projects.



THE IMPACT

\$110M

Capital Deployed
in WNC Region

3,894

Total Loans Given
to local business
owners

1,900

Local Businesses
Launched



Client Success Story: Christian and Erika, Little Guatemala



Morganton - Burke County

Client Success Story: Hannah, Cold Mountain Art Collective



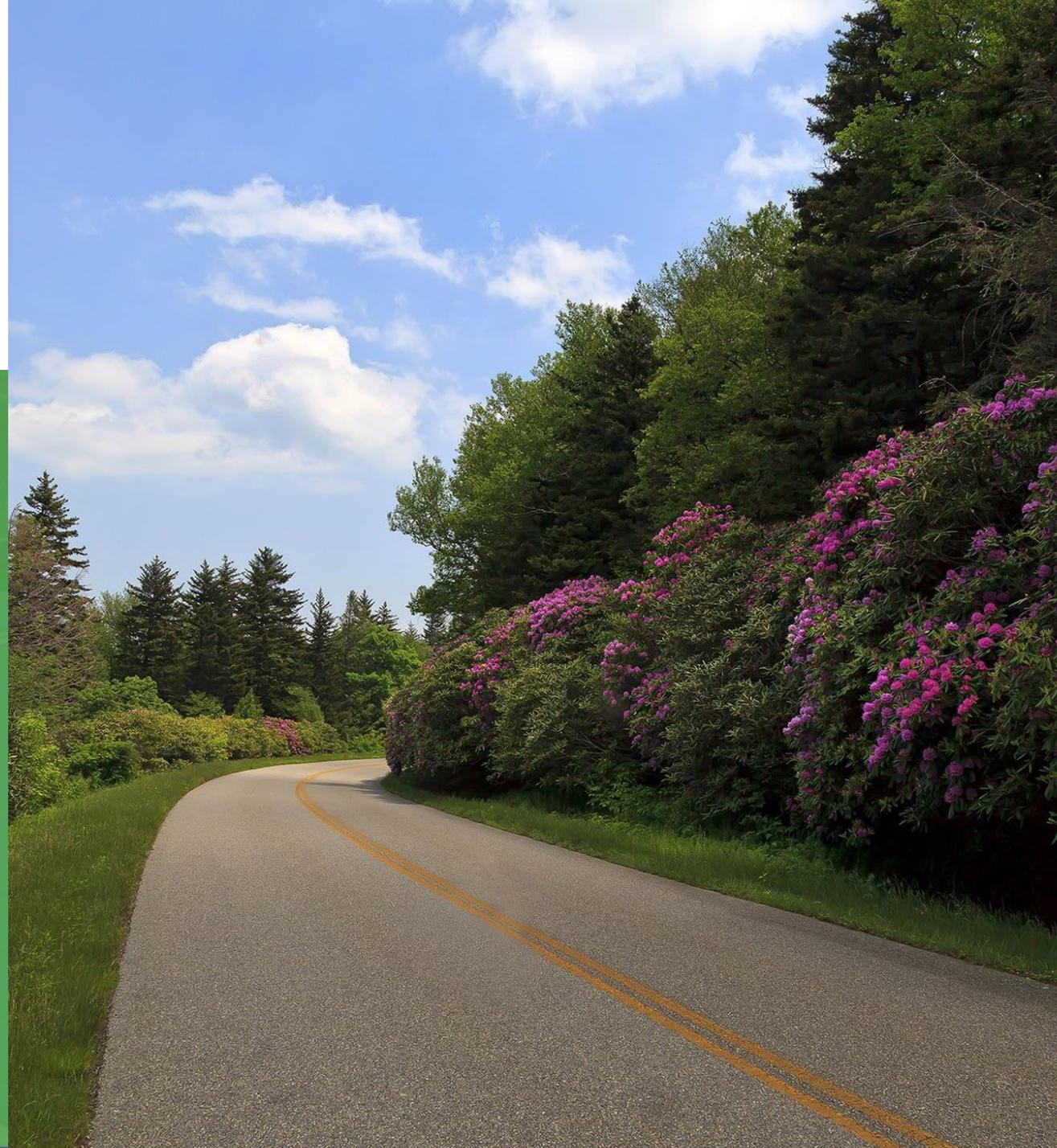
Canton - Haywood County

Hendersonville Opportunity Fund



Find Your CDFI

Please take 10 minutes to locate your local CDFI and brainstorm with your neighbor about ways you can partner with them!



Questions?

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