

Pacific Asian Consortium in Employment



Welcome Access to Capital

Presenter: Martin Pirgiotis

About PACE

WHO ARE WE?

Community development corporation that creates economic solutions to meet the challenges of employment, education, housing, the environment, and business development in the Pacific Asian and other diverse communities.

WHO WE SERVE?

PACE's primary service area encompasses over 50 zip code areas in Central Los Angeles, the South Bay & the San Gabriel Valley. We also fund Small business located in LA county & nearby.



9.6M+

Meals prepared & served to
PACE Head Start children



880K+

Residents assisted
by PACE Energy



\$429M+

In Business Loans
packaged or funded



192K+

Workers trained or placed



\$7.4M+

Amount of income tax
refunds generated



\$22.4M+

In wages earned by paid
work experience participants

Since 1976



Pacific Asian
Consortium in Employment

PACE Business

www.pacelabdc.org

- 2 Los Angeles Business Source Centers - Central West and MidCity
- SBA Women's Business Center (WBC)
- SBA Microlender
- SBA Community Advantage Lender
- Community Development Financial Institution (CDFI)



PACE Business Services



1 on 1 Small Business Counseling
Technical Assistance
Workshops & Trainings

Procurement Services
Contract review
Capability Statement
Access to Capital
Disaster Relief Loans

ACCESS TO CAPITAL

- ❑ SBA Microloan Program
- ❑ SBA 7a Community Advantage Loan
- ❑ Disaster Loan Program
- ❑ Contract Finance Assistance Loan (CFAP)
- ❑ CA Rebuilding Fund (CRF) Loan

Are you ready for a loan?

- ❑ Know your credit score
- ❑ Establish businesses and license
- ❑ Prepare financial documents
- ❑ Work with business counselor and explore resources
- ❑ Collect documentation and review information

How to prepare for a loan

- **Being prepared and having a plan**
- **Startup and existing businesses**
- **Business license**
- **Financial statements**
- **Accountant and CPA's roles**
- **Attend webinars**
- **Work with a business counselor**



Tax returns

- **Separating personal and business**
- **Balance sheets**
- **Year to date numbers**
- **Maintaining accurate accounting**
- **Application forms**



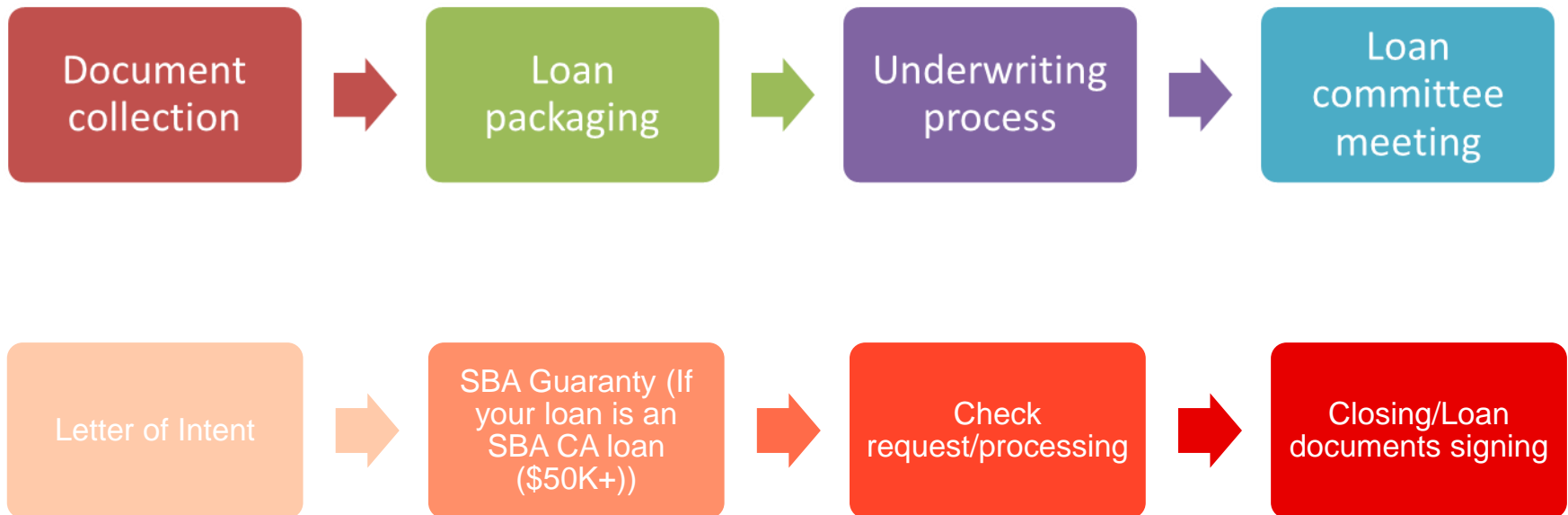
WHO CAN APPLY?

- ❑ **Start up & operating businesses**
- ❑ **ITIN holders can apply.**
- ❑ **Use of loan proceeds: Working capital, purchase inventory, refinance, tenant improvement, start-up cost.**
- ❑ **Minimum Credit Score 600, no foreclosure or bankruptcy in prior 24 months**

HOW TO APPLY?

- ❑ **Government issued photo ID**
- ❑ **Business license, and DBA or Article of Incorporation**
- ❑ **Business and/or personal tax returns (most recent 2-3 years)**
- ❑ **Year to date financial statements (if applicable)**
- ❑ **Financial Projections**
- ❑ **Business and/or personal bank statements (for the last three to six months)**
- ❑ **Copy of lease agreement (if applicable)**
- ❑ **Business plan (for startups)**
- ❑ **Personal resume**

Loan Process



Underwriting Process

- 5 Cs
 - Credit
 - Cash Flow
 - Capital
 - Collateral
 - Character

After loan closing

- ❑ Assist clients with post loan counseling
- ❑ Explore new lending opportunities
- ❑ Procurement training and resources

Case Study – Approved loans

- Communication
- Being prepared
- Following process
- Purpose

Importance of Credit

- ❑ Credit scores and reports
- ❑ History of past on time payments and current balances
- ❑ You can obtain your credit report at:
 - www.annualcreditreport.com
 - www.creditkarma.com

What Lenders Look at on Your Credit Report

- ❑ **Payment history accounts for 35% of a borrower's FICO score and is the most important factor for lenders.**
- ❑ **Large amounts of outstanding debt are another significant concern to lenders.**
- ❑ **A long track record of responsible credit use is good for your credit rating.**
- ❑ **Opening new accounts within a short time period of time may hurt your credit.**
- ❑ **Lenders want to see that their clients have experience using multiple sources of credit—from credit cards to car loans—in reliable ways.**
- ❑ **Unpaid tax**

Source: www.investopedia.com

Credit Options

- ❑ **Review credit report and work on improving fico score**
- ❑ **Work with credit counselor**
- ❑ **Credit building loans**

Summary

- ❑ **Know your credit score**
- ❑ **Prepare your business financial documents**
- ❑ **Understand your cash flow**
- ❑ **Work with business counselors, explore programs, and resources**
- ❑ **Apply when ready**

Thank you

Q&A

Contact PACE

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