

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE ON BARRIERS TO SMALL BUSINESS
ACCESS TO CREDIT AND CAPITAL

SMALL BUSINESS ACCESS TO CREDIT



*SELF-HELP MISSION: EXPANDING OWNERSHIP
AND ECONOMIC OPPORTUNITIES FOR ALL*

SMALL BUSINESS ACCESS TO CREDIT



4,400 borrowers
\$950 million loans
39,800 jobs

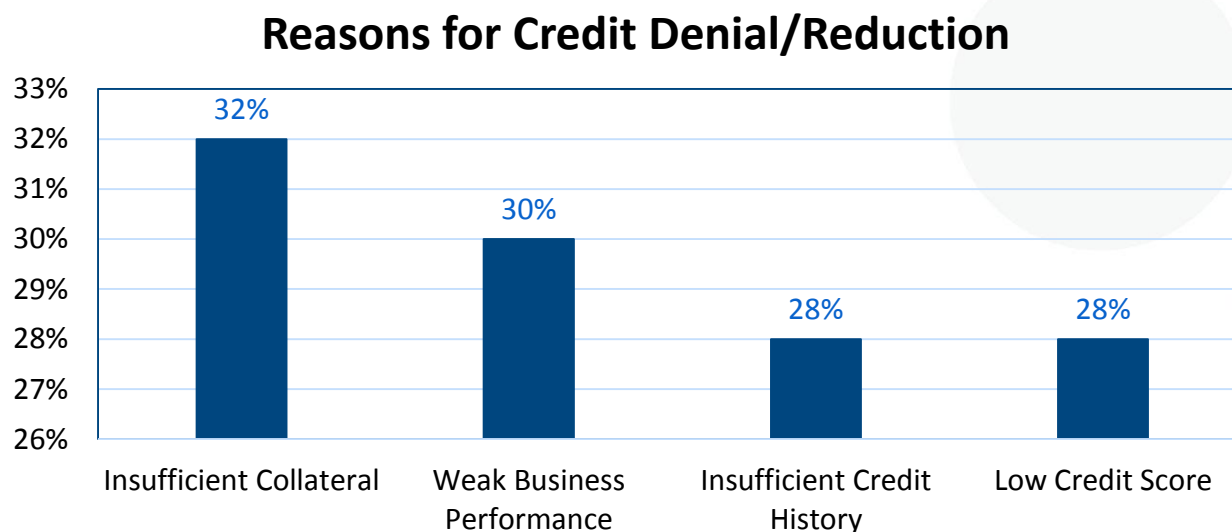


SMALL BUSINESS ACCESS TO CREDIT

Creating and Protecting Ownership and Economic Opportunity • www.self-help.org



- About half of small business “employer firms” surveyed applied for financing in the past 12 months
- Of those, about *half* received less financing than requested – including 18% who were denied



Source: Federal Reserve Banks 2015 Small Business Credit Survey Report on Employer Firms, March 2016

MARKET GAPS

- Insufficient collateral
- Start-ups/young businesses
- \$50,000 - \$250,000 loans

WHAT WORKS: CREDIT ENHANCEMENT

- Loan guaranty/collateral enhancement programs:
 - SBA 7(a)
 - USDA Business & Industry
 - Charlotte Community Capital Fund
 - Child Care Revolving Loan Fund
- Subordinate loan and participation programs:
 - SBA 504 loans
 - Local government subordinate loans
 - Rural Center's NC loan participation program

WHAT WORKS: GRANTS FOR RISK CAPITAL

- Golden LEAF: Self-Help is on track to leverage a \$5M grant *five times* by the end of 2016 to provide \$25M in qualifying loans to businesses creating good jobs in Tier 1, Tier 2 and formerly tobacco-dependent counties
- Rural Center: grant funds administered by the Rural Center were leveraged *five times* for qualifying loans to businesses that may not otherwise have qualified for credit
- Healthy Foods Financing Initiative: Self-Help is leveraging a \$3M HFFI grant *three times* to lend to businesses that are expanding access to healthy and local foods

WHAT WORKS: CONTINUED LEGISLATIVE SUPPORT

Federal regulations that will go into effect in 2017 will give credit unions more flexibility to make prudent lending decisions for small businesses; we believe it is important for NC to adopt these changes as well

WHAT WORKS: TECHNICAL ASSISTANCE

- SBTDC (Small Business Technology Development Centers)
- SCORE (volunteer small business mentors)
- SBC (Small Business Centers)



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Questions?

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Thank you.