

### MISSION STATEMENT

Our mission is to provide credit to small businesses that do not have access to loans from commercial sources. Through our loans and services, we help micro entrepreneurs strengthen their businesses, stabilize and increase their incomes, create additional employment and contribute to the economic revitalization of their communities.

### FINANCIAL PROFILE

Total Number of Loans: 9,996  
Total Dollars Disbursed: \$85,414,113  
Active Portfolio: \$20,916,264  
Total Loans Under Management: \$23,254,857\*  
Average Loan Balance: \$11,969  
Loan Range: \$500 - \$100,000

*\*Includes ACCION Texas and Citibank Portfolio*

*Statistics as of June 30, 2009*

### ORGANIZATIONAL PROFILE

Number of Offices: 14  
Number of Employees: 54  
Number of Active Clients: 1,943  
Total Number of Clients Served: 6,827  
President & CEO: Janie Barrera



### HISTORY

ACCION Texas-Louisiana is a private non-profit 501(c)(3) micro- enterprise development organization based in San Antonio. We began lending in San Antonio in 1994 and later developed and implemented an innovative "blueprint" for establishing microlending and small business programs in new areas around Texas and Louisiana. The ACCION Texas-Louisiana network includes 14 offices in 12 cities including New Orleans. In 2007, ACCION Texas began providing underwriting and loan services to other microlending institutions nationwide.

### CLIENT PROFILE

- ACCION Texas lends to any legal small business in Texas. We do not exclude any profession or occupation. Most clients use loans for working capital or equipment purchases. Many of our clients have received more than one loan from ACCION Texas.
- Although just under half of clients (46%) have **been** in business for less than one year, close to a third (32%) have been in business 3 years or longer. The median asset level of clients' businesses is approximately \$6,000.
- Sixty-seven percent of clients identify themselves as Hispanic, 16% are African-American and 14% are Anglo-American. Women comprise 45% of borrowers.
- Clients of ACCION Texas typically have lower than average incomes, with a median household income of \$29,616 as compared to the Texas median of \$41,994 in 2000.

### ECONOMIC IMPACT

- Between 1994 and 2008, ACCION Texas made \$76.4 million in loans which produced **\$142.6 million in new economic activity**. These results represent a 60 percent social return on investment – **every dollar loaned creates an average of 60 cents annually in new economic activity**.
- After three small loans with ACCION Texas, clients **increase business equity by 22%**, bring in **67% more in monthly business profits** and **increase take home pay by 44%**.
- ACCION Texas' micro loans also create employment. ACCION borrowers **created over 1,800 new jobs and sustained over 4,000** between June 1994 and 2008.
- ACCION Texas makes a loan **every two hours** somewhere in Texas.
- Our organization provides clients with professional benefits not easily quantified, such as the ability to obtain credit, financial and business training, a sense of confidence in themselves as business people, independence, the security of knowing they have a reliable source of financing, and networking with other ACCION businesses.

#### Contact Information:

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**ACCION TEXAS  
HISTORICAL LOAN PRODUCTION AND SOCIO ECONOMIC DATA**

**ANNUAL PROGRAM GROWTH TO DATE**

<b>Year</b>	<b>Amount Disbursed</b>	<b>Active Portfolio</b>	<b>Average Loan Size</b>	<b>Percentage of Women</b>
1994	\$159,317	\$107,925	\$1,406	18%
1995	\$615,249	\$325,647	\$3,067	34%
1996	\$998,928	\$557,626	\$3,188	37%
1997	\$1,092,436	\$755,750	\$3,738	51%
1998	\$1,350,424	\$1,136,269	\$4,649	68%
1999	\$2,032,183	\$1,909,887	\$3,226	56%
2000	\$3,918,988	\$3,418,332	\$4,689	53%
2001	\$5,526,070	\$5,618,935	\$5,445	47%
2002	\$5,568,946	\$7,133,201	\$5,307	50%
2003	\$6,166,536	\$8,150,826	\$5,113	51%
2004	\$6,373,950	\$9,079,318	\$8,431	49%
2005	\$8,068,998	\$11,338,939	\$10,744	48%
2006	\$9,169,817	\$14,547,138	\$10,516	48%
2007	\$12,418,921	\$16,993,716	\$14,542	45%
2008	\$14,333,205	\$20,382,710	\$15,716	45%
2009 YTD	\$7,620,146	\$20,916,264	\$16,822	45%

**CUMULATIVE STATEWIDE PROGRAM IMPACT TO DATE**

<b>ACCION Texas Site</b>	<b>Total Loans</b>	<b>Total Amount Disbursed</b>
San Antonio (established 1994)	3,126	\$23,499,693
El Paso (established 1996)	1,252	\$10,254,735
McAllen/Edinburg (established 1998)	1,147	\$8,156,177
Houston (established 1998)	1,375	\$13,540,447
Brownsville (established 1998)	576	\$3,993,727
Dallas/Fort Worth/Arlington (established 1999)	1,240	\$13,611,088
Austin (established 1999)	553	\$4,475,156
Other Communities (established 2001)	301	\$2,128,462
Corpus Christi (established 2004)	277	\$3,940,115
Laredo (established 2005)	146	\$1,768,467
Louisiana (established 2009)	3	\$46,040
<b>Total as of June 30, 2009</b>	<b>9,996</b>	<b>\$ 85,414,113</b>

**CUMULATIVE CLIENT ETHNICITY & GENDER**

<b>ACCION Texas Site</b>	<b>African American</b>	<b>Hispanic</b>	<b>White</b>	<b>Other</b>	<b>Male</b>	<b>Female</b>
San Antonio	7%	72%	16%	5%	56%	44%
Brownsville	1%	93%	4%	2%	49%	51%
McAllen/Edinburg	0%	97%	3%	0%	36%	64%
Houston	43%	33%	19%	5%	52%	48%
Dallas/Ft Worth/Arlington	45%	33%	19%	3%	51%	49%
El Paso	4%	89%	5%	2%	68%	32%
Corpus Christi	21%	49%	26%	4%	53%	47%
Laredo	6%	76%	15%	3%	54%	46%
Austin	28%	36%	33%	3%	58%	42%
<b>Total</b>	<b>15%</b>	<b>67%</b>	<b>14%</b>	<b>4%</b>	<b>55%</b>	<b>45%</b>



## **ACCION Texas Highlights**

- ACCION Texas began operations in 1994 with a \$50,000 grant from Levi Strauss Foundation, and loans from four banks totaling \$125,000. The corporate office has been in San Antonio since inception.
- Now ACCION Texas has the largest and best performing microloan portfolio in the United States - currently valued at over \$21 million – average loan size \$16K.
- Since 1994 ACCION Texas has made 10,000 loans totaling in excess of \$80 million
- ACCION Texas makes a loan every 2 hours from one of its 12 offices throughout the state.
- 86% of ACCION Texas loans go to minority owned businesses and almost half of the loans are to women owned businesses.
- ACCION Texas loans to startups and any legal business in Texas. There are 2 million businesses in Texas with 5 or fewer employees. Small business is big business in Texas.
- ACCION Texas has developed a proprietary underwriting system that incorporates 14 years of loan experience. The system predicts the probability of loan payoff of prospective clients, irrespective of FICO score. ACCION Texas offers underwriting services nationally.
- Independent studies have verified the social and economic impact of ACCION loans in Texas – every dollar loaned creates an additional 60 cents annually in new economic activity.
- ACCION Texas earned over \$2 million in grants annually – primarily from federal government, banks, and foundations. In 2008 we received over \$4 million in grants.
- Almost 70% of our expenses are covered from revenues from the loan portfolio – leader in the micro lending industry.
- At a keynote speech for a Summit on Microfinance in November 2007, Federal Reserve Chairman Ben Bernanke lauded ACCION Texas and the importance of a robust micro finance industry on our economy.
- In December 2007, ACCION Texas received a \$2.8 million Wachovia NEXT award at the annual Opportunity Finance Network conference – as the best Community Development Financial Institution (CDFI) in the United States with assets under \$50 million (out of 600 eligible organizations)
- Following almost a year of discussions and collaboration, Citi and ACCION Texas signed an agreement in which Citi committed \$30 million over a five year period to purchase ACCION Texas loans. ACCION Texas would continue to service the loans for Citi. This was a revolutionary deal in domestic microfinance for these reasons.
  - It proved that a U.S microfinance portfolio is of investment grade quality.
  - It provided essential capital for additional loans to deserving Texas businesses.
  - Established ACCION Texas as a national loan service provider.
- In December 2008 awarded the American Banker Innovator of the Year Award.



## Information and Loan Guidelines

- ACCION Texas loans are fixed rate loans with loan size varying from \$500-\$100,000
- Loan term varies depending on a number of factors including loan amount, type of loan, collateral, applicant capacity to pay, etc. Maximum loan term of 72 months.
- All applicants must fill out an ACCION Texas loan application (either paper or online). There is no charge associated with the application process.
- ACCION Texas makes loans for any legitimate business related expense to include working capital.
- ACCION Texas lends to startups. Our definition of startup is 6 months or less in business. Startups must have an alternate source of income.
- ACCION Texas runs credit reports on all applicants through Trans Union. We also report payment history on our loans to credit bureaus.
- Interest rates and closing fees are risk based. The higher the risk, the higher the interest rate and closing fees.
- Loans and Lines of Credit are collateralized. Well run businesses with solid financials may qualify for reduced collateral.
- Lines of credit are generally available to businesses where the principal owner has a FICO score of 650 or above.
- We ask for payment protection in the form of credit life and disability to protect both us and the client. We fully disclose the terms. Clients may find their own insurance.
- ACCION Texas requires documentation to close a loan. Typical documents are pay stubs, W-2, bank statements, financials, etc. Depending on the type of business, other documents may be required.
- Prospective clients cannot have open judgments or liens against them
- If you have previously filed either Chapter 7 or 13 bankruptcy, we will need to know the date of dismissal.
- ACCION Texas accepts co-borrowers or co-signors to help strengthen a loan application.



## **Loan Products & Services**

### **Individual Business Loans**

- Loans from \$500 to \$100,000.
- Qualifying businesses include existing and start up businesses relevant experience, and equity. Start up businesses (6 months or less) require alternate source of income
- Collateral may be required to secure the loan.

### **Credit Start Loans**

- Maximum loan amount of \$500.00.
- For entrepreneurs with no established credit and want to establish their 1<sup>st</sup> trade line on their credit report.

### **Pronto Loans**

- Unsecured Loans from \$500 to \$5,000
- Existing Business with business checking account.
- Good payment history required and a propensity for bankruptcy score over 500.
- Disbursement of the loan within 24 hrs.

### **Lines of Credit**

- From \$5,000 – \$50,000.
- Purpose of the loan is working capital, inventory, and seasonal fluctuations.
- Business must be established and operating for at least two years
- Good payment history is required.

### **Loans to Immigrants with I-TIN**

- ACCION Texas will lend to individuals with businesses who have Tax Identification Number issued by the IRS and reside in Texas, but that are not US citizens.
- Loan amounts from \$500- \$10,000

### **ACCION Texas Loan Access Program**

- This program is designed to help entrepreneurs with limited or no collateral, but otherwise would qualify for an ACCION Texas Loan.
- Loans up to \$50,000.
- Good payment history is required
- Customer must have the capacity to repay the loan.
- Customer pays 5% of the principal loan amount to enroll the in ACCION Texas Loan Access Program. Non-refundable. Serves as loan loss reserve since there is no collateral to secure the loan.

### **Auto Loans**

- The Auto Loan Program is open only to current ACCION Texas customers with a minimum of a 6 month payment history.
- We are able to refinance higher interest auto loans with better interest and terms
- 18 wheelers and dump trucks do not qualify under this program since the vehicle is the means of business.

### **Factoring or Accounts Receivable Receivable Financing**

- Only existing businesses qualify.
- Currently factor only government contracts already in progress – refer others
- Purchase invoice and advance 75-85% to client immediately.
- Duration typically 30-90 days

### **Special Purpose Products**

- Texas Heroes Loans (for Veterans)
- Sub-contractor loans ( Non-profit Builder, University of Texas)
- Community Development Projects (San Antonio, Rio Grande Valley)
- EPA Trucker Loans (coordination with EPA and I-Bank)
- Interest Buy Down Programs (typically regional offerings with 3<sup>rd</sup> party paying the difference between our computed interest rate and a lower fixed rate. Buy down interest rates to client vary from 1% - 5.5% )

### **SBA Certified Development Company 504 Loan Program**

- Loans from \$200,000 to \$4,000,000
- Typical financing – Bank 50% - ACCION Texas/SBA 40% - Borrower 10% equity
- Fixed rate with 100% SBA guaranteed debenture sold to investors
- Loans must be used for fixed asset projects: purchase of land and improvements, buildings, street improvements, parking lots, construction of new facilities, renovating existing facilities, or purchase long term machinery and equipment.
- For profit small businesses only – retail, service, wholesale manufacturing

### **Loan Portfolio Servicing**

- ACCION Texas has capability to service loan portfolios nationwide
- Offer the following services – underwriting, processing, closing documents, portfolio management, collections – any or all services available.
- Online applications preferred
- Proprietary system –expedited and paperless loan origination, underwriting, processing
- Organization has final approval for funding or rejecting loans.

### **Contact**

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