



Bridging the Capital Access Gap

A Curriculum for Lenders, Business Development Organizations, and TA Providers



LSC



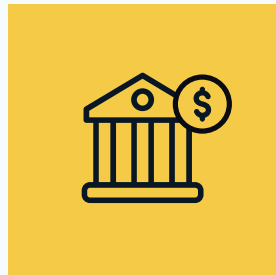
Main Topics



CHAPTER 1

Lending Landscape

(Modules 1 - 4)



CHAPTER 2

Underwriting Basics

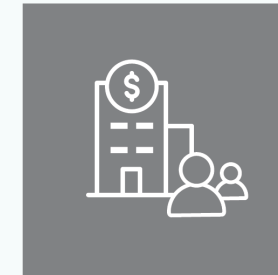
(Modules 5 - 8)



CHAPTER 3

The Best Version of the Business

(Modules 9 - 14)



CHAPTER 4

Preparing for the Next Level

(Module 15)



CHAPTER 5

Resources for Professional Development

(Module 16)



CHAPTER 1

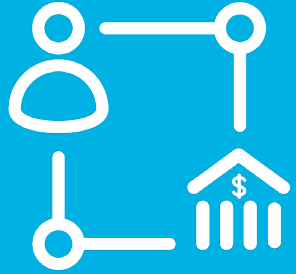
Lending Landscape (Modules 1 - 4)

Lending Landscape (Module 1)

When to Borrow (Module 2)

Finding the Right Lender (Module 3)

Building Relationships with Lenders (Module 4)



Building Relationships with Lenders

4



Building Relationships with Lenders: What You'll Learn

- How lenders vary.
- The value in understanding lenders' requirements.
- Becoming a trusted referral partner.



Lending is still done through relationships

Despite technology, relationships still matter, and all lenders are different.

- No two lenders are alike. Can't take a "checklist" approach.
- Even mission-based lenders vary their underwriting methods and criteria.
- Changes over time depending on leadership, institutional priorities, and economic climate.
- Quality referrals really matter to lenders – you can become a valuable resource for them.
- Requires you to learn just enough about their criteria to become that valuable resource.



Understanding a Lender's Criteria

What does a lender need?

- Meet institution's five C's: particularly cash, credit, and collateral.
- Accurate financial documents showing historical performance.
- Match deals to products with specific criteria.
- Satisfy shareholder or funder expectations.
- Stay aligned with state and federal regulations.
- Mitigate risk and be profitable.
- Less interested in the story and more interested in the numbers.



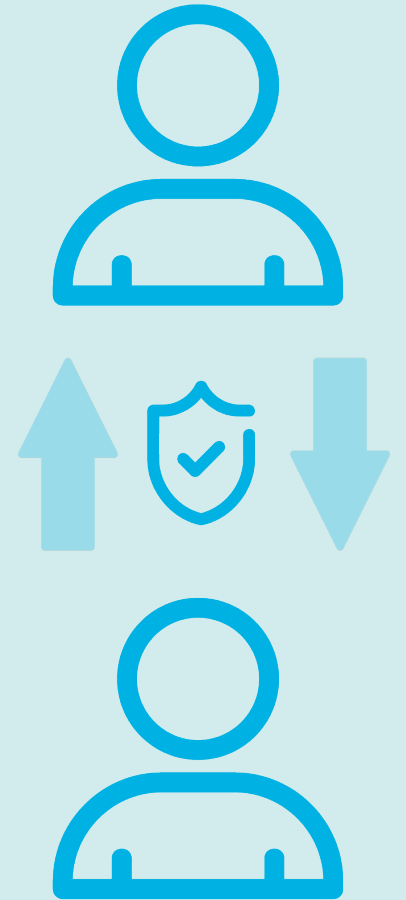
What you can expect

- Despite technology, lending is still often relationship-based.
- Lenders can't tell you everything.
- They'll have criteria, such as portfolio concentrations or state regulations, that might eliminate a deal no matter what.
- They really need to get paid back.
- All have been burned at some point.
- If you haven't been a lender, their decisions might puzzle you.



Becoming a Trusted Referral Partner

- Works best with small banks, credit unions, and CDFIs: local focus and local decision-making.
- Who is the decision maker? Can you have regular interaction with them?
- Create win-win through mutual understanding.
- Start small: small steps, small deals, small bits of information over time.
- Build trust and reciprocity. Share information. Be open and truthful.
- Focus on lenders that are invested in their referral partners.
- Give it time.



Let lenders know about your services

- Many lenders might be unaware of the nonprofit, small business development industry.
- Let the lender know about your organization, mission, client base and services.
- Make it clear how you can help applicants (and how you can't).
- Provide a link to a capital access page on your website.
- Ask for input on how your services might better prepare clients for success.
- Keep your eye out for lenders who are responsive.



Help Your Clients Prepare

- Many lenders value quality referral partners – they want to find deals!
- They'll be willing to meet with your clients once they trust you.
- Clients often need credit repair or bookkeeping improvements to be loan eligible.
- Help your client take small steps with a lender: asking advice, applying for a credit card, opening business checking, starting a conversation.
- Train your client on how to provide a narrowly focused presentation, highlighting cash capacity, credit strengths and collateral options.





CHAPTER 2

Underwriting Basics (Modules 5 - 8)

**UP
NEXT**

What is Underwriting? (Modules 5)

Five C's of Credit (Modules 6)

Understanding Credit (Modules 7)

Debt Service Coverage (Modules 8)

LISC *Capital Access* Training Modules

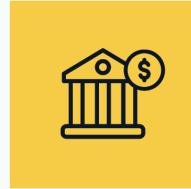


CHAPTER 1

Lending Landscape

(Modules 1 - 4)

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- 1 Lending Landscape
 - 2 When to Borrow
 - 3 Finding the Right Lender
 - 4 Building Relationships with Lenders



CHAPTER 2

Underwriting Basics

(Modules 5 - 8)

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- 5 What is Underwriting?
 - 6 Five C's Overview
 - 7 Credit
 - 8 Debt Service Coverage



CHAPTER 3

The Best Version of the Business

(Modules 9 - 14)

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- 9 Quality Applications
 - 10 Startups vs Existing Businesses
 - 11 Loan Ready vs Not Qualified
 - 12 Improving Credit
 - 13 Improving Debt Service Coverage
 - 14 Collateral



CHAPTER 4

Preparing for the Next Level

(Modules 15)

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- 15 Preparing for the Next Level



CHAPTER 5

Resources for Professional Development

(Modules 16)

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- 16 Resources for Professional Development

Thank you for joining us!

Presenter: Susan Brown

Business & Nonprofit Development

Microlending & CDFI Capacity Building

Online Program Design

susanrileybrown.com

LISC

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