

# MMS Report – Year End

## August 2013 – July 2014

We've come to the end of our first CAMEO MMS program year and would like to report on the outcomes. We appreciate everyone's participation in the program and look forward to working together in the coming year to further build success.

In this first year all our participating organizations have:

- Seen their lending activity increase, with one organization almost doubling the number of loans made over the 2012 program year.
- Become proficient using the MMS program, including the Auto Review, Required Document List and communication with Accion Texas underwriting
- Learned the MMS underwriting parameters, and have begun to identify modifications they may want to make to customize the underwriting criteria.

As a cohort, the three members of the program now constitute the fourth largest microlender in the CAMEO network with 85 loans funded. On average, lending by the cohort has increased 150% in first year of this pilot.

## Summary of Results

	CDC Small Business	Women's Economic Ven.	Working Solutions	Total
Applications Created	50	59	189	298
Auto Reviews Run	44	51	164	260
Loans Sent to Underwriting	9	14	101	124
MMS Loans Approved	4	21 <sup>1</sup>	60	85
MMS Loan Volume	\$36,487	\$346,750	\$1,205,000	\$1,563,262
2012 Loans Approved	0 <sup>2</sup>	16	32	48
2012 Loan Volume	\$0	\$227,650	\$831,193	\$1,058,843
Growth	N/A	131%	188%	177%

<sup>1</sup> In addition to the 14 loans made through MMS, Devon Johnson of WEV indicated that they have made an additional 7 loans over the twelve months of the program year for an additional \$100,000.

<sup>2</sup> CDC reported making 21 microloans in 2012 for a total volume of \$767,100; however, this number includes no loans below \$20,000. The MMS loans are therefore a wholly new product for the organization.

## Analysis

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### Loan Performance

As of July 31<sup>st</sup>, no loans made through MMS have defaulted; 2 have paid off; and 1 has been approved for a larger loan and the two payments consolidated.

### Further Development

Where we see opportunities for further development are:

- Increasing the loan pipeline.
- New outreach and marketing approaches.
- Reduce time between receiving the loan application and running Auto Review.
- Reducing underwriting time.
- Tailoring the underwriting criteria.

## Program Goals

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CAMEO's overall goal for the MMS program is to foster a threefold increase in lending activity among program participants. We have made solid process toward that goal, with the cohort's lending activity increasing by 77% over the previous year, even with a slow onboarding process as users learned the program. Moving forward, this program aims to:

- Triple the number of approved loans by the entire cohort;
- Reduce the time between application and auto-review to an average of 2 days;
- Reduce the time between underwriting and loan approval or denial to an average of 7 days.

### Milestone Goals

	CDC Small Business	Women's Economic Ven.	Working Solutions	Total
Applications Created	60	240	480	<b>780</b>
Auto-Reviews	54	216	432	<b>702</b>
Loans Sent to Underwriting	30	120	240	<b>390</b>
Loans Approved	12	48	96	<b>156</b>