

# ENTREPRENEURSHIP ADVANTAGE

GREATER LA REGION

## Helping Riskier Businesses Access Capital

June 25, 2020

# Welcome

**Heidi Pickman**

VP, Programs and  
Policy

CAMEO



# Purpose

## EA

► Create economic opportunity for entrepreneurs and small businesses in LA County by connecting human, technical and capital resources through regional collaboration.

## Today

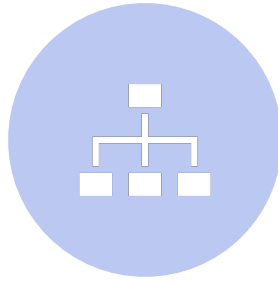
► Bring EA members to discuss best practices, strategies, and challenges in light of COVID-19's effects on the small-business sector

## General Info

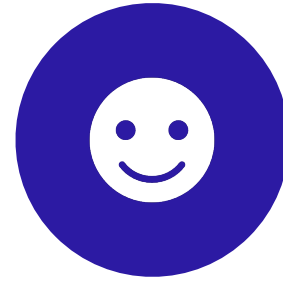
- ▶ Everyone's audio is muted
  - ▶ Zoom menu --- drag cursor down screen.
  - ▶ Mic icon on left.
  - ▶ Chat box.
- ▶ We are recording and you are free to share. We will send all registrants a link as soon as we can
- ▶ You will receive a copy of today's slides.



NAME



ORGANIZATION



WHAT DO YOU  
DO?



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# Agenda

- ▶ **Tools to Help Riskier Small Businesses Access Capital**
  - ▶ **Babita Nayak, PACE**
  - ▶ **Selena Davis, Pacific Coast Regional SBDC**
- ▶ **Facilitated Discussion and Networking Activities**



**Babita Nayak**

- ▶ **Credit Underwriter & Loan  
Servicing Analyst, Business, PACE**

State Loan Guarantee Program



Pacific Asian  
Consortium  
in Employment

# Disaster Loan Program

- Small Business in LA county
- Working capital assistance
- Loans up to \$150,000
- Submit inquiry at [www.pacelabdc.org](http://www.pacelabdc.org)





## I. Unincorporated Areas of District 1:

Avocado Heights/Basett/North Whittier

Azusa

Bandini Islands

Claremont(portion)

Covina (portion)

East Los Angeles

East Valinda/South San Jose Hills

El Monte(portion)

Industry Islands

Pellissier

South El Monte

South San Gabriel

Valinda

Walnut Park

West Valinda/West Puente Valley

Whittier Narrows

Whittier/Sunrise



Pacific Asian  
Consortium  
in Employment

II. All of Area within boundaries of City of Los Angeles. South LA county which includes below:-

City of Commerce

Bell

Carson

Compton

Culver City

Diamond Bar

El Monte

Gardena

Hawthorne

Huntington Park

Inglewood

Lawndale

Long Beach

Lynnwood

Maywood

Pomona

San Dimas

Southgate

East Los Angeles

Montebello & Monterey park  
(few areas)

# Selena Davis

Senior Vice President/  
Chief Compliance Officer  
**Pacific Coast Regional SBDC**

State Loan Guarantee and Jumpstart Loans



**Pacific Coast Regional**  
Small Business Development Corporation

**The California Small Business  
Loan Guarantee Program**

6/25/2020

Entrepreneurship  
Advantage

A photograph of a man with short dark hair, wearing an orange long-sleeved shirt and a grey apron, leaning over a counter. He is holding a black pen and signing a white document. A woman with dark curly hair, wearing a plaid shirt, is standing behind the counter, looking at the document. The background is a blurred shop interior with various items on shelves and a bulletin board with papers.

## PCR's Mission

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**"...the promotion of community economic development through the delivery of financial and educational services to underserved small business persons and communities".**

- **Maximum Guarantee \$1,000,000, or up to 80% of the loan amount, whichever is less.**
- **Maximum Guarantee term of 7 years; loans and amortization term can be longer.**
- **Interest rate determined by lender**
- **Term Loan and Line of Credit**
- **Funds used for working capital, equipment, business expansion, real estate, other business uses.**



- **Guarantee fee of 2.5% of the guaranteed portion, Document Prep Fee of \$250.**
- **Program adhere to SBA size standards, California businesses with less than 750 employees including all affiliates.**
- **Personal Guarantee required from anyone owning 20%+**
- **Credit History is satisfactory**
- **Collateral is the “best available.”**



## Program Simplicity

### Lender

- ✓ Lender's Pricing
- ✓ Lender's packaging
- ✓ Lender's documents
- ✓ Simple quarterly reporting
- ✓ Two-week turnaround

### Borrower

- ✓ Application ease
- ✓ Can apply with PCR or with Lender
- ✓ Annual reporting on economic benefits
- ✓ Underwriting flexibility



# Default Process



**Lender liquidates and makes demand for the guarantee % of the shortfall**



**Guarantee also covers up to 90 days of defaulted interest**



**Demands paid upon 60-day payment default, or borrower files for bankruptcy**



**Upon successful audit of Lender's file, payment is made within 30 days**



# Monica Guevara

Loan Officer

**CDC Small Business Finance**

Entrepreneurship Advantage Co-Chair

## Discussion

What other capital products  
are you working on for your  
clients / what are their  
capital needs?



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Are your clients reopening?  
What challenges are they  
experiencing as they reopen?

What other tools has your organization used to extend assistance to overlooked businesses during this time?



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# Where do your clients need the most support?



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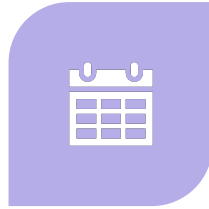
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What resources or strategies  
do your clients need to attract  
customers back to their  
businesses?

# Get Involved



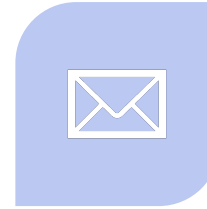
**CONNECT** WITH US ON  
LINKEDIN



**REGISTER** FOR OUR  
NEXT VIRTUAL MEETUP,  
JULY 9



**DONATE OR  
VOLUNTEER**



SEND INFO ABOUT  
YOUR ORG AND  
UPCOMING EVENTS TO  
**[MCRUZ@CAMEO  
NETWORK.ORG](mailto:MCRUZ@CAMEO.NETWORK.ORG)**



## Thank You!

- ▶ CAMEO
- ▶ CIT One West, Bank of the West, and First Republic Bank
- ▶ EA Steering Committee Members
- ▶ EA Network