



Colorado Main Street Loans

General Small Business Purposes

\$5,000 to \$50,000 | Interest Rates Vary Depending on Project

Colorado Lending Source cares about social impact and providing an opportunity for underserved small businesses to access affordable and friendly capital through the Colorado Main Street loan program. One hundred percent of the loans made under this program help a variety of underserved communities with access financing that would otherwise not be available. **As a mission-based non-profit lender, Colorado Lending Source is committed to fostering the economic growth of diverse small businesses within our communities.**

The Problem

- Bank regulations make it challenging to finance startups, therefore, startup and early stage entities have difficulty securing financing on reasonable terms to help start or grow their businesses
- Presumption that an individual's credit score is the sole determinant of creditworthiness
- 28% of startup applicants were not approved for any type of financing
- 69% of applicants had financing shortfall, meaning they obtained less than the amount they sought

The Solution

- Character-based loan program that uses a unique underwriting approach in order to provide funding for businesses unable to obtain traditional financing
- Provide friendly and affordable loans to new and early-stage underserved small businesses in Colorado

Achievements

- 72% of loans were made to startup enterprises (CDFI's typically only make about a third of their loans to startups)
- 40% of loans were made to women-owned businesses
- 35% of loans were made to rural-based businesses
- About 37% of loans were made to businesses located in low-to-moderate income census tracts or CDFI investment areas
- After ten years of history, the loan write-off rate is only 2.9%

The Ask

To help expand funding for the Colorado Main Street loan program:

- Program Related Investments (PRI's)
- Below market interest rate loans
- Personal guarantees to be used as leverage to secure bank financing

Sustainable Development Goals

- Reduce poverty
- Independence, health & well-being through building wealth
- Gender / race. ethnic equality
- Enjoyable work-life balance with sustainable income stream
- Creativity
- Sustainability
- Innovation & infrastructure development
- Reduce inequality
- Sustainable and stronger cities and rural communities

