



## Character Matters When Looking for a Loan

*By Leslie Hoffman, Vice President of Lending and Client Service, ACCIÓN New Mexico · Arizona · Colorado*

Emmy Award-winning documentary filmmaker Lena Carr needed money to buy filmmaking equipment and to travel to Arizona to wrap up work on a video about the life of an 18-year-old Native American man — a project she began when her subject was 6 years old.

The owner of Indian Summer Films turned to ACCIÓN New Mexico · Arizona · Colorado, a nonprofit lender, two years ago for her first loan of \$500. ACCIÓN approved the loan for several reasons, including the social benefits of Carr's chosen profession, which also provides her an income through DVD sales. As collateral for that loan, Carr offered a traditional Navajo dress woven by her mother — a sentimental possession that demonstrated her commitment to her business and her lender.

Carr has returned to ACCIÓN three more times for loans needed for working capital and to distribute her films.

### Nontraditional Lenders are Out There

ACCIÓN is one of several New Mexico-based nontraditional lenders that lend money at competitive rates to small-business people. Since its inception, the community development organization has helped 2,800 small businesses with loans as small as \$200 and as large as \$150,000.

Besides lending money, ACCIÓN provides training and other support services to help people realize their ambitions and be catalysts for positive economic and social change. The organization looks for character: hardworking small-business owners and emerging entrepreneurs who share the organization's values of passion, a pioneering spirit, integrity, commitment to excellence and a history of accountability. ACCIÓN and most lenders also require borrowers to meet basic criteria, including:

**Cash flow:** The lender evaluates the business's monthly income and expenses to determine whether the borrower can cover a monthly loan payment. The organization considers whether the loan will increase the business's income and often works with borrowers to make the most of their financial resources.

**Credit history:** A credit report provides insight into a potential borrower's previous relationships with creditors. The lender reviews the most important elements of the credit report, including the credit score.

**Collateral:** A willingness to pledge items of value to secure a loan until it is repaid is an important indicator of client commitment.

An ACCIÓN loan can be used for a variety of business purposes that promise to improve an individual's financial health. Loans can be used to buy or upgrade equipment, purchase inventory or property or for marketing. If the borrower doesn't meet ACCIÓN's loan standards, the organization will work with him to improve his financial position.

For information about ACCIÓN New Mexico · Arizona · Colorado, visit [www.accionnm.org](http://www.accionnm.org).  
For information about other lenders, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org).

*Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC) and its partners to assist individuals and businesses in obtaining skills and funding-resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org).*

