



NATIONAL
ASSOCIATION FOR
LATINO
COMMUNITY
ASSET
BUILDERS



For Immediate Release

Media Contacts:

Kim Erlichson, 201.463.4243; kim.erlichson@wellsfargo.com
Sharon Garcia, 210.446.4282; sgarcia@nalcab.org

November 14, 2019

[CLICK HERE](#) for Spanish version

NALCAB, LiftFund and Wells Fargo Announce Launch of Largest National Loan Fund for the Growth of Latino-Owned Small Businesses

(SAN ANTONIO, TX) – The Wells Fargo Foundation has made a historic \$10 million grant to NALCAB – National Association for Latino Community Asset Builders – to support growth-oriented lending to minority-owned businesses nationwide through a network of Latino-led nonprofit business lenders. The new *Acceso* Loan Fund is designed to help diverse entrepreneurs scale to a greater size – expanding their revenue, impact on the economy and ability to provide jobs.

By sharing the grant funds equally, NALCAB, LiftFund and each of ten other CDFI (Community Development Financial Institutions) partners in the NALCAB network will be co-owners of the fund. The *Acceso* Loan Fund will provide small business loans in the range of \$50,000–\$500,000.

“The CDFI sector offers few, if any, truly national strategies for deploying capital to the large, fast-growing Latino small business market,” said Noel Poyo, executive director of NALCAB. “No single NALCAB Network lender could have presented this powerful value proposition alone, but collectively, this is the most credible and scalable national investment opportunity available to grant makers and capital providers seeking to invest in Latino small business growth.”

The [U.S. Latino Entrepreneurship Gap Report](#) published by the Stanford Graduate School of Business’ State of Latino Entrepreneurship Initiative identifies scaling, not start up, as the primary challenge for Latino-owned businesses. It states, “Latinos make up 17% of the U.S. population, and 24% of all new entrepreneurs. ... Latinos are actually overrepresented among startups. However, these new business starts ... are not scaling at high rates. Latinos make up only ... 5% of employer businesses with more than \$1 million in annual revenue.”¹

¹ <https://www.gsb.stanford.edu/sites/gsb/files/publication-pdf/report-slei-2018-latino-entrepreneurship-gap.pdf>

The fund will engage in two related lines of business:

- 1) Lending directly to small businesses that have been referred by members of the NALCAB Network that provide small business development services, targeting an average loan size of \$160,000.
- 2) Purchasing portfolios of small business loans, of similar size and character, from NALCAB Network lenders.

“Small business growth requires greater collaboration and innovation when it comes to access to capital,” said Brandee McHale, president of the Wells Fargo Foundation. “NALCAB and its partners have created a first-of-its-kind loan fund that truly establishes a national network of lenders looking to help smaller companies grow to the next level. We hope that our grant inspires others to join the fund and shows entrepreneurs that we believe in them and their growth potential.”

The \$10 million grant is part of Wells Fargo’s [Diverse Community Capital](#) program, a five-year initiative to grow diverse small businesses, and it is the largest grant to date within the program.

In 2018, with critical support from the Surdna Foundation, NALCAB developed the concept for the *Acceso* Loan Fund based on experience structuring and managing collaborative business models among its Network members. NALCAB worked closely with LiftFund to develop financial modeling and an operational approach for the Fund. Thereafter, NALCAB invited ten CDFI business lenders in the NALCAB Network to join this effort. The Wells Fargo Foundation provided initial financial support of \$200,000 for the legal structuring and systems development to help make the concept a reality. With the additional \$10 million grant from the Wells Fargo Foundation, the *Acceso* Loan Fund now has its first round of equity to kick off the initiative. Over the next year, the NALCAB participating network members will raise debt capital to expand the fund to a total of \$30 million.

Over the course of the first three years, the *Acceso* Loan Fund will deploy more than \$27 million in loans, supporting the growth of approximately 186 small businesses, producing more than 500 jobs. More than 60% of the borrowers will be Latino, and more than 80% will be minorities. More than 60% of the borrowers will be to businesses with less than \$1 million in annual revenue.

The NALCAB Network includes more than 45 organizations that provide culturally relevant lending and small business development services to diverse business owners and aspiring entrepreneurs. In addition to NALCAB and LiftFund, the following 10 NALCAB Network business lenders, all certified CDFIs, will participate as equity holders of the Fund.

- Opportunity Fund (CA)
- Latino Economic Development Center (DC and MD)
- FINANTA (Philadelphia region)
- Bankers Small Business CDC of California – an affiliate of CDC Small Business Finance (CA)
- Fondo Adelante – an affiliate of Mission Economic Development Agency (San Francisco)
- Préstamos CDFI – an affiliate of CPLC (AZ, NM, AZ, TX)
- Rural Community Development Resources (Yakima County, WA)
- Colorado Housing Enterprises – an affiliate of Community Resources and Housing Development Corporation (CO)
- TRP Lending – an affiliate of The Resurrection Project (Greater Chicago)
- Impacto Fund – an affiliate of Hispanic Economic Development Corporation (Kansas City region, MO & KS)

About [NALCAB](#)

NALCAB is a national, nonprofit membership organization and U.S. Treasury-certified CDFI with a mission to strengthen the U.S. economy by advancing economic mobility in Latino communities. NALCAB achieves its mission by strengthening and coordinating the capacity of the more than 120 nonprofits in its national member network to deploy capital, and by influencing investors and policy makers with research, advocacy and technical advice.

About [LiftFund](#)

LiftFund is a nonprofit small business lender based in San Antonio, TX that helps new and existing entrepreneurs grow their businesses in 13 states. LiftFund is a certified CDFI and a NALCAB Member. Established in 1994, LiftFund now has over \$60 million in business loans under management and provides loans ranging from \$500 to \$5.5 million. In 2007, LiftFund began providing underwriting and loan services to other lending institutions nationwide.

About [Wells Fargo](#)

Founded in 1852 and headquartered in San Francisco, Wells Fargo & Company (NYSE:WFC) provides banking, investment and mortgage products and services, as well as consumer and commercial finance, through 7,500 locations, more than 13,000 ATMs, and the internet (wellsfargo.com). With approximately 261,000 team members, Wells Fargo serves one in three households in the United States. With its corporate philanthropy, Wells Fargo aims to pave a path to stability and financial success for underserved communities by focusing on housing affordability, small business growth, and financial health, among other local community needs. In 2018, Wells Fargo donated \$444 million to nearly 11,000 nonprofits. News, insights and more information on the company's overall corporate responsibility are available at Wells Fargo Stories and www.wellsfargo.com/impact

###