two decades of grassroots economic development
On Sunday, May 25, 1986, Sr. Marie Luisa Vasquez of the Adrian Dominican Sisters was among thousands of New Mexicans—and an estimated 6.5 million Americans—who participated in “Hands Across America.” It was both a charitable benefit and a publicity campaign, during which the participants held hands in a human chain across the United States, that raised $34 million to fight hunger and homelessness and help those in poverty. The dramatic event was the spark that ignited formation of The Loan Fund.

The New Mexico Conference of Churches applied for and received a grant from “Hands Across America” to form a committee to study how best to alleviate poverty in our state. Sr. Marie Luisa, who was then working as a pastoral assistant at Albuquerque’s Church of the Risen Savior, served on that committee. Its members traveled around New Mexico, consulting with a wide variety of people about the possibility of setting up a non-profit loan fund to help low-income people start a business, or become successful with an existing enterprise.

When it was clear that the idea was indeed feasible, The Loan Fund was organized and Sr. Marie Luisa was among several committee members who were invited to serve on our first Board of Directors. She remained on our Board until she retired two decades later.

Why did she say “yes” in the first place? “I was very interested in poverty issues and was looking for an activity that would further the mission of my Congregation—to promote peace and justice,” she says now. “It was a way to do something that was more than just putting a band-aid on the problem. It was giving people a hand up instead of a handout.”

And why did she stay on our Board for two decades? Sr. Marie Luisa saw herself as a representative of the interests of the Adrian Dominican Sisters, who gave us our first donation and an early loan that was renewed in subsequent years. However, she was also very convinced in the vision of The Loan Fund; we always did what we said we were going to do. We’ve given a lot of people a start in doing something for themselves and others: they start a business, and then they hire employees.”

“We were becoming the truly public servant that we were called to be.”

We thank you, Sr. Marie Luisa, for your vision, your steadfastness, your dedication and your guidance over your two decades of service. You helped us remain ever mindful that everything we do must serve the people that The Loan Fund was called to serve in 1989.
Among the many who have worked to improve life in New Mexico was a group of dedicated people of faith associated with the New Mexico Conference of Churches. A special task force had been meeting regularly on economic disparities since 1987, when New Mexico was ranked Number One in poverty in the United States. Inspired by a vision of ending indigence in our state, they established The Loan Fund—and several other non-profit organizations—in 1989.

Two decades later, we feel privileged to bring you a visual record of The Loan Fund’s impact over 20 years of lending, which acknowledges the rich and historical presence we have had in shaping today’s New Mexico.

As you view this information, you will very likely recognize friends, relatives, co-workers or colleagues who have been impacted by our lending, or who have actually worked with us to make New Mexico a better place.

How can we account for this remarkable record of sustainability? The answer is that these organizations—including The Loan Fund—have not strayed from their core missions. And based upon the current economic situation in this country, our own mission has never been more important than it is today.

Since the economic “tsunami” of 2007, which included a Wall Street melt-down, denial of credit and steep reductions in return on investments, The Loan Fund has taken on a more prominent role of “financial doctor” and “economic shock absorber” for small businesses and non-profits in our state. Because our lending helps create and preserve jobs for hard-working New Mexicans, we enhance the economic status of the communities in which our clients live.

With a cumulative total over two decades of more than $43 million in loans to small businesses and non-profits, and a loan repayment rate of 97.5%, we have helped create or preserve over 6,000 badly-needed jobs in New Mexico. We hope and expect to continue acting as the “public servant” that founding Board member Sister Marie Luisa Vasquez visualized in 1989.

F. Leroy Pacheco
President & CEO

James A. Byrd
Board Chair

The Loan Fund is the most experienced alternative lender in New Mexico. We are a Small Business Administration micro lender and manage Bernalillo County’s $1 million Revolving Loan Fund. Since 1989, we’ve helped hundreds of good people learn, grow, and succeed—creating sustainable businesses and non-profits and thousands of jobs. We pride ourselves on the diversity of our clients—63% of our loans have been to minority-owned businesses and 47% have been to women-owned businesses. Our goal: diverse, thriving communities throughout New Mexico, including Indian country!
ORGANIZATIONS CREATED BY NEW MEXICO CONFERENCE OF CHURCHES IN 1989

The New Mexico Conference of Churches created several non-profit organizations in 1989, all of which were tasked to play varying roles in alleviating poverty in New Mexico. Remarkably, two decades later, all of these organizations are still in operation:

- NM Community Development Loan Fund - Alternative Lender
- Second Harvest - Food Bank
- Habitat for Humanity - Affordable housing
- Encino Houses – Senior housing
- The Storehouse - Free food and clothing
- Samaritan Counseling Center - Faith-based counseling

THE LOAN FUND’S FIRST SIX LOANS IN 1990

Given the difficult economic conditions in New Mexico, it is also remarkable that five out of our six first clients are still in operation:

- Peacecraft, Albuquerque (still operating)
- Tierra Madre Organic Garden, Ojo Caliente
- Santa Fe Housing Authority (still operating)
- Working Classroom, Albuquerque (still operating)
- Women’s Housing Coalition, Albuquerque (still operating)
- Tierra del Sol Housing Corp, Las Cruces (still operating)
1987... The New Mexico Conference of Churches brings together a diverse group of individuals to discuss the serious issue of poverty in New Mexico.

1989... The New Mexico Community Development Loan Fund is incorporated, receives its first investment from the Adrian Dominican Sisters, and hires its first Executive Director.

1990... The first six loans are made; the very first one is given to Tierra Madre Organic Garden for $3,000. Capitalization reaches $350,000.

1991... St. Elizabeth’s Shelter receives The Loan Fund’s first loan to benefit the homeless.

1992... Farmer’s Home Administration awards a $291,000 grant for rural development.

1993... The Loan Fund hires its first full-time Loan Officer and the loan pool reaches $1 million.

1990–1995
Albuquerque Southwest Creations Collaborative
Empowering Women to End Poverty

One of The Loan Fund’s oldest continuing clients, Southwest Creations Collaborative is a not-for-profit contract manufacturing business for wholesale and retail customers. Founder Susan Matteucci has an ambitious social mission for SCC: to end poverty for immigrant and low-income women and their families and create intergenerational wealth. Employees have opportunities to learn such marketable skills as sewing, embroidery, packaging and tile work—and receive better than a living wage. Overall, about 200 families have benefited.

Over time, SCC has added such services as on-site childcare, English, citizenship, computer and GED classes, and healthcare support. A new program, Buena Fe, encourages parents to become involved with their children’s schools.

The Loan Fund has been a consistent partner, providing loans and credit for expansion. With 25 employees, SCC’s recent annual revenues are $850,000.

Flora “Flor” Lopez is a shining example of SCC success. Married with two daughters, she had excellent accounting skills but knew very little English and was employed in a job that didn’t pay the bills. At SCC, she stayed connected to her children—cared for in the company’s day care center—until they were old enough to start elementary school. Early on, Flor became a department manager, acquiring valuable leadership skills. Recently, she has assumed new responsibilities to manage the Buena Fe program. Her daughters became outstanding students; the oldest is in college, studying nuclear engineering.

“Being here has changed my life 100%,” says Flor. “I always tell the women who come to work here that they can learn new skills and learn that they are equal to men.”

“We would not exist if The Loan Fund did not help support us,” Susan Matteucci says. “Anytime we needed money to grow, The Loan Fund has stepped up to the plate. The Loan Fund really ‘puts its money where its mouth is’ when it comes to lending for change and working with non-profits.”

Flor Lopez and Susan Matteucci
Based in Bernalillo County’s unincorporated South Valley, the non-profit Rio Grande CDC was created in 1986 to articulate community concerns about the neglect of the area’s infrastructure, environment, and economic development.

In 2000, The Loan Fund granted RGCDC a $110,000 loan to purchase and renovate a 17-year-old building for its headquarters. In 2005, when RGCDC moved its offices into the business incubator, Andru rented the space for his new non-profit medical clinic, Casa de Salud.

Because the clinic charges only $30 per office visit while providing excellent care, the patient load topped 11,000 in 2010. The numbers are projected to increase dramatically in the years ahead; therefore Andru is leading a multi-year $900,000 campaign to enlarge the clinic at its current location. He is also fostering new businesses by sub-leasing space to other health practitioners.

Callie Tolman’s fledgling catering enterprise, Make My Lunch, received a boost from the business incubator’s 3,500 sq-ft commercial kitchen, which has given dozens of start-up food entrepreneurs a cost-effective way to test market their cooking skills and culinary creations.

When Make My Lunch outgrew the incubator in just under a year and she realized that she needed a mobile unit, Callie was referred to The Loan Fund and we lent her $12,000 to purchase a truck.

The results? Make My Lunch is now part of a new venture, Curbside Cuisine. Small, independent, mobile food vendors set up shop every Wednesday behind a popular Asian market, offering their products to a broader public. “Buying the truck was the best thing that could have happened for my business,” Callie says. “The Loan Fund helped me get to the next level.”

“We have a number of clients in common with The Loan Fund,” Tony Gallegos points out, “and we are discussing ways to get even closer programmatically.”

1996–2000

Bernalillo County/South Valley
Rio Grande Community Development Corporation:
*The Voice of an Underserved Community*

1993… The Loan Fund takes the lead in Albuquerque’s Pocket of Poverty Community Reinvestment Act Campaign.
First Security and Norwest Banks commit $5.5 million for lending in low-income communities.

1994… A three-year grant from the Small Business Administration allows for the beginning of a pre-loan counseling program for small business.
Loan capitalization exceeds $1.4 million.

1995… Internal Technical Assistance Department is established.
A $600,000 Urban Development Action Grant from the City of Albuquerque for lending in the Pocket of Poverty area and $1 million in Program Related Investment funds from the Ford Foundation are received.

1996… A joint branch office with WESST is opened in Roswell.
Three Catholic nuns working in southern New Mexico envisioned building a community with affordable, environmentally sustainable housing for low-income people. When Sisters Joan Brown, Jean Miller and Jean Durel founded Tierra Madre Land Trust in Sunland Park with 18 local families in 1995, they translated this vision into reality and changed many people’s lives for the better.

Across the Rio Grande from El Paso, Sunland Park has a population of 15,000. The federal government designated it a colonias community because of its proximity to the U.S.-Mexico border, low income levels and wages, environmental problems, and little access to affordable housing.

Undeterred by such challenges, Tierra Madre first leased 20 acres from the New Mexico State Land Office. Sunland Park subsequently annexed the property to provide access to its sewer and water systems. Residents constructed a 6,500 sq-ft. playground. In 1998, The Loan Fund converted a $500,000 low-interest loan from Catholic Health Initiative into a line of credit, allowing Tierra Madre to build 30,1536 sq-ft. straw-bale homes (straw bales are the insulation of choice due to their very high energy efficiency).

Construction costs then were $24,000 per unit ($70,000 currently) because residents contribute much of the labor. Tierra Madre now boasts 38 homes.

Retirees Augustin and Ramona Ruiz are two examples of how lives have been changed at Tierra Madre. When the couple first arrived, they were coping with serious health problems. Through a jobs program sponsored by Goodwill Industries, Augustin became the gardener and Ramona the maintenance person. With renewed purpose, their health has dramatically improved.

What does the future hold? The Sisters have retired, and Executive Director Cece Rodriguez envisions Tierra Madre becoming a self-sustaining enterprise—with residents eventually taking over all management functions. The Loan Fund has consistently been a “good friend,” Cece says. “They have always supported us when we needed help—almost like the big brother looking after the little brother.”

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1996–2000
Sunland Park
Tierra Madre Land Trust:
Affordable Straw-Bale Homes (& More) in a ‘Colonias’ Community

1996… $950,000 in loans are made to 39 clients.

1997… The first year in which total annual lending exceeds $1 million.

1998… A $300,000 grant from Hitachi Corp. funds the Rural Livelihoods Initiative, a partnership with the New Mexico Community Foundation.

1999… Capitalization surpasses $7.3 million.

2000… Total lending reaches almost $3 million.

A listening session with Treasury Secretary, Lawrence Summers, and Housing and Urban Development Secretary, Andrew Cuomo, about barriers to lending in Native American communities, is hosted.

The first decade of lending results in cumulative $67 loans made, totaling more than $10.3 million, which have helped to create or preserve 1,775 jobs in New Mexico.
Crownpoint Holtsoi Trucking: Success and Independence - One Mile at a Time

In 2003, Erwin Holtsoi was ready to start his own trucking business from his home in Crownpoint, NM. Erwin qualified for the Navajo preference contracts list to haul hay, corn, and potatoes for NAPI, Navajo Agricultural Products Industry. All he needed was a truck and trailer – but how could the vehicles be financed?

Erwin and his wife, Marilynn, proud parents of two young children, found the answer when they met our Loan Officer, Cathy Sorenson, at a local small-business lending forum. “Cathy sat with us and listened carefully to what we needed,” Marilynn remembers. “I explained to them that they would need a business plan and a reliable cash flow projection,” Cathy says.

Marilynn, a Bureau of Indian Affairs caseworker, had never before prepared such material. Nevertheless, she went home and put together what Cathy calls “one of the more thorough loan packages I’ve ever been given. They had a very clear vision of what they wanted to do and how to get there.”

In 2003 we awarded Erwin and Marilynn their first loan to purchase a pre-owned truck and flatbed trailer to officially start their business. They paid the loan off six months early. When Erwin increased their income by making longer hauls of lumber and rebar from Arizona, he realized he needed a more reliable truck.

In 2007 we provided a second loan to buy the needed vehicle. “I’ll never forget that day when I went with Erwin and Marilynn to the Peterbilt dealership so that they could take possession of their shiny red truck,” Cathy recalls. “The purchase made such a difference in their lives. They would no longer worry about Erwin breaking down on the road.” In 2011, we awarded a third loan to facilitate buying a newer trailer for the truck.

The couple manages their business well and continues to be successful. “They have such an outstanding work ethic, and have achieved a balance between business success and taking care of family,” Cathy says.

“We never would have realized our dream without The Loan Fund,” Marilynn asserts.

2001–2005

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<thead>
<tr>
<th>Year</th>
<th>Events</th>
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<tbody>
<tr>
<td>2001</td>
<td>A satellite office is opened in Gallup.</td>
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<td></td>
<td>Native American initiatives begin. The Loan Fund, with $200,000, matches a $100,000 loan from Laguna Pueblo, to make its first loan to a Laguna Pueblo member-owned enterprise, Turquoise Lady, in Albuquerque’s Old Town.</td>
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<td></td>
<td>Technical Assistance services are expanded in southern New Mexico with Las Colonias Project and the Dream Team Initiative, a two-year pilot program providing T.A. to non-profits.</td>
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<td></td>
<td>15 loans for over $558,000 are made to non-profits.</td>
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<tr>
<td>2002</td>
<td>The U.S. Treasury’s Community Development Financial Institutions (CDFI) Fund invests $1 million with The Loan Fund. Bank of the West and Dakota Foundation become first-time investors.</td>
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<tr>
<td></td>
<td>The Loan Fund makes 79 loans totaling more than $2.78 million.</td>
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Josie and Charlie Pflieger raised their three grandchildren here. Retiree Judy Gallegos found an active, involved community here. “Here” is the Sawmill neighborhood, a former industrial area north of Albuquerque’s Old Town. Under the leadership of executive director Debbie O’Malley, and her successor, former Loan Fund employee Connie Chavez, the non-profit Sawmill Community Land Trust is developing an impressive array of affordable housing for low-and moderate-income families and supporting the growth of a vibrant community.

Since 1999, Sawmill CLT, in partnership with the City of Albuquerque, has been transforming 27-acres of abandoned, damaged land, the grounds of a former lumber company, into Arbolera de Vida (Orchard of Life), an inclusive, multi-generational community. It currently boasts 85 homes of varying sizes; two apartment complexes, the Sawmill Lofts with 60 live/work units and Villa Nueva Senior Apartments with 46 units; and various community amenities, including a playground, dog park, and plaza. Future plans include a one-acre community garden and commercial development projects.

In 2004, with financing from The Loan Fund, Sawmill CLT purchased a 7-acre property neighboring Arbolera de Vida to further advance the area’s revitalization. Construction on the first development phase of Sawmill Village began in 2010 with The Artisan at Sawmill Village, a two-building, three-story complex with 62 rental units and 16 ground-level commercial spaces.

Sawmill CLT’s relationships with residents, neighbors, city government, and with partner organizations and funders have been critical to its success. The Loan Fund has been an invaluable partner since 1998, extending over $1 million in financing for operating capital, land acquisition and real estate projects. In 2007, Loan Fund staff participated in the community’s one-day playground build with over 150 other volunteers. “Our relationship goes beyond financing—it’s about a shared mission of self-reliance and community control,” Connie Chavez notes.

The Pfliegers and Judy Gallegos cherish their community. “We know each other pretty well,” Josie offers. “It’s a safe place.” Judy sums it all up, saying, “...there’s no other place like this.”

2003… The Loan Fund begins administering the Santa Fe Small Business Development Loan Fund.

Artisan Entrepreneurship Workshop Technical Assistance series begins at the Navajo Co-op in Thoreau, NM (and runs for three years).

Since 1990, cumulative lending exceeds $16.5 million.

2004… New Mexico Small Business Investment Corporation (NMSBIC) approves its first investment with The Loan Fund of $1.5 million in loan capital.

U.S. Small Business Administration awards The Loan Fund a $150,000 grant to provide outreach and technical assistance to two rural, underserved areas: the Colonias region in Doña Ana County and Native American communities.

Technical Assistance Department staff log 1,638 hours working with clients.

Under contract with the City of Albuquerque, the staff creates financial literacy curriculums related to Individual Development Account (IDA) requirements for small business owners and consumers.
STATEMENT OF FINANCIAL POSITION

ASSETS

- Cash and Cash Equivalents: $4,117,689
- Restricted Cash: 614,848
- Accounts Receivable: 238
- Grants and Contracts Receivable: 211,924
- Interest Receivable: 51,470
- Prepaid Expenses: 6,684
- Microenterprise Loans Receivable (Net of Loan Loss Allowance of $564,975): 10,734,534
- Building and Equipment (Net of Accumulated Depreciation of $159,155): 450,818

Total Assets: $16,188,205

LIABILITIES

- Accounts Payable: $11,227
- Accrued Payroll Liabilities: 68,340
- Accrued Other Liabilities: 1,508
- Accrued Mission Partner Interest Payable: 14,636
- Deferred Revenue: 376,000
- Cash Held for Others: 501,261
- Secured Debt: 8,468,828
- Notes Payable: 4,600,885

Total Liabilities: $14,042,685

NET ASSETS

- Unrestricted: $2,018,092
- Permanently Restricted: 126,965

Total Net Assets: $2,145,057

Total Liabilities and Net Assets: $16,187,742

STATEMENT OF ACTIVITIES

OPERATING SUPPORT AND REVENUE

SUPPORT AND CONTRIBUTIONS

- Unrestricted: $14,850
- Grants: 541,957

Total Support and Contributions: $556,807

OPERATING REVENUE

- Lending Program Interest: $790,022
- Other Lending Program Income: 86,638
- Investment Interest and Dividends: 38,717
- Other Revenue: 2,732
- Loan Recovery: 18,704

Total Operating Revenue: $936,813

Total Operating Support and Revenue: $1,493,620

EXPENSES

- Program Services: $912,275
- Fundraising: 114,842
- Supporting Services: 235,098

Total Operating Expenses: $1,262,215

Change in Net Assets from Operations: $231,405

2010 SUPPORT AND REVENUE

- 58.7% Lending Income
- 36.3% Grants
- 2.5% Investment Income
- 1.3% Loan Recovery
- 1.0% Contributions
- .2% Other Revenue
21 Year Milestones:
- $43+ Million in Loans Made Since Inception
- $10.8 Million in Loans Outstanding
- $16.2 Million in Total Assets
- 97.5% Loan Repayment Rate
- 82% + Sustainability Rate
- 6,000+ Jobs Created and Preserved

Financial Milestones:

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans Outstanding</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$5,600,000</td>
<td>$10,700,000</td>
</tr>
<tr>
<td>2010</td>
<td>$11,500,000</td>
<td>$16,200,000</td>
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</tbody>
</table>

Sustainability Rate:

\[
\text{Sustainability Rate} = \frac{\text{Loan Portfolio Income} + \text{Investment Income}}{\text{Total Operating Expenses}}
\]

Total Amount of Loans Booked vs. Net Writeoffs (over two decades of lending)

- 97.5% Total Amount of Loans Booked
- 2.5% Net Writeoffs

President & CEO of The Loan Fund, F. Leroy Pacheco, named:
- Small Business Administration Financial Services Champion for 2011
- Minority Business Development Agency National Access to Capital Award for 2011
As a boy, Raul Aboytes helped his mother Lucia feed hungry customers in her late-night, one-room restaurant in Querétaro, Mexico. Little did he realize he would carry Mama Lucia’s legacy to New Mexico.

Leaving home at age 18, Raul worked in a variety of jobs, moved to Santa Fe, married, began raising a family, and decided to improve his standard of living. Noticing that his fellow immigrants flocked to Mexican food carts stationed near the airport, Raul looked for start-up funding for one of his own. Another Mexican family referred him to us in 2006.

With our $15,000 loan, Raul purchased a cart and started selling “something I really knew how to make and other people didn’t:” tortas, a meat sandwich served on a crusty, oblong white sandwich roll.

Raul used Mama Lucia’s meat marinade recipes, the tortas began “selling like crazy,” and he had to enlist his cousin to help. Inspired to open a restaurant, he asked us again for assistance. Our second, $31,000 loan in 2009 helped Raul pay off the first loan in full and launch Jalapeño’s.

Two local newspapers published favorable reviews, which helped attract a broad cross-section of the community. Raul says his customers appreciate both Mama Lucia’s recipes and the high-quality products he uses. He consistently strives to improve his menu offerings, regularly traveling to Mexico to search for new ideas and recipes.

The restaurant and the food cart employ six people (Raul’s wife, Janet, also assists him), and he is clearly proud of his accomplishments. “We pay taxes. It makes me feel good that we are doing something for the economy. I’ll never be rich, but I have things I never would have had.” He eventually hopes to open a second food cart and another restaurant.

Raul is grateful to The Loan Fund for supporting his dream of financial independence. “We were broke when they gave us the loans, and we’ve paid them back. Without them, we wouldn’t be here.”
84-year-old Margaret “Peg” Aker was in difficult straits after her husband died in 2004: grieving and coping with diabetes, she was increasingly unable to take care of herself, had no children, and her only nearby relatives were an older sister and a niece.

Fortunately, Peg was referred to Millie’s Center, an assisted living facility in Silver City. Owned by retired Arizona attorney and judge Carley Preusch, Millie’s was named for the generous and charitable Madame of a brothel who—ironically—had once been married to Peg’s husband!

Carley had moved to the picturesque mining town to be near her son. A complex set of circumstances led her to purchase an assisted living facility that was going out of business.

Carley knew nothing about the field initially, but has made Millie’s a success. Beginning with a handful of clients, she built a second, handicapped-accessible bathroom to accommodate 16 residents; and now accepts Medicaid patients and “respite” clients who come for the day.

People are attracted by the warm environment where the residents eat all their meals together, celebrate holidays and birthdays as a group (along with their families), and keep busy with a broad range of activities both inside the home and out in the community.

Peg Aker’s life has certainly turned around. “Carley’s great,” says Peg. “She’s good to everybody here. I wouldn’t want to be anywhere else.”

Carley has obtained two loans from us. The first was for $177,000 to pay off an interest-only mortgage on the property. “We had exhausted all local resources. The Loan Fund provided invaluable help.” Our second loan for $56,000 allowed Carley to purchase half a city block next to Millie’s. “We were already using it as a garden and walkway. I want to make a nice park for our residents.”

Carley’s future plans include creating both a new assisted living facility on the property and an independent living facility nearby, “so that people can age in place.” We have no doubt that she will realize her vision.

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**2007**

A Memorandum of Understanding is signed to mentor and provide training for the founders of the Bik’eh Hozho loan program for Navajo-owned businesses in Tuba City, Arizona.

The City of Santa Fe renews the contract with The Loan Fund to manage the Santa Fe Small Business Development Loan Fund. To date, 48 loans totaling over $850,000 are made, creating and retaining 169 jobs in the Santa Fe area.

The New Mexico SBIC extends an additional $2 million in capital, bringing the total to $3.5 million for lending in New Mexico.

**2008**

Another $2 million from New Mexico SBIC is received, bringing their total commitment to over $5 million and making The Loan Fund their single largest alternative lending partner in the state.

The Loan Fund’s articles, distributed by Finance New Mexico, are published in over 30 newspapers throughout the state and provide valuable free advice to entrepreneurs and small businesses on a variety of topics.

The Loan Fund serves as co-host for the Opportunity Finance Network’s annual conference in Albuquerque.
Tommy Padilla does not have a lot of time on his hands. He works full time for the state Livestock Board and owns a 2,000-acre cattle ranch near Quemado (population 781). But he saw an opportunity to provide a needed service to the traveling public.

In recent years, however, Tommy noticed that people were avoiding the interstates “due to the heavy volume of truck traffic and high speeds. Our traffic counts now are the same or a little more than when I-40 was built.” He calculated that the growth in traffic meant a greater demand for motorist services. The nearest gas station with a convenience store is 30 miles away.

With $150,000 of his own money, Tommy bought, cleared and cleaned an abandoned property with an existing building, hooked up power, water and sewer lines, laid down a cement pad for a parking lot, and installed an ATM machine. But he needed to make a substantial additional investment to purchase gas pumps and create a well-stocked, spacious and attractive 3,000 sq-ft. convenience store. That’s when The Loan Fund became involved.

We awarded Tommy a $350,000 SBA 504 loan, which is specifically designed to help a business purchase buildings and equipment. It was one of the first (and very successful) 504 loans we made. Now employing five people, Quemado Rito grossed $1.8 million in its first 18 months of operation and serves an average of 250-450 people each day. The ATM machine alone receives 400-600 “hits” each month.

Tommy feels he’s made a positive impact. “People are feeling better about Quemado. But I didn’t do it all by myself.” He credits his family and The Loan Fund: “They take on riskier loans, including start-ups.”

Quemado is on Route 60 in rural western New Mexico. For decades, the community supported five gas stations and four restaurants, serving travelers heading to and from Arizona and California. But after east-west Interstates 10 and 40 were built in the 1960s, Quemado experienced a slow decline.

In 2009... The Loan Fund makes 85 loans totaling almost $6.5 million.

In partnership with the University of New Mexico’s Bureau of Business and Economic Research, a socio-economic market survey and measurement tool designed to address the business needs of micro-entrepreneurs in rural New Mexico is produced. Tool is made possible with $68,069 CDFI grant.

A pilot project to test new technical assistance services and delivery models in northern New Mexico is developed under a U.S.D.A. Rural Business Grant.

The 20-year anniversary celebration is held at the Albuquerque Museum, where the creation of the Sister Maria Luisa Fund is announced.

New Mexico SBIC approves a $7.5 million line of credit. Five-year partnership with the agency has resulted in $13 million in cumulative loans to almost 300 businesses statewide.

Since 1989, 1,000 loans are made throughout New Mexico totaling $34 million, with 5,188 jobs created or preserved.
The YMCA was founded in 1844 to put the Christian principles of respect, honesty, caring and responsibility into practice, while working to strengthen the spirit, mind and body of its members. Over time, its programs have expanded steadily to meet social and community needs. Today, it is the largest provider of child care services in the U.S.—and in our state—and is open to people of all faiths.

In recent years, the Santa Fe branch had been sharing space with another non-profit, providing essential after-school child care services in three elementary schools. As the needs of the community grew, the “Y’s” leaders realized that Santa Fe needed a separate physical space. Starting with $110,000 of their own funds, in 2009 they asked The Loan Fund for an additional $580,000 for capacity building: to purchase and furnish a new 5,000 sq-ft. preschool.

After the school opened, the demand for children’s services increased. Currently, about 91 youngsters are participating in the after-school program in five schools, while 46 kids (18 months to pre-kindergarten) are enrolled in the pre-school program. The “Y” is already considering more expansion.

The staff of 14 works with the youngsters in an environment filled with books, toys, games and computers. Children are encouraged to spend as much time outside as possible to develop outdoor playing skills. Parents are integrated into their children’s learning experiences.

Finances are never a barrier to participation. “Unlike other day care providers, we provide financial support, up to 50 percent of day care fees,” Executive Director Doug Nakashima says.

Santa Fe families are clearly the beneficiaries. “We could not have done this without The Loan Fund and their belief in the YMCA and our mission,” Doug adds.

2010… Since 1990, over 1,300 loans are made throughout New Mexico totaling more than $41.5 million, with 6,000 jobs created or preserved.
Loan portfolio tops $11 million, and cumulative lending reaches $41.5 million.
The Loan Fund becomes the Small Business Administration’s newest micro-lender in New Mexico, receiving a first-ever $750,000 CDFI special award to increase lending to small business.
The Loan Fund begins managing Bernalillo County’s $1 million Revolving Loan Fund, created with $500,000 contributions both from the County and from The Loan Fund.
The Loan Fund begins making SBA 504 loans to small businesses so that they may purchase fixed assets, such as real estate or equipment.

2011… Cumulative lending exceeds $43 million.
We are grateful to the many foundations, government agencies, banks, faith-based organizations and individual donors that have invested in our organization. Their generosity has provided us with funding for lending and credit over the past two decades. We could not have exceeded a cumulative loan total of $43 million without their continuing faith in us and our work.

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