



**Duration of the program: Forty-eight (48) hours over twelve (12) weeks period,
September 14-December 14, 2019**

WEEK 3: Saturday: September 28, 2019, 9:00 AM to 1:00 PM

Course 3: Personal Finance

Presenters:

09:00 Week 3 Opening Remarks	Mrs. Ellen Hill, Department Head, Planning & Urban Development, City of Monroe, LA
09:05 Introduction to Week 3	Eric Porter, Program Creator, ComNet, LLC
09:15 Louisiana Small Business Development Center – University of Louisiana, Monroe	Virendra Chhikara, Director
09:45 Coffee Break	
09:55 Personal Finance	LaVon Burbank, Woodforest Bank
11:15 Credit Score Enhancement	Joey Rocha & Michael Roberts, Rent Accelerator
12:30 Study Guide Overview	Sung No, Co-Director, Southern University EDA University Center
12:45 Next Week Review	Eric Porter, Program Creator, ComNet, LLC



Who We Are

Virendra Chhikara

Christina Davis



presented by the

Louisiana Small Business Development Center at the University of Louisiana-Monroe

A partnership program with the U.S. Small Business
Administration, Louisiana Economic Development and
participating universities

Who We Are

- Louisiana's principal provider of small business assistance
- Hosted by University of Louisiana at Monroe
- Funded by U.S. Small Business Administration and Louisiana Economic Development
- Accredited member of the National Association of Small Business Development Centers



LSBDC Consultants



Virendra Chhikara

Director

- MBA from the University of Louisiana at Monroe in 2009.
- Expert in strategic planning, international trade, and business valuation



Christina Davis

Business Consultant

- More than 10 years of business management and entrepreneurship experience.
- Expert in financial planning, market research and developing growth strategies.



Daryl (DJ) Fortenberry Jr.

Special Projects & Community Outreach Advisor

- More than 10 years of business management and entrepreneurship experience.
- Expert in Branding, Marketing, and Strategic Marketing for small businesses and entrepreneurs.

What We Do

We provide small businesses with:

- No-cost business consulting
- Low cost entrepreneurial training
- Business resources
 - Market research and industry statistics
 - Support tools and templates

How We Help Small Business

We provide cutting-edge and contemporary business solutions to help businesses start and grow in Northeast Louisiana by:

- Developing startup and growth strategies
- Establishing targeted sales plans
- Finding efficiencies
- Preparing loan packages
- Reviewing and analyzing financials

Our Specialty Services

Our Specialty Services aim to help established businesses expand, prepare for the future, and manage uncertainty.

- Business to Business Readiness
- International Trade
- Technology Commercialization
- Risk Management & Emergency Preparedness

Our Entrepreneurial Training

- Start Up Assistance
- Business Plan Writing
- Marketing and Sales
- Financing and Capital
- Managing Business
- Business Continuity Planning
- Risk Management
- Tax Resources
- Cash Flow Management
- Business Accounting
- Government Contracting
- International Trade
- Human Resources
- QuickBooks
- Rural Business Development
- Social Media Marketing

The LSBDC at ULM has counseled over 1,200 small businesses and aspiring entrepreneurs. More than 2,200 have received entrepreneurial training.

Client Results*

Business Starts	24
Jobs Created	360
Jobs Saved	184
Loans Obtained	\$24 Million
Total Capitalization	\$28.23 Million
Capital Per Client	\$44,951

*Data based on the past year period from 9/30/2015 – 10/1/2018.

Source: LSBDC Analysis – clients with recorded impact.

What You Can Do For Us

- Join the ranks of other advocates in your community who tell businesses about our no-cost services
- Refer business owners (future or existing) to our center
- Communicate our events to community networks

COMMUNITY ADVOCATES SLIDE

How to Find Us

**700 University Ave., Stubbs Hall 250
Monroe, LA 71209**

(318) 342-1224

www.lsbdc.org



[Facebook.com/LSBDCULM](https://www.facebook.com/LSBDCULM)





Financial Capacity Training

with

Neighborhood Developers

Kimberly Lavon Burbank, LA CDRM September 28, 2019 - Monroe, LA

Agenda

- | | |
|---------------------------------|------------|
| 1. CRA History | 5 Minutes |
| 2. Relationship Building | 10 Minutes |
| 3. Financial Capacity | 15 Minutes |
| 4. Woodforest Business Services | 5 |
| 5. Contact | |

Compliance with the spirit of CRA is the responsibility of each
and every employee of the bank.

Community Reinvestment Act



CRA History

The Community Reinvestment Act (CRA) is a US federal banking regulation (12 CFR 25) that requires banks to help meet the credit needs of the local communities where it operates, including low- and moderate-income individuals (LMI) and neighborhoods.

The bank is examined on its efforts to ascertain community credit needs, its products and delivery systems, and its **lending, service, and investment** activities that meet the identified needs.

The issues that CRA covers exist in each and every market; affordable housing, community services to LMI individuals, economic development, disaster recovery and activities that revitalize and stabilize an LMI area by attracting new or retaining existing businesses or residents.

The bank's failure to achieve at least a "Satisfactory" CRA rating can result in administrative sanctions including a halt to all growth activities, de novo or by merger/acquisition, and potential reputational risk.

CD Lending, Investment and Services

- To receive consideration under the CRA, services must have a primary purpose consistent with the definition of community development. The CD activity must benefit the bank's defined CRA assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s) and be responsive to community needs.

Community Development

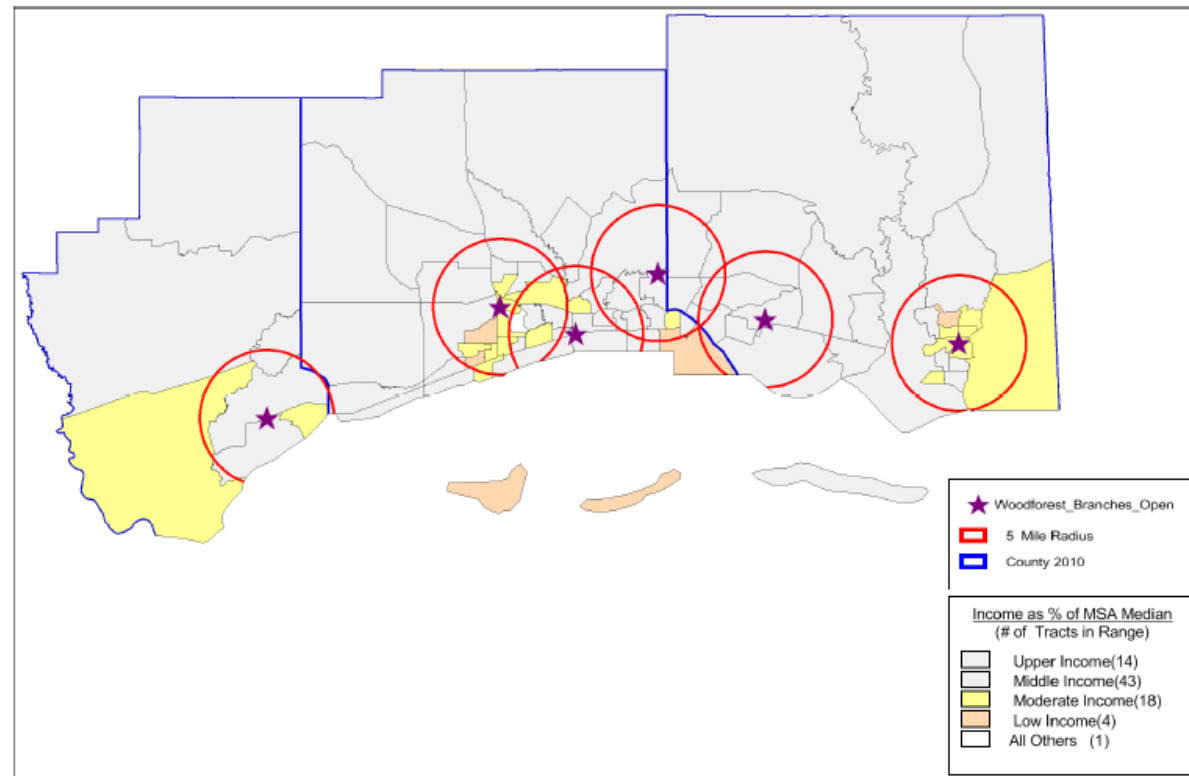
- **Affordable housing** for low- and moderate-income individuals/families
- Community **services** targeted to low- and moderate-income individuals/families
- Activities that promote **economic development** by financing programs that serve small businesses or farms with gross annual revenues equal to or less than \$1 million
- Activities that **revitalize or stabilize** low- or moderate-income geographies, designated disaster areas, or designated distressed or underserved non-metropolitan middle-income geographies
- **Disaster recovery** areas

Examples – CD Services

- Providing financial services to low- and moderate-income individuals through branches and other facilities located in low- and moderate-income areas.
- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving low- and moderate-income housing or economic revitalization and development needs.
- Providing technical assistance on financial matters to small businesses or community development organizations, including organizations and individuals applying for loans or grants under the Federal Home Loan bank's Affordable Housing Program.
- Lending employees to provide financial expertise to organizations facilitating affordable housing construction and rehabilitation or development of affordable housing.
- Providing credit counseling, homebuyer or home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing; which may include credit counseling to assist low- and moderate-income borrowers to avoid foreclosure on their homes.

Assessment Area

- Geographic area:
 - Includes deposit-taking facilities
 - Where a substantial portion of loans are made
 - May include only that portion of a political subdivisions that it can “reasonably be expected to serve”



WNB Business Services

Qualification

- Small Business ReLi
 - Registered with LA Secretary of State
 - \$500 - \$10,000 Revolving Line of Credit
 - Cash/Debit Card
 - One Year Term
 - Credit Score Based
 - No impact to debt/income ratio
- Small Business Term Loan / Commercial Loan
 - \$0 - \$1Million Loan
 - 2-3 Years of Financial Statements
 - Business Collateral to Secure the Loan

Qualification

- MyWaytoCredit
 - If denied by WNB, application is reviewed by CDFIs for alternative approval



Relationship Building

Small Business Centers & Centers of Influence



Financial Management

FOR A SMALL
BUSINESS



Objectives

- **Explain the concept of financial management**
- **Identify financial management practices and tools**
- **Explain financing basics**

Continued ...

Objectives

- **Understand financing basics:**
 - Start up financing
 - Financing working capital
 - **Financing fixed assets**
 - Financing for a growing business

Benefits of Financial Management

Reach your goals by making good decisions.

- Know your profitability
- Plan for diversification, new product lines, reaching new markets
- Forecast your growth
- Prepare for financing (loans)

Budgeting

There are several financial management practices and tools that are commonly used for small business.

Let's start with **budgeting**.



Bookkeeping

- Critical component of financial management
- Organized process of tracking all income and expense transactions
- Basis for all financial management, business decisions, financing, taxes, owner's draw, and retirement.



Bookkeeping Steps

Here are 10 basic bookkeeping steps:

1. Open a separate business checking account
2. Reconcile your checking account
3. Write business checks for business expenses
4. Track sales
5. Deposit all sales

Continued ...

Bookkeeping Steps

Here are 10 basic bookkeeping steps:

6. Obtain a separate business credit card
7. Pay business expenses first
8. Generate and use a profit and loss (P&L) statement annually
9. Pay yourself with owner's draw
10. Obtain business accounting software

Cash Flow

What is cash flow?

Def. 1. Balance of cash received less the amount of cash paid out over a period of time

Def. 2. Moving cash in or out of a business

Lenders review PAST Cash Flow

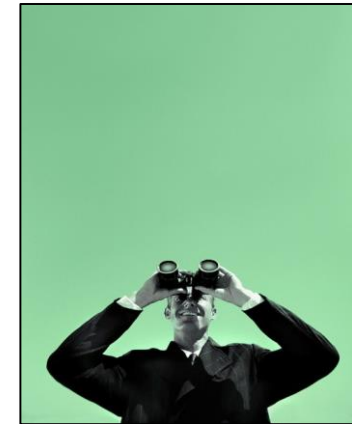


Cash Flow Projection

What is a cash flow *projection*?

A financial statement using assumptions to forecast:

- Company Cash flowing in and out
- *Future* cash flow during a specific time period
- Project whether cash receipts (in flows) will be sufficient to cover projected cash disbursements (out flows).



Cash Flow Projection

How can a cash flow projection help and when do I need one?

- Set sales and expense goals
- Determine breakeven point
- Plan equipment purchases for replacement or expansion
- Determine cash needed to purchase inventory for seasonal cycles

Continued ...

Cash Flow Projection

How can a cash flow projection help and when do I need one?

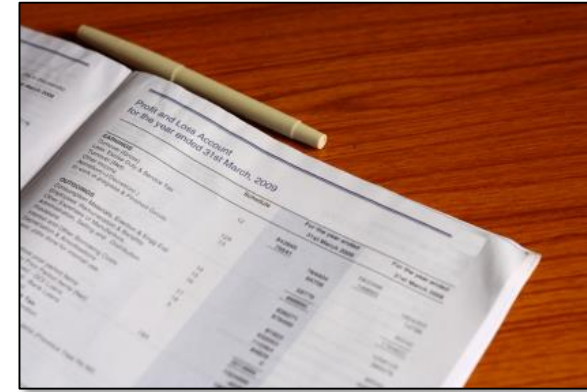
- Show lenders your ability to plan and repay financing (Frequently required with loan applications)

Profit and Loss Statement

What is a Profit and Loss Statement?

A P&L Statement:

- Measures revenues and expenses over a period of time
- Tracks profitability: whether the business is making a profit on what it sells



Continued ...

Profit and Loss Statement

What is a Profit and Loss Statement?

A P&L Statement:

The P&L is the most important report from your accounting software program.

Profit and Loss Statement

What is the basic formula for a Profit and Loss Statement?

+ Sales

- Cost of Goods Sold

= Gross Profit

- Overhead

= Net Profit

Continued ...

Start Up Financing

What are the financing options for a start-up business?

- Sweat equity
- Business credit card
- Family
- Equity



Qualifying for a Loan

What are the criteria for qualifying for a loan?

- Good credit score
- Repayment ability
- Loan to value ratio
- Equity contribution



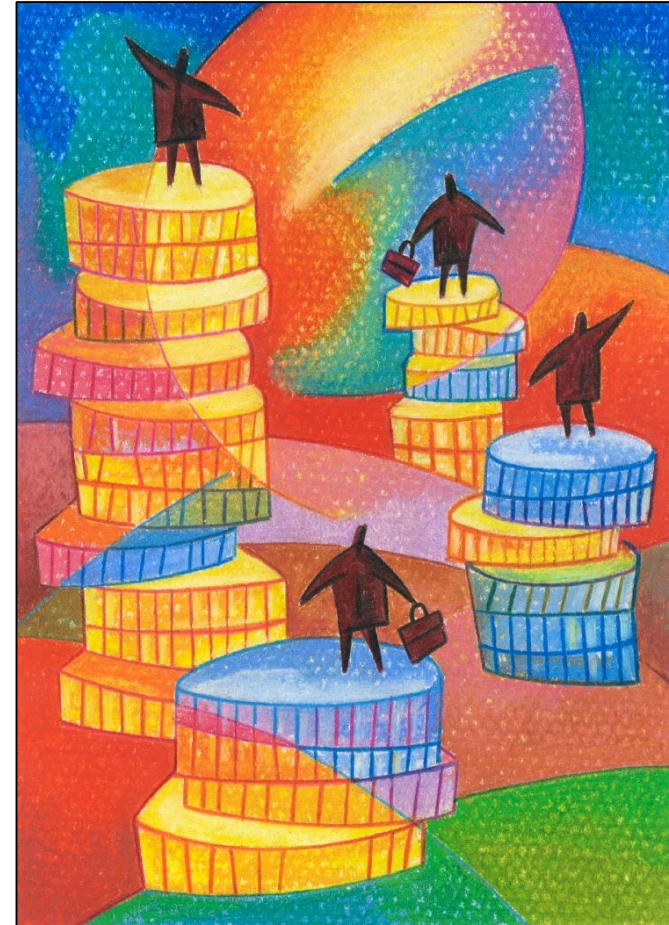
Business Financing

What is business financing?

Financing is getting the money you need to start, operate or grow your business.

Basic Financing Concepts:

- Equity financing vs. debt financing
- Financing working capital vs. financing fixed assets



Business Financing

What are the Do's and Don'ts for small business financing?

- Understand your financial statements
- Understand collateral options
- Understand risks and costs for loan types
- Shop around
- Get expert advise (e.g. SBDC or your bank)

Loans

Steps for Getting Ready for a Loan

1. Know what you can afford
2. Study your financial statements
3. Check your credit report
4. Have a “business” plan (include profit plan)
5. Establish collateral options
6. Show your equity contribution
7. Research your financing options

Loan Package

What are common elements of a loan package?

- “Business” plan
- Business financial statements (current and historical)
- Personal and business tax returns
- Personal financial statements – as business progresses
 - Source and amount of equity contribution
 - Credit report
 - Collateral
 - Purchase agreement, appraisals, contracts, and estimates

Looking for a Loan

Where should you look for a business loan?

- Banks
- Regional lending organizations
- CDFIs



Conclusion

You learned about:

- CRA and Banks Mission
- What financial management is and why it's important.
- Common financial management practices
- Financing basics, such as:
 - Start up financing
 - Financing working capital
 - Financing fixed assets
 - Financing a growing business



Summary

- What final questions do you have?
- What have you learned?



Contact



Kimberly Lavon Burbank, LA CDRM

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Email: Lavon.Burbank@woodforest.com



Preparing Renters For Home Ownership





The challenge

Most rent payments are not being reported to the credit bureaus. As a result, a renter can make on-time rent payments for years and still find themselves with little or no credit and no dream of owning a home.

Under the Section 8 voucher program, if your monthly income is \$1,850, you will pay \$555 toward the rent ($\$1,850 \times 30\%$). If the total rent for the apartment is \$850, the assistance will pay \$295 to the landlord on your behalf.

With a 650 credit score the same renter can apply for a home loan. Some will qualify for \$0 down through the USDA Rural Development Program.

A better way

Monroe, LA has a nice inventory of homes in the \$60,000 range.

A renter with a 650 credit score can buy a home in a rural development area with \$0 down and have a mortgage payment around \$419.00

In their first year of home ownership our former renter will save \$1,632 and HUD will save \$3,540 on subsidies no longer required.

Other benefits to families, though harder to measure, are impossible to deny.

Monroe, LA

Price

Bed

Bath

Property Type


Listings

More Filters

Save Search

View Map

42 Homes




\$60,000

3 bed 1 bath 2,589 sqft

904 Powell Ave, Monroe, LA 71203

Contact Agent

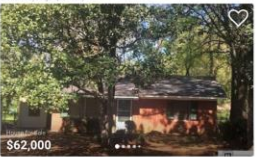


\$60,000

3 bed 1+ bath 1,610 sqft

909 Fortune Dr, Monroe, LA 71203

Contact Agent





\$62,000


3 bed 1 bath 1,100 sqft

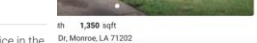
1011 S 7th St, Monroe, LA 71202

Contact Agent









1,350 sqft

Dr, Monroe, LA 71202

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News & Insights

Mortgage Calculator

Use this mortgage calculator to calculate your monthly mortgage payments quickly and easily. Enter your home location and the desired home price in the fields below. In seconds, you will have an estimate of your monthly house payment.

Home Location ⓘ

Monroe, LA

Have you or your spouse served in the military? ⓘ

Veterans may be entitled to:

- Down payment of 0%
- No mortgage insurance
- Lower interest rate

☐ Yes! Apply veterans benefits

Home Price

\$60,000

Down Payment

\$2,100

3.50%

Mortgage Loan Type

30-Year Fixed

4.971%

More Options

Payment

Loan Amortization

Schedule

\$419/month

- Principal & Interest
- Property Tax
- Home Insurance
- Mortgage Insurance

\$310

\$33

\$26

\$50

A pre-approval letter from a lender is usually needed to put an offer on a home.

Get Pre-Approved

Learn More about Mortgage



Mission #1: Sow the dream of home ownership

“The preparing of documentation for a mortgage loan application has never occurred prior to that person first believing that they can one day own a home.”

For many in disadvantaged areas, the dream of home ownership may seem out of reach.

The first step in helping people move forward is to educate them that home ownership *is* attainable - regardless of your race, gender, or current financial status.



Mission #2: Encourage action!

Once a person believes they *can* own a home they'll want to know *how* to go about it.

1. Start building positive credit
2. Learn how to use credit and what loan programs are available
3. Save for a down-payment
4. Get everything together and apply for a loan

Rent Accelerator can help build positive credit by reporting up to 24 months of rental payment history to the credit bureaus. The average credit increase is 30 - 50 points but renters who are 'credit invisible' will see their score soar to 650 or better.



Our process

When a tenant signs up with Rent Accelerator we send their landlord a Verification of Rent. Once we get that back and complete our due diligence, we send the verified rental data to the credit bureaus.

The new tradeline typically appears within 14 days and the tenant's credit score goes up. Each month thereafter we send the landlord an email where they can verify monthly rent payments with a single click.

Tenants pay a one-time enrollment of \$139.95 and an ongoing monthly reporting fee of \$9.95 for the service. There are no contracts. You can cancel at any time.

Results



Alexa Weinert reviewed Rent Accelerator —  December 1, 2017 · 

Rent Accelerator was an absolute no-brainer! I finally get the credit for paying my rent every month for the past year. thank you rent accelerator for helping me get a jump start towards great credit!

 3

 Like  Comment  Share

 Write a comment...     

We love hearing from clients who have seen credit score increases of 30 - 50 points or more when reporting past rental payment history. Renters with no credit history have gone to 650 or better.



Lorenzo Larry Wright  recommends Rent Accelerator. September 7, 2018 · 

IM WATCHING SCORE SOAR FOR MY CUSTOMERS AND ALSO MYSELF. IF ANYONE HAVE ANY QUESTION ON HOW TO BOOST THEIR CREDIT CONTACT ME.570 4012911 OR MYCREDITFORMULA@GMAIL.COM

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 Like  Comment  Share

 Write a comment...     

We've been able to help hundreds of clients achieve their financial goals by increasing their credit score.



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