



Investment Connection Puerto Rico – Pitch Program Learning Workshop

San Juan, January 2020

Small Business Recovery in Puerto Rico –
Local Initiatives Support Corporation

Michael Carroll
Director of Lending
Rural LISC
mcarroll@lisc.org

LISC

Our **Mission:**

With residents and partners, LISC forges resilient and inclusive communities of opportunity – great places to live, work, visit, do business and raise families.

Service **Area:**

LISC is a 40-year old national organization with a local focus, serving under-resourced communities in 36 metro areas, rural communities & territories including Puerto Rico with an array of financing, consulting, and project support

Our **Approach:**



Empower people

- Job skills training & career development supports
- Financial coaching
- Educational facilities development
- Access to healthcare, healthy food & recreation



Transform places

- Affordable housing
- Commercial, industrial & community facilities & district development
- Creative placemaking
- Disaster recovery & resiliency



Support enterprises

- Small business lending, supports & coaching
- Community capacity building
- Leadership development



Drive systems innovation

- Coalition building
- Cross sector partnerships
- Advocacy at national, state & local levels

Need for Small Business Recovery & LISC's Response Puerto Rico

- **Small Businesses** – 99.7% of all businesses in Puerto Rico are small*
- Small businesses and microenterprises impacted by disasters
- **Business confidence** – Entrepreneurial energy and business confidence are high*
- Business technical assistance being provided but capital needed
- **Working with local partners**, LISC leverages expertise and CDFI status to funnel low cost capital to recovering and new businesses in San Juan and rural areas
- Credit enhancements and co-lending to help particularly minorities, **women**, and other underserved populations
- Small business low-interest loans up to **\$250,000 for job creation and services**
- Kiva micro loans from **\$500 to \$10,000** at 0% interest

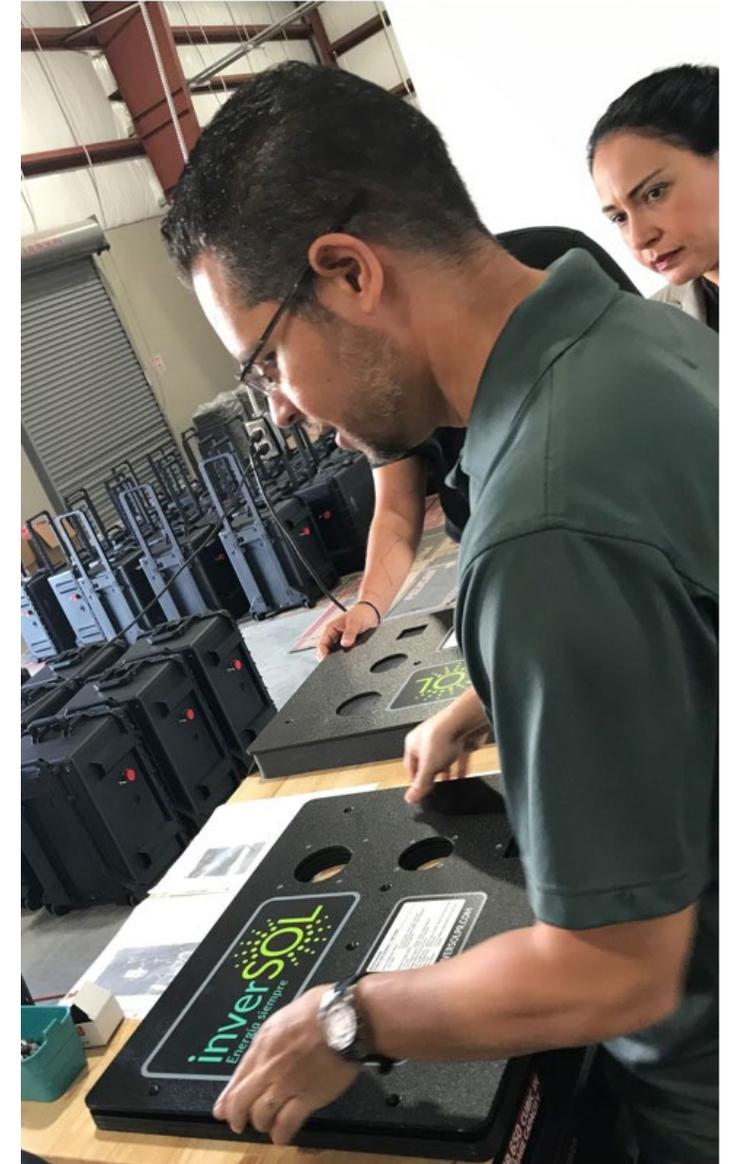
*NY Federal Reserve Small Business Surveys 2017 and 2018



LISC's Puerto Rico Impact

- Assisted community economic development efforts **in Puerto Rico since 1993** through affordable housing, community development and support for PathStone, a Rural LISC affiliate partner.
- **Opportunities for Big Impact:** LISC is assembling CRA motivated capital for disaster recovery initiatives to include:
 1. Co-lending pool initiated in 2019 supporting two small businesses with \$470,000 in loans to create over 40 jobs and services
 2. One loan supported a new company making portable solar-powered generators in Puerto Rico to combat power loss.
 3. Anticipated six (6) additional small business loans through current and requested funding

1. LISC Small Business Loan – inverSOL



LISC

PathStone  Puerto Rico

National
Equity
Fund  INC
an affiliate of LISC

kiva

LISC's Puerto Rico Impact

- In 2019, LISC launched a matching fund for Puerto Rico together with Kiva and local community partners below
- 95 businesses to be assisted with current and requested funding over three years
- Results to date:

2. LISC-Kiva Microlending -Businesses



Tatiana

Services

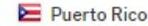


Funded



Izarely

Cosmetics Sales



Funded



Heriberto

Services

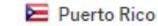


Funded



Fernando

Arts



Funded



Roberto

Food Production...

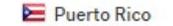


Funded



Sasha

Restaurant



Funded



Nayda

Health



Funded



Vettelinn

Services



Funded



Andrea

Grocery Store

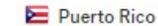


Funded



Noelia

Arts

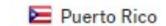


Funded



Tommy

Clothing



Expired



Nicole

Arts



Funded



Total Loaned
\$240,000



Borrowers
34



LISC Partners
7



Default Rate
0%



Female Entrepreneurs
58%



Funding Request

- \$500,000 Grant for Credit Enhancement to leverage additional loan capital from local and national sources
- \$500,000 low cost Loan Capital at 0% interest with a term of 10 years to do co-lending in Puerto Rico
- Increase lending capacity of local partners by sharing risk and improving risk profile
- Building on existing successful lending program and serving larger lending needs
- Increase our presence in Puerto Rico and expand our disaster recovery and resiliency capacity

