Understanding the Emergency Capital Options for Regional Creative Businesses
April 3, 2020

Pittsburgh
Kiva Pittsburgh

- Kiva Pittsburgh is a partnership between Riverside Center for Innovation and Kiva.

- The **Riverside Center for Innovation (RCI)** is nonprofit that offers a wide variety of resources for entrepreneurs throughout Southwestern PA.

- RCI runs the **Diversity Business Resource Center** which offers a single point of contact for minority, women, veterans and other disadvantaged business owners seeking information to start, sustain and grow their business. Learn more and register at [dbrcpittsburgh.org](http://dbrcpittsburgh.org).
Kiva loans are crowdfunded and “recycled”

- Kiva loans are crowdfunded online from a global community of almost 2 million lenders who have learned about Kiva over the past 15 years and believe in supporting small businesses.

- Kiva lenders contribute about $3 million each week to entrepreneurs around the world. The majority of that money is “recycled” from loans that are being repaid.

- Over $1 billion in loans has passed through Kiva.
Loan details

$1,000 - $10,000, or $15,000*

0% interest, no fees

12- to 36-month term

Monthly payments

Loans administered via PayPal (free of charge)

Any loan purpose, except repaying old debt

Public (online)
Kiva eligibility requirements

Business owner requirements

- Have or be able to open a PayPal account (requires that you are 18 years old)
- Not currently in bankruptcy or “under water”
- Able to get people in your network to lend to you, exact number depends on loan size
- Honest and responsive

Ineligible business types

- Things that are not legal nationwide or may cause harm
  - Marijuana dispensaries
  - Non-FDA approved medical devices
  - Businesses involving adult entertainment
  - Businesses that make or sell lethal weapons
  - Businesses that primarily make or sell tobacco products
- Lending or investing institutions
- Businesses tied to a major corporation
  - Contract workers - ex: Uber, AirBnB
  - Direct sellers - ex: Mary Kay, Sabika
- Franchises
Entrepreneurs can start a loan application at: www.kiva.org/borrow

2 Optional Tasks
Have a Trustee endorse you during this phase.

DBRC members should apply for the DBRC Kiva Lending Fund at dbrcpittsburgh.org/kiva

Before your application goes to Kiva, I will make sure it meets Kiva’s minimum requirements.

Kiva may approve applications for the amount, a lesser amount, or, very rarely, not at all.

Private: Up to 15 days for business owner to invite his/her personal network to lend

Public: Up to 30 days to raise the rest of their loan from Kiva’s global community of 1.8M lenders.

Loans are disbursed to owner’s PayPal account in approximately 1 week

All repayments are made monthly via PayPal.

Businesses begin repaying loans one month after receipt of the loan, except for agriculture & during pandemic *

Have questions about Kiva? Want a copy of the Guide to the Kiva Loan Profile? Contact Emily before you complete Step 1.
Step 1: Online application with a unique log-in system
Step 1: Application - Determines loan size & creates your Kiva loan profile

Photo and/or Video of Borrower

Business Description

Loan Summary

Loan Use

Additional Business Info

Personal Story

A loan of $10,000 helps me to rent bigger, better equipment, boost my advertising, hire helpers, and gain working capital for my business.

Silvia's story

I was born and raised in Argentina, and I am the youngest of four siblings. While raising a full family, my parents Lloita & Ricardo decided to start their own business. They opened a bakery and artisanal olive oil factory - a space that kept all of my kids in a constant state of learning and discovery. It was these childhood experiences that inspired my entrepreneurial spirit. I developed an understanding of social innovation for the project grant winning taking care of all products. As we grew, we realized that the business was actually starting point was actually to build the future. I started introducing my family's businesses to our friends and family, all with great success. Through referrals, I sold my pastries at many weddings, baby showers, and other events around the Bay Area. My dream is to operate my own bakery. Currently, I am operating my own business, but my ultimate dream is to open my own store front in the Bay Area. And soon!

Loan details

36 months

Loan length:

36 months

Restaurant schedule: Monthly

Disbursed on 3/26/2014, 23 days left

$5,475 to go

Interest: 10.00%

Kiva loan: $10,000

Loan Use

Silvia

Lolita Artisanal Bakery

San Matián, CA, United States/ Retail

$25

Additional Business Info

Why are you endorsing Silvia?

Silvia is persistent and very hard worker. She works all hours and is attentive to the details of her craft. I believe Silvia will be successful because she has many of the qualities of an entrepreneur must have. She is very experienced and already has a great reputation in the community.

Repayment schedule

Loan Use

Personal Story

Business Description

Loan Summary

Additional Business Info

Loan Use

Business Description

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Repayment schedule
Step 1: Trustee Endorsement

Trustees publicly "endorse" entrepreneurs in their network for the Kiva program.

Trustee endorsements add credibility to a borrower.

Endorsements are optional, but, like a reference letter, strengthen a business owner’s application.

Trustees are not legally or financially liable for the borrowers they endorse.
Step 1: DBRC Kiva Lending Fund

The DBRC (Diversity Business Resource Center) helps eligible members to crowdfund Kiva loans by lending up to 30% of the total Kiva loan campaign, increasing the chance of crowdfunding successfully and quickly.

To be eligible for the Lending Fund, business owners must be members of the DBRC and complete an online application (dbrcpittsburgh.org/kiva) which will be reviewed by the RCI team.
Step 2: Private Fundraising Period

Kiva requires US business owners to bring lenders to their loan during the Private Fundraising Period. Applicants must meet this goal within 15 days.

- Demonstrates good “credit” within their personal and/or business networks
- Starts crowdfunding campaign on the right foot
- Will be assigned 15, 20, 25, or 40* lenders based on loan size
- Each person must lend $25 (or more)
Step 3: Public crowdfunding - Photo is key!

What is his business?
### Step 4: Repayment

(Loan sizes are in $500 increments)

<table>
<thead>
<tr>
<th>Loan size</th>
<th>Maximum term</th>
<th>Monthly payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>12 months</td>
<td>$83</td>
</tr>
<tr>
<td>$2,000</td>
<td>18 months</td>
<td>$111</td>
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<td>$3,000</td>
<td>18 months</td>
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<tr>
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<td>$278</td>
</tr>
<tr>
<td>$15,000*</td>
<td>36 months*</td>
<td>$416*</td>
</tr>
</tbody>
</table>

Manual or automatic payments via PayPal

No pre-payment penalties

Eligible to apply for next loan as soon as final payment processes

Grace periods up to 6-months for agriculture & during pandemic*

*Loan sizes are in $500 increments
Changes due to COVID-19 pandemic

In order to help businesses weather the COVID-19 crisis, Kiva wants to:

- Help more established businesses that have encountered tough times
  - Increase household income maximums
  - Increase maximum loan size to $15,000
    ■ Loan term: 36 months
    ■ Private Fundraising Period lender requirement: 40

- Help all businesses weather the next few months
  - Allow businesses to request grace periods of up to 6 months
  - Grace periods will be reviewed on a case-by-case basis
Next steps

● Webinar: How to Apply for a Kiva Small Business Loan
  ○ Mon. Apr. 6 @ 6pm
  ○ Tues. Apr. 7 @ 11am
  ○ facebook.com/KivaPgh/events

● Want to meet to discuss your situation or strategize?
  ○ Easiest way to schedule: calendly.com/kivapgh

● Ready to apply?
  ○ Contact me and I will send you 1) the loan product grid, 2) a guide with tips on how to create a strong loan profile, and 3) a list of Trustees
  ○ Online application: www.kiva.org/borrow
Learn More
kivaushub.org

Apply for a Loan
www.kiva.org/borrow

Make a Loan
www.kiva.org/lend/kiva-u-s

Pittsburgh Contact
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412-392-7295