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NATIONAL DISABILITY INSTITUTE

ENTREPRENEURSHIP, DISABILITY AND CDFIs.

SESSION 4: CDFI AND FOUNDER EXPERIENCES

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>> CAROLINE BOLAS: Welcome to Entrepreneurship, Disability and CDFI, Session 4. We will begin shortly. Audio options and captions. The audio for today's meeting can be accessed using computer audio or by calling in by phone. If you select computer audio, please make sure your speakers are turned on or your headphones are plugged in.

To call in for audio, please dial 301‑715‑8592, and our meeting code is 880‑707‑8213.

 Real time captioning is provided. If you do not see the captions after clicking the CC button, please alert the host via the chat box.

Questions and technical assistance. Please send your questions, concerns and any requests for technical assistance to the NDI host via the chat box. If you would prefer to ask your question ASL, please raise your hand and wait to be called on by the host. We will be answering questions as we go along and at the end I will answer as many questions as time allows. If your question is not answered during the webinar, if you are listening by phone or you are unable to use the chat box, please email A. Jones, that's AJONES@NDI‑INC.org.

Please note this webinar is being recorded, and materials will be available at WWW.disability business.org on the past events page within the next one to two weeks. Again, welcome to our series entrepreneurship, disability and CDFIs. This is session 4, and we are delighted to have you here again.

Some of you I can see are new to the webinar today, and some have attended the previous three in our series. Before we introduce today's session, just a bit about the series as a whole.

My name is Caroline Bolas, I'm the small business specialist here at NDI, and this like I said, is number four of a five part series. We will put the link into the previous three webinars, and you can access those from our website and actually see what we have covered so far. And by registering for this webinar, you are automatically registered for our fifth and final one which is taking place April the 18th. For those of you that haven't been able to join before, just to give background about how the series came about, through an earlier project that NDI did on behalf of JPMorgan Chase, we identify the accessing capital while difficult for any entrepreneur, is especially challenging for entrepreneurs with disabilities.

Many are not able to meet the requirements set by traditional lenders and we have heard time and again about struggles and challenges of trying to get that capital. Under traditional lending is community development financial institutions more commonly known as CDFIs and when we talk to entrepreneurs, we found that many had not heard about CDFIs, they didn't know what they were. They didn't know why they may be good alternatives and how to even approach them.

Conversely, when we spoke with CDFIs, we learned that many were unsure about how do I work with a person with a disability. Many don't ask the question, does the person have accommodations that help them access funding? Services may not be fully accessible. And, again, because these questions aren't being asked, really the CDFIs don't know how best to serve the individuals that are trying to access that capital.

And so often there is this gap, if you like, between individuals who try to access the capital, the CDFIs, and also those who are supporting individuals with disabilities who also may not really understand how the two worlds come together.

So the purpose of this series is really to bridge that gap, to really bring those two worlds together, to really try and help CDFIs, lenders, people with disabilities who want to start a business or who have a business and entrepreneurs and agencies to work together for the best experience for all.

And at this point if anyone is thinking I'm not sure, you know, I'm a CDFI, I'm not sure what is best practice, here at NDI we would be happy to talk more with you. If you want information about how to serve individuals with disabilities, please, please do contact us. And throughout the session we will put contact information in the chat box and again at the end.

So today's session we are going to hear from north west access fund who are going to talk about prebusiness preparation, benefits planning and small lending. This is crucial because in individuals struggle with how to bring those three things together. So at this point I'm delighted to welcome Emerson Sekins and Lisa Jones from the Northwest Access Fund.

So I'm going to do a brief intro. First thing with Emerson Sekins, he is the Executive Director of the Northwest Access Fund which is a nonprofit community development financial institution or CDFI, and serving people with disabilities in Washington, Oregon and Idaho States.

Northwest Access Fund offers customized loans, financial coaching, and other resources to promote access to assistive technology, independence, financial resilience and life opportunities. Emerson Sekins is passionate about helping people with disabilities and their families navigate systematic and financial barriers due to disability including high medical debt, prescription costs, unscored or lower credit scores, bankruptcies and asset and saving restrictions tied to public benefits.

Emerson Sekins holds an M.B.A. from the University of Washington Evans School of Public Policy and Governance. He joined the staff of Northwest Access Fund in 2003 and became the Executive Director in 2017. He is the secretary of the Washington community investment coalition and treasurer of the national disability finance coalition. We are delighted to have him here today. He is also joined by Lisa Jones, director of economic inclusion. Lisa is new to the Pacific Northwest but is no stranger to financial coaching. She joined the NWAF in June 2022 and brings almost two decades of experience in asset development and program management.

She has developed multiple programs to assist in poverty alleviation including a women's business center, a youth IDA program, and a public transportation system. Lisa has worked extensively in rural markets with communities development financial institutions like NWF keeping rural communities and their residents thriving instead of surviving.

She enjoyed music festivals, karaoke, camping, floating and fishing, which sound wonderful. With that, I'm delighted to hand it over to Emerson Sekins and Lisa Jones and thank you for giving us your time and expertise today. Thank you.

>> EMERSON SEKINS: Lisa, I believe you are on mute.

>> LISA JONES: That's going to make the whole presentation more challenging, isn't it? I will get us started off. I think first we have a poll if we want to advance to the next slide. Maybe we don't have a poll ‑‑ yes, we do. All right.

First, we were wanting to kind of get an idea of who we are chatting with today, so if you could complete the poll, if you are a small business owner or pre‑business owner, if you are with a CDFI or financial institution, entrepreneurial support organization, disability support organization or other.

>> CAROLINE BOLAS: While people are completing the poll, we will give it a few more seconds. Okay. I am going to end the poll and then I will share results with you.

>> LISA JONES: Looks like we have several small business owners or potential small business owners and some CDFI staff. It looks like a nice mix. So we will move forward. The purpose for the webinar if you have seen the previous webinars, you are aware, but the American with disabilities act was made into law in 1990, and that made a huge change for about 57 million Americans as far as equity inclusion.

What we know in working with entrepreneurs is that there are still many, many hurdles that we need to jump in order to make a smooth path for people to get into entrepreneurship.

Some of those are accessing capital, establishing credit, and then just finding business supports that fit their needs. So according to a study by the NDI, they are pretty reliable. Over 1.8 million business owners identify with a disability, and that study also found a higher percentage of self‑employment in working age people with disabilities compared to working age people without disabilities, so the need is definitely there.

While we are talking about self‑employment, it is a very accommodating option for many individuals with disabilities allowing them to work when they are at their peak and when they are feeling good they can work more and working less when their disabilities are creating problems for them.

Self‑employment will also help with additional income and kind of a feeling of belonging, being needed, wanted and independence for the individual. And that takes us to Northwest Access Fund.

>> EMERSON SEKINS: Thanks, Lisa. I appreciate it.

I think we can advance to the next slide. So just a bit about Northwest Access Fund, we are a CDFI. We were founded in 1999, did our first loan in 2002. We were founded as an assistive technology lending organization. There is a lot of partners or excuse me, there is, each state is required to have an assistive technology Act and part of those programs offer services to folks with disabilities to help identify good assistive technology that may work with them, work for them and their disability, also to try before you buy, access reuse coalitions, and one of the elements was alternative financing.

And working with a lot of AT professionals, the worst thing that happens is they find the right solution for be in and the price tag happens and either somebody doesn't have the savings or the ability to save or they don't have the credit to be able to purchase it, and you have, you see this big gap that this technology could fill that is, someone can't access it.

So we started an assistive technology lending, and then along the way we also got funding through the Department of Education for supporting folks with self‑employment at home which then turned into supporting folks with their self‑employment goals and for a while we ran a webinar series, seven‑week webinar series on entrepreneurship and having a disability.

And through just working with folks with disabilities and their finances and their credit and their debt and budgets with the underwriting process of our assistive technology loan program, we realized that the infrastructure that we had could be used and expanded to serve more purposes. So beginning of 2020 everyone knows kind of that timeline, we actually just finalized our strategic plan we had done with the previous year and a half.

We expanded our mission to be able to offer really center our mission on financial coaching and accessing other resources that will help someone's overall financial resilience and independence. And technology lending has only expanded as well, but we have really grown financial coaching programs to help people kind of and we will go over that later, enact this information and have strategic tools that can help build credit.

We serve all of Washington, and then in 2016 we expanded to Oregon, and we have a lending license now just freshly minted from Idaho so we are beginning expansion into Idaho. We serve all ages, all income and all disabilities. Truly on that front we work with people to help them get $300 loans for shoe inserts for their child with a disability to $60,000 vehicles where a person with even high income and high credit can't access a traditional lender either at all or at an affordable rate.

And so next slide. So a lot of this data is actually from the National Disability Institute, and people with disabilities require 28% more income to have the same standard of living as somebody without a disability, and we see that definitely in the work that we do going over people's budgets there is a lot, a lot of disability related expenses that sometimes people don't think about from extra car bathe costs due to having a lot of disposable medical supplies that they need to dispose of to higher water costs due to temperature regulation issues where you need to be in a hot bath for a while., prescription drugs, all of those things.

People with disabilities are more likely to live in poverty, and the number one cause of bankruptcy is for medical issues where somebody either has a disability and is unable to pay current financial obligations, have a significant change in income, all of which will impact somebody's credit very significantly.

In our small business program, we actually shifted it into our financial coaching and opportunity loan which we will go over a little bit later, but we actually looked at all of the small business loans we were doing and they were very low dollar loans, and often times they were meant to help people in their initial stages of getting bankable. Folks with disabilities, especially pursuing self‑employment have significant difficulties accessing traditional banking and loans and credit to even checking and savings accounts.

One, people with disabilities that are on Supplemental Security Income and Medicaid can risk losing benefits if they have a countable assess that exceeds $2,000 in a month. So that prevents folks from being able to offer a downpayment for a loan and then having the collateral to be able to get a traditional loan for a small business purposes.

Also folks with disabilities that are accessing benefits often are getting benefits on electronic public benefits cards and they don't actually have a checking or savings account because they are able to do most financial transactions through these public benefit cards, which means that often they are not having some similar protections and having the bankable history with a financial institution to be able to go in and have that relationship to be able to promote or start a small business and get financing through that. Folks who are accessing benefits and generally folks with disabilities and others are afraid to go in and be denied for ideas.

They are often lengthy applications, and as I mentioned earlier with regard to the bankruptcy, often that has significant credit implications, and then just medical debt in general will draw people's credit score down significantly. And so one of the other barriers for accessing traditional banking. And as Lisa mentioned earlier, we found that a lot of the support organizations either only speak business or they only speak disability benefits, and that marrying of the two is not happening a lot, and we are going to show that there is a lot of opportunities to actually integrate those.

And folks with disabilities are more likely to pursue self‑employment as Lisa mentioned, and often people need that information and I will go on later about this, people need information to know how much income they are can earn to supplement their benefits and what the procedures they have to go through to make sure they are safe on that level.

And then the scale and scope of a business is often not in line with traditional banking institution's expectations for growth and for financial projections to have them invest capital. We work with a lot of folks with disabilities that are actually having a small business to supplement their income, and there is not a desire nor can they actually grow their business quarter after quarter on that front.

So now that we have kind of set up a bit of who we are and the general issues with folks with disabilities and accessing self‑employment, I want to kind of do a little bit of a sales job for anybody that's in a CDFI or a disability organization to do advocacy to have CDFIs expand their lending to support people with disabilities.

And I always am never wanting ‑‑ I'm not a competitive person when it comes to these loans, like this is our space, you know, don't step on it. I'm actually like the need is absolutely huge, and we need to have all people in all organizations be able to respond to offer support to folks with disabilities.

So the national disability finance coalition which I'm a board member of was formed to support CDFIs to do lending with people with disabilities. And so I know NDI offers a lot of technical assistance. The national disability finance coalition is offering technical assistance for free for folks that are nor in the niche CDFI world about how to apply for funding streams, how to do specific data that asks for people with disabilities.

I want to make sure that folks are aware they can join the national disability finance coalition and get updates on other CDFI can integrate disability, you know, lending to people with disabilities into their organizations.

Appreciate the link. So one of the first steps of the National Disability Finance Coalition was to secure specific funding for people with disabilities within the CDFI fund, and it started off in 2017 with a $2 million set aside like the healthy foods initiatives and now it's grown to $10 million a year available for organizations that are doing specific lending to people with disabilities from consumer type loans that we are doing, but also small business loans and loans to nonprofits to help meet needs of greater disability community and then housing and finance, predevelopment acquisition, rehab of actual housing and community facilities.

So another sales job is that there is money available to do this good work, to be able to actually start different programs within a CDFI to do this kind of lending that's really important. And then another thing on the CDFI front for folks that are in kind of more of the weeds, you know that you have to do your lending to your target market, but you also can count lending to other eligible markets.

That includes what's something called an other targeted population. Historically CDFI fund is preapproved groups such as African‑Americans, Native Americans, et cetera, the list is on the slide, and they just proposed in their new certification that's going to be coming out later this year that people with disabilities will also be counted as another targeted population, meaning any loan that you are doing to a person with a disability will be eligible for counting on the CDFI grants lending metrics.

So this is huge, I think, one, in recognition that people with disabilities in general have financial barriers that are not just income related. There is a lot of other reason why folks with disabilities ant access credit and the goal is to try to incentivize more CDFIs to do the lending because the is massive as it is now and growing due to aging populations and advances in medical care and all of that stuff.

So encourage, encourage, encourage, track disability data if you are not already. I promise you, one, you will maybe not know you are serving as many people with disabilities as you are. That's kind of every time someone started tracking data, they are like, whoa, I had no idea. And then that data now can then be used to support the CDFI and the lending.

So the national disability finance coalition can help with technical assistance with best practices with tracking disability data. And I know NDI has a handle on that as well. So next slide. Let's hand it over to Lisa now.

>> LISA JONES: Do we have any questions in the chat box that we need to address before we move forward?

>> CAROLINE BOLAS: We just have a question, if somebody, an agency wanted to become a CDFI themselves, what is the process for becoming a CDFI. It's something that has lots of rules and regulations and isn't an easy thing to do, but a quick overview of what that might take?

>> EMERSON SEKINS: I can take that one. There actually is a specific set aside within the CDFI fund called TA dollars, technical assistance. And often that funding can be used to help someone explore what it would take to become a CDFI. We actually got that, an award there as we were starting up ourselves, and it's kind of a way to get the resources, consultants potentially in place that can actually help you go through the specifics of becoming a CDFI.

I won't go into all of it, but there are roles like you can't be a government entity and other things that the majority of your activities have to be financing related. So if someone wants to reach out to me also, I can help them connect to that information as well.

>> CAROLINE BOLAS: Thank you. That's all we have at the moment. I will pass it back to Lisa.

>> LISA JONES: I'm going to talk a little bit about our opportunity loan. This is, Emerson Sekins had referred to it earlier, this is a product that we use for individuals that are interested in small business along with a multitude of other purposes, but it really is based to be an opportunity for them and moving forward and promoting independence, life opportunities. It is available to all of the people we serve with disabilities and with seniors.

The loan can be up to $10,000 and we do a year term. Our interest rate is at 5%, and we don't charge fees. So it's a very, well, right now where prime is, it's a really nice loan product. And it is the rest of the time as well, but right now we are in a situation where we are below prime, which is always nice.

We utilize Credit Builders Alliance to not only do soft pulls for financial coaching but we can do hard pulls through Transuninon, Equifax and Experian and we are able to report back to people's credit positively on loans in order to help build their credit score and get them to mainstream financing if that's a good thing.

The opportunity loans are unique from our AT and our assistive technology and vehicle modification loans. In that they are really paired closely with our financial coaching program. The relationship with the coach whether it's working on accessing benefits, budgeting, locating resources to offset household costs, it could be in accessing Medicaid, opening ABLE accounts. There is a number of things that our financial coaches do, but the relationship with the coach is really the collateral for the opportunity loan.

It creates a relationship which banks and financial institutions talk a lot now about relationship lending. This truly is a program where the coaches are working one on one intensely with people to change their thinking about financial matters and help them gain more control over their financial situation.

So as I mentioned, these can be used for employment and self‑employment. It can be for dental work, vehicle repairs, furniture. We help with moving expenses this week on a loan. Anything that is not viewed as assistive technology. I think we have an individual we are working with right now, they are needing a specific kind of flooring to help with mobility but they also have a roof that leaks so it doesn't make sense to put down new flooring and have the roof leak over the new floor.

So we are looking at the roof through the opportunity loan as well. So the assistive technology loans that I mentioned, and Emerson had referred to as well, are AT is up to $25,000 in a five‑year term. On the adapted vehicles we have gone up to $60,000 just this year. Partially due to availability, market costs, and we want to make sure that the individuals we are working with we are getting into an affordable product.

Again, those loans are at a 5% interest rate and don't have fees. When we are looking at lending kind of our underwriting criteria whether it be an opportunity loan or an assistive technology loan, the first thing we are looking at it is this something that the individual would be able to make the payment without putting their household into crisis.

So we are looking at the budget and trying to get a clear picture. That's where the financial coaching is really a key piece and those coaches are able to work through the budget and if you do lending, sometimes it is rare that anyone will give you a budget that shows a negative, but often checking accounts do show negatives. So kind of identifying spending patterns with individuals because there may be extra money there they could use for a payment just in changing the way that they are thinking about money each month.

So specific to entrepreneurship, I worked for, if you have seen some of the previous, some of the previous webinars, you saw Galen Gandolfi with Justine Peterson present. I was lucky to start my CDFI with Justine Peterson and learned tons of information on entrepreneurship and how to support entrepreneurs.

Some of the considerations if you are not already in business or if you are and you are looking at how to make your business more profitable is kind of determining what you want your business to look like. Often people who have a hobby they are really interested in will think about how it could be a great business.

Often I have seen entrepreneurs in this situation. I will use a lady who is a quilter. She liked to quilt when she was relaxing in the evening. She liked to do it to destress, and then when she made is it into a career, it became a very stressful thing for her.

The production requirements to be profitable and the cost of product that she needed to make the quilt, all of those things, it became a negative instead of a positive for her. So really putting a lot of thought into how much do you love your hobby? Do you love it enough to do it every day?

Another consideration is in regards to any type of public benefits, how much money are you able to make within your business, and not cause any disruption, not have to deal with overpayments or things that might be a long‑term conflict with your benefits. And then realistically, how many hours can you spend in your business, and it still make a profit without you wearing yourself out.

Often people look at small business as I'm going to be the president of this company. It's going to be great. And they will forget that they are also the janitor of that business until you have enough profit to hire other people as well. Other things to consider is if the product or service you have is something that people want and is it going to require any additional accommodations?

Maybe there is assistive technology that would be able to help you create the product or service with less difficulty, and then how much support you have. I would say especially if you have a spouse or significant other in your household, making sure they are on board, a small business or entrepreneurship does require lots and lots of time, and it's no longer a 9:00 to 5:00 job that you walk away from and forget until the next morning.

It's definitely a 24/7 type of commitment. So in my years of working with small business owners, here is some, these are the five things I have pulled out as consistent themes. Before you are talking to a banker, and hopefully you have obtained some business support, but you need to know how much money you want to borrow and why. If a lender asks you how much you want to borrow and you say how much can I have, the answer will almost always be zero.

Know your business and know what you need the funding for, and what it's going to do to benefit the business. The next thing is personal credit. It's going to be a factor when you are talking about obtaining funds. Sometimes even grant funds they are looking at your personal credit score. I have had people say to me, oh, but I'm going to create a great business credit score.

Your small business creation doesn't give you a magical redo on credit. You still have to get that personal credit in shape. The same person that allowed the phone bill to go unpaid and go onto your credit is the same person that will be paying the business credit or the business phone bill. So lenders and investors want to see that you are able to manage money.

Often in small business plans, there is a question on who is going to use your product or service. I have seen business plans where people say everyone. Why wouldn't anyone not want to use this wonderful product or service? Realistically, there is a target market that you should be looking at, and thinking that everyone is going to use your product unless maybe you work for Microsoft or Amazon might be a little bit of a stretch.

A couple other important things you are most likely not going to cash flow on day one. You may not cash flow at day 700. Most small businesses are looking at almost three years to cash flow, and that was a study in 2020, so I would say post COVID that number has gone up as well. So thinking about a plan for how you are going to support your household and your business while getting to the point that you have cash flow.

And tied to that is don't quit your day job. Often individuals will have an idea for a small business, they will say I'm not working for anyone else, I'm just going to focus on this business, but that creates a deficit in income in the household typically and it also makes lenders challenged in giving you money because they want to see you have some money to be able to put skin in the game and also to be able, again, to support that business until it gets up and running.

So what we work on, I mentioned our financial coaching but a big part of what we are working on is getting people ready to go into business. I mentioned finances and getting personal finances right side up, and then developing realistic projections for the business.

Lenders whether it's a CDFI, whether it is, whether it's a traditional bank or an angel investor would rather see a realistic projection than a projection that is a high number that they can't see how you got to. So, again, this goes back to knowing your business and having numbers that match what you are actually doing. It is helping individuals get that credit score where it needs to be. So kind of along that vein, we encourage people to know what's on your credit report before you go and talk to a lender, investor or CDFI.

It's, you can access if you don't have a credit card or some type of account that allows you to see your credit score at no cost, there is annual credit report.com. There is others that have catchy jingles and may have free in the name, but annual credit report is actually free, and so you won't be trapped like any pay by the year things like that.

Through annual credit report.com you can access one Transunion, one Equifax and one Experian reporting a year. And I recommend that people look at different times at different reports so you are kind of keeping up with items that could be on your report that might be wrong.

If there are items on your credit report that are not correct, there is a method online to dispute or there are multiple dispute letters that you can access at no cost if you need a copy of something like that, feel free to email me. I'm happy to help you with that.

But definitely dispute only wrong information on your report. Here is why. As a lender if you were looking at a credit report and you see that every single item on the report that is negative has been disputed, most lenders will wonder how you managed to get all of the negative reports as bad information.

It looks more like the individual is trying to get out of debts that they have rightfully incurred. So only dispute information that is wrong, and by having any type of records, letters, communications to support your claim is always helpful.

And then once you have looked at your credit, you have figured out what's not yours and disputed those, you can work on getting good stuff going and building a good score, which is really a much simpler process than most people believe. In regards to improving credit, these are some things that the credit bureaus weigh heavily on your report. First of all, you need three lines of active credit. These are maybe credit cards or installment loans, it could be a mortgage, it could be a car payment, but this is an open line whether you have a balance on your resolving credit or not, it's still something you are able to, you know, it's a card you are able to use and you are making payments on that account.

That's an active line. A collection account where it's a medical bill or something, a storage unit that's a bill you didn't pay and it hits collection is not an active line. So those don't do anything to improve your score even if you are making a payment on them.

The second big thing is utilizing no more than 30% of your total credit limit. So if I have a thousand dollars credit limit on my Master Card, I never want to put more than around $300 on that card. This is something that is challenging sometimes with small business because maybe you need to make a big purchase, and then you pay back as that money comes into you, but trying to keep it below that 30% will give you optimal score.

And I see ‑‑ the other big factor, 30% of your credit score is based on this one factor, paying on time. I cannot express how important this is. It can pull your credit score down over 100 points in one month simply by having a late pay. So making sure that if you take on debt you are able to pay on time.

Now, I mentioned the collection debt and payments. What is important to remember, a regular collection debt, it's going to hit your credit score like an asteroid. It hits the earth. Dust flies everywhere. It takes a hit and your score goes down. What happens after that is if you are not communicating with them, you are not making payments on that, that account is just kind of sitting there, and it's not, the dust is kind of settling.

It's not still creating a negative hit to your account each month. However, if you do what would seemingly be the right thing and you call that collection person, you set up a payment plan, that actually hurts your credit score because each month that you make a payment, it's still being reported as a new collection account each month. It's changing. They are re‑reporting that negative.

So it's pulling your score down. If you have collection debt, I would recommend that you save up, maybe you get your tax return, maybe you have a little bit of an increase in business, but you save up some money and you offer them a one‑time lump sum payment to settle the debt.

This will get that off of your credit and not create the every month negative happening. And then the last thing that we highly recommend is never pay someone to fix your credit. Most CDIs have a credit building program that is accessible for free, and if not, there are other ways. We are happy to help you with that, but paying someone to fix your credit is an expense that you could save money, and it's not always ‑‑ it's not always effective.

And now we are at benefits planning. I will hand it over to Emerson.

>> CAROLINE BOLAS: Before that, Lisa, we do have a couple of questions.

>> LISA JONES: Sure.

>> CAROLINE BOLAS: The first one is a disability self‑defined or is there a working definition? Does disabled status require verification?

>> EMERSON SEKINS: I can answer that question and I'm not sure which level that it's at, but I will answer both. So for our program specifically, self‑report is our level at which we use to verify whether somebody has a disability. 70% of our financial coaching clients act as some sort of Social Security Disability benefit. So there is a lot of proxies that can be used to say that that's true, but we honestly trust people when they come to us and say that they have a disability.

And we don't require verification. We are of the belief that having somebody go to their doctor and write the letter and have their doctor sign it to get that verification is far more energy than is needed than if we accidentally serve a person who does not have a disability through our services who may one day eventually do have a disability.

So that's our personal program's philosophy and really encourage other programs to not be onerous in their disability verification. It's people generally don't identify as having a disability if they don't generally speaking and the research bears that out.

So for the CDFI fund and the targeted population, they are right now, they have proposed how the certification will count for that, but in the guidance that they provided that maybe changed, but I was just at the meeting with the director of the CDFI fund and she indicated that is likely not to change before the certification is launched is that one people can self‑report. That's actually one of the methodologies that works, which is great.

Honestly the financing entity could visually assess whether somebody has a disability, and use that as a proxy for their data collection. And then the sole purpose of the financial product is for something that's disability related. So that's, for example, a wheelchair accessible vehicle, hearing aids and stuff like that.

So that would be the proxy that you would need. And then there is within the, that also verification documents such as Social Security letters, doctor's notes, et cetera. And I think that's the answer to that question.

>> CAROLINE BOLAS: Thank you. Another one and then we will move on and come to new questions when you have answered those. Does my business need income to qualify for the business loan. Does a 660 credit score make a difference?

>> LISA JONES: So for our opportunity loan product it's not related to business income at all that we are looking at household income for that, and the ability to pay that loan within the income that they, that we can prove. I know that sometimes it's challenging for small businesses to show proof of income. I would encourage anyone who is operating a small business regardless of the size to have separate bank accounts for your business and for your personal, but we are looking at ‑‑ for our lending, we are looking at personal income versus business income so you don't need to get a loan from us.

We are also not credit score driven. We have done loans to people who are unscored, to people with very low credit scores, even in the 400s, but, again, these are not huge loans. They are up to the opportunity loans are up to $10,000, and the credit building is really a piece that is happening as a part of the program. That's not to say we don't do loans ‑‑ we have done a loan actually in the last week to someone with an 800 credit score.

So credit is more of something that we are here to help with, and not a requirement for the program.

>> CAROLINE BOLAS: Thank you. I pass it to you, Emerson Sekins, and we will go back and take other questions when you have presented your slides.

>> EMERSON SEKINS: Thank you. So next I want to have a conversation about benefits planning. And there are three exclamation marks in the title for a reason. This is a crucial element to helping somebody with a disability to access self‑employment, particularly if they are accessing cash benefits, medical benefits housing benefits, personal care services, food benefits.

Often folks will need specific information relevant to their individual circumstances that will give them the information about how much they are allowed to earn, how they have to report those wages and what asset limits that they may be beholden, so how much they can have in savings and how much can they earn in the month before their benefits turn off.

So benefits planning is very important to actually have someone be successful and within a small business structure. I have been doing this work almost a decade and before that in the disability community losing access to benefits is like one of the scariest things. We work with folks that are honestly terrified of losing these benefits that are the thing that makes their life work.

It literally may be the thing that helps with personal attendant services which will help with daily activities. It is also the thing that gets folks medical insurance that can help them pay their, get their treatments for their disability. So benefits planning is very, very important. I want to emphasize that, and then I also want to scare folks just enough to know that they can't do benefits planning on their own.

We actually had slides that were three slides deep on different equations for how you can assess somebody's change in benefit based upon certain earned income, and that often can be just dangerous information because it gives people this false sense of confidence that they know how they can guide somebody. So benefits planning often can be under a different title.

So WIPA, work incentive planning assistance or CWIC, certified work incentive coordinator, generally benefits planning is designed to help people reduce uncertainty about how benefits will be impacted by work and earned income. Understanding how that earned income will impact someone's benefits and what kind of earnings they are allowed to have, and then help pay for other items and services needed to maintain employment.

For example there are things called IRWE, impairment related work expenses so if somebody has a lot of disability‑related expenses that they are needing to pay for in order to become self‑employed or to be employed, often those won't count against earned income, but they have to be pre‑approved from the Social Security Administration. And then also to explore healthcare options.

I didn't put it in there but there is a plan called PASS, Plan to Achieve Self Support which can be proposed to the Social Security Administration and approved where someone can earn income without impacting Social Security income at all through a specific plan to get gainfully employed and potentially off of Social Security benefits.

One of the reasons we have certified benefits planners as our financial coaches is because, one, the majority of folks we are working with are on benefits and need this information, but they also need support with integrating that information into their overall financial picture.

So you can often with other programs that are just narrowly defined as benefits planning get like a five‑page report in Social Security language that talks about earned income, IRWEs, all of this stuff in a way that is very hard for anybody, and if you add on potential disability barriers with regards to maybe needing information presented in different ways or in a slower pace, it's really people, we have worked with so many times, like I just did benefits planning, I have no idea what they just said though.

We have worked with folks who either review the report they just got to help them enact the requirements into their lives, how do you report your wages? How do you collect this information to make sure you are paying taxes? How do you making sure that you get an overpayment? How can you address that in a timely manner.

What do you do potentially if you receive back pay from your benefits and you now have this lump sum? A coach can help, especially we have self‑employment folks that have been working in the area for years, how can you invest that money in benefits but also maybe pay back bills and those kinds of things.

So there are community partners that do benefits planning, so partnering up with a benefits planning program if you are offering self‑employment services is very, would be very smart to help support the folks with disabilities access self‑employment income.

Also CDFIs generally do need to be aware of benefits when doing lending to people with disabilities. I remember we were working with a partner that was actually in our building that does business lending and we were giving them information on here is how you can support people with disabilities and why this lending is important, and honestly I think it was the next day they were like we have got this guy who is on SSI, Supplemental Security Income, and we are getting him a $10,000 screen printer so that he can start a T‑shirt screen printing business. I have the check right now and it's made out to them, just checking in with you, what, is this okay?

And my first response was awesome that you are investing in this guy's business and absolutely that check to him is not okay. Buy the screen printer directly, because that will not impact his benefits, but if he were to receive that check, it would have impacted his benefits because it would have been over his asset limit. And because Social Security, I hope nobody on here is from Social Security, is so charming they would have found that three months later and put him into an overpayment.

So he would have received his benefits ongoing and then get the scary letter that says you now onus $3,000. We have seen overpayments much higher than that because security runs an audit and checks it years later. So we always make checks out directly to the vendor to make sure that we are not impacting people's benefits, but actually loans don't count against people's benefits because it's a loan.

They owe this money back. It's not counted as income or as a resource even though they were able to get a loan for something they need in their life. So comparing that with asset limits sometimes a loan is the only solution that a person with a disability has to be able to make larger purchases and so another reason why CDFIs should be doing this work.

Another great way that folks, some folks with disabilities can utilize to save for disability‑related expenses and small business expenses is through an ABLE account, Achieving a Better Life Experience, NDI runs an ABLE account resource center that's fabulous, has a lot of information about various states and their programs. Essentially this is accounts allowing individuals who have acquired their disability before the age of 26, and I think that's on the next slide, to save without risking losing benefits, Social Security benefits, housing benefits, medical benefits.

And it's designed basically because you are not giving folks ever a chance to face forced poverty. If you can't have someone save more than $2,000 in their life, how would they ever get out of that poverty experience. And so they have a similar structure to college savings accounts where they are tax‑free and then I think they are, if you go to the next slide, must be an individual before the age of 26, and must ‑‑ this is where self‑documentation, I believe, is possible or is required.

You have to either receive SSI, SSDI or Medicaid, have documentation of that, or you can provide documentation from a licensed physician. And so I really encourage folks because a variety of states probably represent to go to the ABLE national resources.

Thank you for putting the link in the chat, to be able to explore this option, we help people fit ABLE accounts into their overall financial picture as to how can this be utilized to the advantage of the person with a disability and their overall financial goals. It's an amazing resource. I think it's in 2025, someone can correct me, there is going to be an age adjustment Act that will be enacted that will raise the age of 26 to I think it's 40 or 41, I can't remember the exact age. So if somebody does know, please let me know. But that's in 2025 so that's not right now.

And next slide. I believe I will hand this to you, Lisa.

>> LISA JONES: So you have an idea for a small business and you are looking at how to get that small business funded, and maybe you don't live in Washington, Oregon or Idaho where you could come to Northwest Access Fund, but here is some, these are some common ways to access funding for your small business, and I'm going to kind of talk a little bit about some of the positives and negatives of these.

The first that is a common go‑to and where a lot of small businesses get their funding is help from friends, family and fans. And these may be people in your community or around you that believe in your business, believe in you and feel like they would like to put some funding in or sweat equity to get your business going.

There are ATP lenders and I believe we have a website that has a list of those, if not, I know we have a list we can send out to you, and as Emerson Sekins mentioned, I think there is one in almost every state and Guam and the Virgin Islands, so we are covered with those.

There is also CDFI that we have mentioned several times and while not all CDFIs are the same, the majority, again, have some type of financial coaching element with them or do the smaller dollar lending perhaps for start gyps which are really difficult to get a traditional bank loan through.

People that are credit challenged, all of those factors. A lot of times CDFI are also SBA micro lenders, but the two don't always go together, but there are CDFIs that are SBA micro lenders and also the U.S.D.A. has a program called IRP. It's the intermediary resolving loan program, and ‑‑ revolving loan program and that is similar to being an SBA micro lender. Both are looking at smaller dollar loans, and I think the USDA program, depending who the agent is goes up to around $150,000 as a Max while the SBA micro lending has a $50,000 Max.

Both are good products, and have less emphasis on credit and more emphasis on character and ability to pay. So they are, again, most of the time a good fit for a startup. Then kind of the next level you have a really strong business, you have a lot of capital already in your business for a downpayment. We have good cash flow, good credit.

Credit unions often or community banks are a good fit. Also the SBA, I spent a couple of years with those folks, the Small Business Administration. They have a 7A loan program that is more allowing, it's a guarantee for the bank. It's not a guarantee for the business, but it's a guarantee to the bank so they are more likely to make your loan. And they will work with businesses that, again, startups are really challenging to get funded, and so those are good options.

Traditional loan programs as well, if you are trying to purchase property, the SBA has a 504 program that is more fit to that, and then traditional loans through banks where they are able to maybe take something like a house or a property or something as collateral to secure your loan.

A lot of small business owners, we have Shark Tank on TV, other programming like this, and so immediately when they think about small business think, oh, I will just get a shark to invest in me or an angel investor or venture capital program.

The reality is most small businesses are not necessarily going to be eye fit for angel investors and venture capital programs. The typical business lifecycle is kind of a dip and an easy gradual rise of capital, and angel investors and venture capital programs are really looking for that quick increase. They want to see fast returns on their dollars.

They are also looking at ways that they invest money in your business, but a portion of your business is then controlled by those investors or programs. So if you are looking at a bigger scale business or maybe it's a check‑related company, those are better fits for angel investors, venture capitalists.

Those groups are probably never going to be interested in a local pub or a restaurant or a beauty salon. Those aren't programs, dog washing, those aren't angel investor type businesses. And then there are lenders that are specific to lending to Veterans. An example of that is an organization called Street Shares. A lot of the Veteran programs do have some credit requirements, and do require a certain amount of time and business and looking at your business revenue.

So, again, this is kind of starting at the easiest funding working your way down to the more challenging, but those are some options. The thing I would say overall is when you are looking at funding, make sure that the terms of whatever type of funding you are getting are something that you can be okay with. If you are a type of business and angel investor would want to invest in and you feel comfortable by having someone else in as an owner to support and offer guidance, and there are benefits to that.

If are a smaller business and you want to make all of the decisions, then I would look at CDFIs or micro lending programs to get you started. These are what can you afford? Are the terms right for you? There are some lending programs that are easier to access online, but they have a daily payment and they are also calculating interest daily, and those can end up in some big price tags by the end of the loan that you may not be aware of.

So making sure that you are aware is there any penalty for paying off the loan early. What are the collateral requirements? All of those things, and then typically balloon type payments are hard for small businesses, so that's a loan product that most small businesses don't go for.

And then some other options too, what can you, what other options do you have besides borrowing the money? Can you find used equipment? Can you, can you barter with someone else and trade services. I will do marketing for you, and you do financials for me.

So trying to look at other ways where creative people within CDFIs and so looking at ways to reduce personal costs to make the business stronger. And then these are support organizations that I tried to find ones that were pretty well national. They are independent living centers that focus more on the personal living and then also on pre‑business activity, and those are nationwide. Some do have more intensive entrepreneurship programs so it would just be based on your area. And then score, the small business development center and the women's business center are all entities that are put in place through the Small Business Administration.

SCORE was primarily formed from retirees that had been executives and business owners, but SCORE is in the last ten years really brought on a next generation of mentors that, so it's not only retirees at this point, and the majority of SCORE's, SBDCs and the women's business center services are free. They do have a few small dollar cost items but the majority are free.

And then the people's first organization is also national, and it's run by individuals with disabilities and they offer mentorship. They are also cohorts and then incubators and accelerators. Kind of the down, a lot of research around incubator, business incubators recently has not been that favorable, but I do think that there are certain businesses that fit well in an incubator, but sometimes the incubators will or accelerators will lack accommodations for people with disabilities.

And then there is one other, yes, so also DF funds, Emerson Sekins brought this up, Emerson, do you want to discuss this?

>> EMERSON SEKINS: Yes, we had a question about, from a CDFI whether they could be used for disability funds to be eligible for that fund under the CDFI fund, and it can be both for consumer loans where the person who is borrowing the money is a person with a disability, small businesses that are owned by a person with a disability or that they employee people with disabilities, loans to nonprofits that serve greater needs of the disability community so I'm guessing that would fall under maybe not nonprofits but businesses that provide disability services.

And then predevelopment acquisition, rehab and permanent financing to affordable housing and community facilities. So I actually don't know for sure, the business might have to be a nonprofit, which is not necessarily, it's a different entity under the disability fund.

>> LISA JONES: And next slide. That takes us to the end of our presentation. If there are any questions that we haven't answered yet or anything that anyone has a question or comment on, we are happy to facilitate those.

>> CAROLINE BOLAS: Thank you, yes, there are a couple and thank you for the comprehensive answer in the chat box. We have a general question just around if someone has a business, does it have to be like incorporated and LLC or C corps, S corps, could you be a sole proprietor? How does that affect a business loan?

>> LISA JONES: For us we don't require any specific status. You can be, it can even be prebusiness. Honestly that's more of what we are working on is prebusiness, but it can be any type of business, an LLC, an S Corp, a C Corp, a B Corp even yes, but most of proprietors.

There is a common misconception that the support organizations I mentioned, you know, that they want you to have a brick and mortar or you have to have so much in business revenues. Your business can be a side hustle that you just do for a few hours a week that supplements your income.

So there is no requirement on size, revenue or business designation.

>> CAROLINE BOLAS: One is just a comment, but I think it's so apt to share it. I love the self‑reporting approach to disability. As someone with a disability, I can say that constantly asking for doctor's verification often a doctor may not interact with. Self‑reporting approach is a good way to show individuals with disabilities your understanding of the presumption of competence. So I just wanted to share that and a lot of people agreed with that.

This is a great one. You only cover three states and we have a national audience, so how can somebody find information about CDFIs in their area and I can see that you have put a link in the chat box. I don't know if you want to say anything more about the that Emerson Sekins.

>> EMERSON SEKINS: Opportunity finance network is an industry association for CDFIs and on their website they have a locator tool where you can distill down by your location what CDFIs are in your area. But many CDFIs are actually nationally focused and can certain a nationwide audience.

So even if there is not one directly local to you, there may be other CDFIs that serve your state. So, for example, business impact northwest, you know, does Washington, Oregon, Idaho and Alaska. And I don't think that they have brick and mortar shops in every state.

>> CAROLINE BOLAS: And just to remind everybody, after the webinar, you will be sent an email with all of the links so don't think you have to frantically write them down. You will have an email which will actually provide the links that our guest speakers have put in the text box today.

So and another one, Nikki may also want to join with this one. Does the NDI or other organizations offer audit services to see how our CDFI can better serve the disabled community such as through website changes and such?

>> LISA JONES: Do you want me to answer that? Probably. I don't think Emerson does that. And the answer is, yes, we actually have a large coalition through our small business administrative, administration funded programs and doing an audit. Now, we don't have the funds to rectify anything that they find if the audit does show that you do need to make changes and that things need to be made accessible, we don't have the funds for that. You would have to pay for that yourself, but to get an audit of what exactly needs to be changed or are you accessible? Are your documents in the format that they need to be? Then absolutely. And I will my put my email into the chat and you are welcome to contact me.

>> CAROLINE BOLAS: Thanks Nikki. And while you are doing that, Emerson may be able to answer what advice do you have for other CDFIs that want to make sure they are really meeting needs of entrepreneurs with disabilities. Obviously your presentation talked about things you are doing. Is there anything else you would add if I'm a CDFI that is really thinking how can I insure I am being more inclusive?

>> EMERSON SEKINS: Yes, I think the National Disability Finance Coalition is an entity providing technical assistance to other CDFIs, and that can, that looks like a variety of different ways.

One, it's, we just did a webinar where we helped people see where disability statistics were and how they can find out where the needs are in their specific communities, but also data that's very important for grant applications to be able to set up an initiative. We do kind of dissect products that different CDFIs offer and why they are structured that way in support of the disability community and serving entrepreneurs with disabilities. So I encourage you folks to reach out with the kind of specific questions on that front and we would be happy to have a conversation about that.

And just another plug is that there is so much work to be done with supporting entrepreneurs and with supporting housing finance and consumer loans, like really it's going to take a team effort, and I really am so grateful for the CDFI on this webinar and please reach out because we want to make sure that this lending is taking off everywhere.

>> CAROLINE BOLAS: Thank you. And then related to that one is as we said, we find that many entrepreneurs with disabilities don't really know about CDFIs. Is there any route reach work you do specifically in your communities to make sure that those with disabilities actually know to come and seek your support?

>> EMERSON SEKINS: Yes, I can start and Lisa if you want to add to it. We kind of take as a cross disability organization, we take many opportunities to make sure our services are known. One, we work directly with vendors that are selling assistive technology. So the hearing aid providers, the modified van dealers know if they are working with somebody that is not able to access traditional financing or afford that financing available to them, they know they can be referred to us.

But we also go to the here and now foundation's Saturday event working with folks with spinal cord injuries to go to that next step in life. I was at a booth across the way from accessible fencing demonstration. And for like actual sword fight fencing. And then industry associations, PTs, occupational therapist associations, we do our best on social media, but really the disability community often is it's people are not connected to resources all of the time, and so getting them at any angle is going to be really important to have a multifaceted marketing approach.

>> LISA JONES: Yes, and we really look at partnerships to collaborating other organizations. I mentioned like the women's business center the SBDCs, so we are able to work with them. We refer people to them. They refer people back to us, but we at this point don't have a true, like we do the opportunity loans but not a true business loan product because we have all of these resources around us that have those products to offer.

So we are in communication with those partners a lot just advocating for clients and trying to put all of the pieces together for them. So important to do those partnerships. It's really key.

>> CAROLINE BOLAS: Thank you. One last question before we do our closing slides, do you assist disabled folks who are able to work full time but with accommodations?

>> LISA JONES: Yes.

>> EMERSON SEKINS: I can answer this, Lisa and you can add anything. We do, we serve folks with disabilities across the income spectrum and people who are working part time or full time to be eligible for our services and our loans. And we try our best and Lisa has taken on the project of doing a lot of resource mapping recently to know of other employment providers that can offer other ports or other social service organizations that maybe are providing services that is not within our scope of services.

>> LISA JONES: Yes, income is not a factor for us. I mean, they need enough money to pay the loan, but.

>> CAROLINE BOLAS: Thank you. I would like to thank you both for an amazing presentation. That was so comprehensive. And I think way beyond the brief providing not just information about your own CDFI, but also about CDFIs across the country, and how they can work with people with disabilities who are trying to grow and start their business.

So thank you both so much. Next slide. So we have one remaining session left in our series. This is going to take place on April the 18th at 2:00 p.m. Eastern Time. And this is the disability opportunity fund, and, again, I would recommend that individuals who are here today, you have already signed up for it, but that will be a great webinar.

DOF as they are done, they are the first national CDFI created for the disability community, and really, again, provide a whole range of financial products, technical assistance, equity investment and advisory services, and they have invested millions of dollars in the disability market. You are registered for that so please join us on April 18th.

We also have a few more webinars coming up, one tomorrow is very relevant to the question of how can we make sure that our websites are accessible. This is creating accessible content for content creator by results one. We have business feasibility and creating a plan by Griffin Hammis associates and that will be April 19th, and another one looking at accessibility, but this time focusing on social media and how we ensure that's accessible, and that's will be May 3rd. All of these are at 2:00 p.m. Eastern Time.

Again, we will send out the links so you can register after this webinar. And really just to close up to say Lisa talked about all of the support that's out there. Here at NDI we would be happy to support you if you are looking to start, build or grow. If you are an entrepreneur with a disability, or you have a business already and you are looking to scale it, you can visit our website at WWW.disability small business.org. Or email our community navigator, Ruth@RCHAVEZ@NDI‑INC.org.

If you are interested in learning more about making sure that your business is looking after its financial health, we are currently recruiting to a new cohort that is going to actually start in the spring. We currently have one running at the moment. This cohort is a six‑month program, and there is also a pitch competition at the end with a thousand dollars prize.

That will start in the summer so if you would like more information, please contact me, Caroline Bolas at Cbolas@NDI‑INC.org. There is never too much information, and if you want to find some that's focused specifically on disability‑owned businesses and you enjoy watching, we have a streaming TV channel that has a range of inspirational and informational content, and that can be found at WWW.disability owned.com.

And then lastly, again, making sure that we have information we need is crucial, and self‑paced modules also coaching, ask the experts, mentoring can be found through our partnership with the Verizon small business digital ready program, and if you register at the link, it will provide you with all of that resources, but also there is a grant opportunity which is open until May the 12th.

It's a $10,000 grant, and qualify to apply for the grant you have to have done at least two of the modules or coaching or one to one sessions. That's a great resource.

And lastly, if you haven't signed up already and you want to know more about what we are doing, please join our mailing list so that you can keep informed. Finally, this is our small but mighty team, today you have met myself, Caroline Bolas, you have met Nick, we give big thanks to Alexis Jones who is the person behind the scenes who is making sure the webinar runs smoothly and then like I said, please contact Ruth for that one‑on‑one support, and we would be very happy to work with you.

With that, that takes us to the end of our webinar today. I want to thank you all. Thank our presenters again for a wonderful presentation, thank you all for the chat. A lot of support between you all as well. And hopefully we will see you on April the 18th at our final webinar in this series. Thank you all, and have a great rest of your day.

(Concluded at 3:30 ET).

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