**Funding Options for Hispanic Owned Businesses in the Missing Middle Gap**

Hello everybody. Thank you so much for joining in and for investing in your growth. Before we get started, I want to go ahead and tell you a little bit about myself. Being an entrepreneur is in my blood. My grandfather and [ Indiscernible ] of always been entrepreneurs. I am a graduate of the University of Chicago and worked for Pfizer for over seven years. When I transitioned over from corporate America into building my own business I came to see -- SCORE for mentoring. Since I am a business owner myself, I completely understand the challenges that you entrepreneurs and business owners are going through. So I have successfully funded startups and have salvaged businesses as well as coach opportunity doors to be fundable -- entrepreneurs to be fundable. You can see on the slides, all the mentors I have had throughout my life. I would not be here right now without them. I am a big believer in mentors. And absolutely giving back. Definitely take advantage of that. Here is what we will talk about today. We will go over the lack of access of capitol that continues to challenge small business owners. We're going to talk about why big banks will lend to small businesses, the importance of Hispanic owned businesses to the U.S. economy, how preparation is vital to getting approved, the reasons why some businesses are rejected, setting up the basics and fundamentals, and once you know your numbers and now after this presentation, you will know what matters to lenders, you can go and head and reverse engineer and increase your likelihood of getting your business funded. The keyword is likelihood because there are no guarantees. But what is in your control is, if you know all the qualifications and criteria, go ahead and start crossing your T as early as possible. Now if you look at what is going on right now in the U.S. economy, inadequate capitol continues to be one of the biggest challenges that many small business owners face. Of the 30.7 million small businesses, 7 million get funding, but they don't even apply because they are discouraged. And 11 million get the the clients. Even a small business owners are the backbone of the economy, only 2 million received funding, and sadly, 18 million do not get the funding they need. Here are just some of the reasons why banks won't lend to small businesses. When you think about it, banks operate as a small business. Banks want to make money. They want to drive profits. Banks are also very risk-averse. So they want to mitigate risk as much as possible. At the end of the day, banks consider small business loans to risky for them. Another reason is, small businesses typically have fewer assets to provide as collateral. And so, most small business loans have a very low return and are not profitable for banks. So when you think about it, the transaction costs are the same for $100,000 loan as it is for a $1 million loan. So if you are a business. If you are a bank, which one would you focus on? knowing this, you have got to learn how to think like a banker. So if you look at the small business lending landscape right now, there exists what is called a missing middle gap. This is where the loan amount that a business owner is looking for is either too big for a nonprofit lender, meaning, something that is $50,000 $100,000 or greater, but it is too small for a big bank. Meaning, less than $1 million. If you look across the country, more and more minorities and women are starting businesses, but they are all under resourced. When you look specifically at Hispanic owned businesses, they are the fastest growing. In fact, one in four new businesses are Hispanic owned. Hispanic owned businesses are so important to the U.S. economy, contributing more than $700 billion in sales to the economy every single year. There also an important source of employment with two points really alien employees -- 2.3 million employees on payroll. Even though Hispanic businesses pay a crucial role, they are not getting the resources they need to increase revenues and build wealth. Three obstacles that hold Hispanic owned businesses back are, and this is from economic growth might include credit score problems, limited funding sources, and business knowledge gap. On average, Hispanics have low credit scores, and also limited credit histories. This really hurts their chances of getting approved for a loan. And so, many avoid take on debts, some are not able to meet their requirements, a lot rely on high-interest credit cards to increase their cash flow, and they will oftentimes use personal savings or funding from friends and family. Believe it or not, a small business owner came to me and said that he used his grandmothers savings from under her mattress. That is unbelievable. There is no reason to do that. Leave your poor grandmas hard earning savings alone. What you need to do is really learn how to leverage the resources available for small businesses right now, and also use other peoples money effectively. The great news is that there are several funding options available. What you learn today is I will give you an insider view of what lenders, banks and their underwriters used to evaluate whether you would get approved or not. As you can see, the funding options available include business credit cards, lines of credit, invoice factoring, short-term and long-term loads, asset-based lines of credit, SBA back to loans. Before we jump into these options and qualifications, here is my suggestion as you are listening and watching. As I go over the different criteria, take a note of where you are right now. This is without judging yourself no matter how bad your situation is. Really figure out, do a gaps analysis, and figure out where your deficiencies are and decide where you want to be. Operation is key. Preparation, the key to getting approved is to know what lenders look for. That way you can fill in the gaps now and meet those requirements even before you apply. There is a story where when my knee started her freshman year in high school I asked her to start thinking about what University she would like to go to. This is as soon as possible. That way once she decides she can go ahead and go to the online site and grab an application as soon as possible so she can plan early and work in the gaps in the application right now while she still has a lot of time way before her senior year. And so, the same principle applies for small businesses, applying for loans and funding. The issue with small business owners is that they wait until the last minute. Sometimes when I ask clients when they need the loan, they say yesterday. Don't do that. You got to learn how to think like a banker, do not procrastinate, tried to set up your numbers and financials way before you need alone. That way when you know all the qualifications and requirements, you can go ahead and reverse engineer the process and increase your likelihood of getting funded. The one thing I want to tell you is, you have got to be persistent. Don't get discouraged. Instead, seek guidance. We have a lot of mentors from SCORE who can really help you look over your financials to make sure you understand what the financials are saying about your business, and also start building relationships with banks before you even need funding. An example of this is during lockdown some business owners missed out on the SBA express bridge loans. Do you know why? this is because while they are waiting for economic disaster loads, they could have qualified for this loan, but they did not have any existing business relationship with the vendor -- lender. For that reason, they did not qualify. Lesson learned. Again, be persistent. If you look at history in the businesses right now that are flourishing, think about the founder of Starbucks. If Howard Schultz gave up after being turned down by banks 242 times, there would be no Starbucks. Now, remember you are not alone. All businesses experienced challenges. Don't get frustrated or embarrassed. Know exactly where you are. So what is the financial health of your business? you could tell by looking at your financials, your profit and loss, balance sheets, cash flow statements, you can look at that as well as your tax returns and also your business bank statements. The bottom line is, no matter how embarrassing it is, face it, you have to face the good, the bad and the ugly in order to change her situation. Think of this like a doctors visit. We have seen and heard it all. If you leave out details, we cannot properly assess your situation, plus it is like going to the doctor. Even if you leave out any feelings or diseases or ailments you are experiencing, the lab results will show it anyway. That is the same thing with the underwriting process. It will reveal all, so it is better to go ahead and be out front right from the get-go. Now here are some reasons why businesses are rejected. And as much as possible, tried to correct it or make your situation better. Sometimes the owners have challenged or no credit. Other times they have no collateral or We cash flow. Also, there is a lack of preparation. A lot of the times some businesses apply for a loan, including those economic disaster loads, and the number one reason they get declined is that they did not fill out the application completely. So lack of preparation is actually one of the top reasons why business owners fail to get funded. This won't be you, right? after the webinar make sure to make mental notes of that. Sometimes too these are things beyond our control and it is nothing personal. Sometimes businesses get declined because the loans they are seeking is too small for the bank. November, banks are risk-averse. Also, some lenders choose not to fund high risk art restricted industries such as the growing cannabis industry. Now, you have got to know your numbers. Before you even seek out a lender, get clear on what you want. These are some basic questions you need to answer. What are your annual gross revenues? you would be surprised when I asked some clients that would go to meet to my team, what your gross revenues? you will say the situation is... You have to say it is $100,000, $1 million, you have to be very specific. How much D need? sometimes people say I need half a million dollars. You asked what they will allocate that for, they don't know the answer. They have not properly allocated the funding. You have got to know what your return will be, what and why you need the financing for and how this will impact your business. Now, the big misconception in business, the business owners come to me and say is, if I could just get funding, all my problems will be solved. That is the biggest far from the truth. In fact, want to get funding, you're actually going to go ahead and get a lot more pressure because now you're not just accountable to yourself and your business partners and clients, now you owe somebody money. The lenders and banks want to get paid back. Now you're going to have to focus more and driving sales. That cannot stop ever, when you get funding, with you don't have funding, you always have to focus on business fundamentals. That is continuing to sell, driving revenues, cut costs, increase profits. He always want to implement revenue generators. You can get technical assistance early. SCORE has so many mentors who can help you with this. You can work on improving your numbers and filling in the gaps in your application as soon as possible. You have got to set up the basics. You would be surprised that sometimes small business owners do not have the basic set up. You have to make sure you have physical business address because if you only have your home address, some lenders actually don't like lending to home-based businesses. You also have to make sure you set up your LLC or Corporation. This limits your liability and also gives you more credibility. You need the VIN number and set up a business bank statement. You also need a business phone number, a professional website and email address. If my business is Hannah ROI business funding at Gmail.com, it doesn't sound as professional as info at ROI business.com. At the email address specifically for your business. The most important thing is, you have got to separate your personal from your business transactions. Have got to set up this business bank account for your business to run all your transactions they are. I had a client that said he needed alone. So I asked him, what is his annual gross revenues, and he said $250,000. He is looking for $25,000. I looked at that, that is doable, 10% of his annual gross income. That is not unreasonable at all. That when he submitted his bank statements to me, he unfortunately ran everything through his personal accounts. So when you look at -- again, you are putting on your lenders and bankers hat. As far as lenders are concerned, I don't care if you made $250,000 or $1 million. If it is running your personal account and not a business account, those do not exist as revenues for your business. Make sure you go ahead and set that up. Also, it is important to get proper licensing from your city, County, state and industry. And you have got to make sure your business name is in good standing and active. The way to go ahead and make this active is, you just have to make sure you file your annual reports with your secretary of state and pay the fee each year to stay active. Very simple stuff, but sometimes business owners fail to set these up. There are five C of credit that matters to a lender. One is capitol. They want to know, you have skin in the game? how serious are you? do you have enough where you are going to go ahead and personally invest your own cash and have a down payment? what about capacity? can you pay the loan back ex collateral. Just in case you're not able to pay the loan or your business fails, do you have some sort of security that can be liquidated and turned into cash to guarantee the repayment of your loan? also, your character. Lenders are going to care about your credit reports. Do you have a good credit history? what about your reputation? you have got to make sure you also are mindful about what you post on social media because some lenders have been known to do that. They will go ahead and check to see what your reputations are in social media. So be very careful about what you post. Lastly, conditions. You have to be educated about the current economic climate and your competitive landscape. Is there going to be a law that will affect your industry? is your industry growing or diminishing? lenders look at this when they go ahead and evaluate whether your business is risky or not. The bottom line, the stronger you are in all of these areas, the more funding options you will have. These are some important questions to consider. Again, what is the financial shape of your business? your lenders and bankers are going to ask this. For the past 12 months do you know what your annual gross revenues are? not just about this much, but exactly what. How long have you been in business. The reason why this is relevant because some lenders don't like to lend to startups. They require businesses to be in business for at least two years or longer. How much D need? do you really need the $500,000? can you prioritize and say I can go ahead and buy this equipment first, and then buy something else later. You have to make sure you can answer those questions intelligently. How much collateral, if any, do you have? and how quickly do you need the money? try not to say yesterday or as soon as possible because it is always good to go ahead and plan out your funding. Months in advance. Again, how will these funds impact your business? what is your return? if you have enough product that margin that even though there is a cost of capitol that you actually have enough to make profits. The three things that lenders, especially alternative once, will look at to see if your fundable are, cash flow, good credit and collateral. Ideally, what you want is all three of these because the more you have, the chances are you will get funded more or the likelihood is better for you. But if you want to get funded or at least be considered, you have to make sure if you don't have all three of these that you have at least one of them. Give us, the lenders, something to work with. I want to go over quickly with a good credit score is. FICA scores range from 300 to 850. A good rule of thumb, if you have a 670 or above, that is considered good, but aim for a 700 plus because this is where most businesses are increasing their likelihood of getting funded once they hit this point. Let's dive right into the different funding options. The first one is business credit cards. For business credit cards you can get anywhere from 25 to $250,000. These are typically great because there is 0% interest rate for the 6 to 12 months. It varies depending on your credit. The rates vary after that. Is variable come anywhere from 4% to 17%. It goes back to depending on your credit. But because this program, most people are required to go ahead and at least have a 700 FICA score, most on average will get interest rate of 7% to 8%. There is a one-time service fee of 10% for this one. The way this works is, it is a monthly payment. If you go ahead and use up $100,000, then your monthly payment will be about one or $2000. A good rule of thumb is, think about your personal credit card. If you have a $10,000 limit on your personal Visa, then you will get five times the amount of that for your business credit card limit. That means if you have $10,000 for personal, you are more than likely going to get $50,000 in your business credit card limit. The time to fund for this is seven to 30 days. The onus is on you. What I tell my clients is that the faster you can get us the documents required, out the faster we can also do the underwriting process and get you decisions. Definitely go ahead and make it as easy as possible for us to go ahead and help you. For these business credit cards, you need a FICA score of at least 720 with each bureaus. So if you look at all the different factors that contribute to your credit score, you can see they are all weighted differently. The one that they put the most weight on is your payment history, which accounts for 35% of your score, and also your debt to available credit ratio, which is also called a credit card utilization ratio that accounts for 30%. What that means is, if you go back to the personal credit card again, let's say your credit limit for that card is $10,000, you do not want to max out any of your personal credit cards because that goes, that will adversely affect your personal FICO score. You want to keep that at 30% or less. You want to make sure your balance is $3000 or less. What you need to get started for this program is a signed application and your full credit report from all the bureaus. If you have good credit, meaning in the 700s or higher, but you also have revenues of at least $200,000 or $250,000 at the lower end, you can also qualify for a business checkbook line of credit. For this when you can qualify anywhere from $25,000 up to $250,000 line of credit. The interest rates are anywhere from 6% to 15% depending on your business and personal credit. Most clients have rates typically below 10% but the payments on these lines are typically interest only or interest plus 2% of the outstanding balance, and the way they calculate this is, you get a sense of your annual gross. There is a one-time fee of 10%. Report to commercial credit bureaus. This is really good because it will allow you to build this, your commercial credit profile. This is some of the cheapest funding I have seen. With each section, unless you get private financing or the SBA loan. It is a good option to consider. To qualify, just to recap, you need at least a 720 on each of the bureaus, revenues of at least $200,000, but again, if your revenues are much higher, your chances of getting approved are much higher as well. The required documents are a signed application, full credit report, preferably from identity IQ.com. You're also going to need your 2019 business tax return, or if you don't have the 2019 return yet, you need your 2018 business tax return and your 2018 and of the year P&L statement. You also need the last three months of business bank statements and your current business debt schedule. As you can see here, and as you go ahead and listen to all the qualifications, you cannot avoid the required document of business bank statements. Even if you are a startup and don't have a business account yet, you have to make sure you open one and run all your transactions there. now there's also unsecured short-term loans. Unsecured means there is no collateral required. For this loan you can get anywhere from $5000 to $2 million. This a short-term and one of the most expensive ones as well. The fixed cost of capitol is typically 10% to 30%, and you have to pay this back within 3 to 18 months depending on your term. The payments are either daily or weekly. This is quick money. You can get funded within seven days, but let me warn you that this is very expensive, and you have got to make sure that the numbers work and the ROI make sense. This is great for businesses with gaps in their receivables and also for a lot of construction companies. A client of mine who is in construction said that he has this project, but he won't get paid until five months from now, and so even with the cost of capitol, he needed a $500,000 business loan, and even with a $50,000 cost of capitol, he said he would still take it just because it is either taking this loan and paying for the cost of capitol or losing a contract altogether. When we really evaluated his profit margin, he had enough margin where it made sense that even if, with the cost of capitol, he still has a pretty big profit margin to work with. It is only a case where I would recommend this. Otherwise, I would advise that you explore other options. For the unsecured short-term business loans, you only need to be in business for at least three months. Again, this type of loan relies heavily on your revenues, but ideally you want to be in business for at least one or more years. Your annual gross revenues have to be at least $100,000 or more in the past 12 months. Your FICO score can be challenged. I have held business owners were there score is in the 500s, but you must have business tank accounts and banking. For this one, with lenders, what they look for is at least a $10,000 per month deposit in your bank account. You want to make sure you have at least four client deposits per month. And your minimum average bank balance has to be at $1000. To get started with this program, you just need an application and the last six months of your business bank statements. Look at this example right here. There is John's consulting and Joanne is consulting. This client actually came to me, she has a healthcare business. She said her business was making $1.3 million per year. Okay, great. How much funding do you need? you said $100,000. I said that is doable. So when we went ahead and reviewed her financials and her business bank statements, they showed that she only had one client. Although it is true that she is making $1.3 million per year because she is getting over 100,000 deposits per month, the banks will still look at her as risky because, imagine if that one client disappeared. Then the lenders will not get paid their money. The business will be in trouble. Keep this in mind when you are building your business and when you are growing your business. The more clients you have, the less risky you get in the eyes of the lender. If you look at this example right here, Joanna is less risky than John because he had two of his clients that make up 60% of his revenue. Imagine if they disappear. That his business may disappear as well. The take away is, definitely get more clients and make sure that your client base is diversified, that you also have a stable and predictable clientele and leads as well. That will definitely help you. There is also long-term asset-based loans. These are longer-term, anywhere from 1 to 5 years. With these business loans, you get anywhere from $25,000 up to $500,000. The term is 60 months. When you get the rates, it ranges anywhere from 5.49% up to 23%. A good rule of thumb for this is, the longer you hold onto the capitol, the more expensive it gets. To qualify for this type of loan, it goes back to your FICO. You need at least a 620 or greater, your business revenue has to be at least $150,000 or greater, your business net income in at least one of the last two years have to be greater than zero. That means you want to be in the black. You're on your way to being profitable. You cannot have any criminal activity or any prior history. There cannot be any open tax liens or judgments against you. To get started, you need a signed application, three years of your business tax returns, your most recent personal tax return. Six months of your business bank statements. A business debt form and a guarantor form for all applicants. Another great option is what is called an invoice factoring. The way this works is, let's say you sell some shirts to Disney and they send you an invoice for $100,000. What is going to happen is, if you need funding, you can get an advance for the value of this invoice. The good thing to keep in mind about this kind of funding is that they don't care about your credit scores at all. They don't even care about what your revenues. What they care about is the creditworthiness of your client. If your client is Disney or Amazon versus a small mom and pop store, the creditworthiness of Amazon and these other brands are greater because a lot of the lenders know that these companies will be around a little bit longer. And so, you go up and call a lender and say I have this $100,000 of invoices. So what they will do is go ahead and verify those invoices to make sure they check out. If they check out, within 24 hours they will advance you anywhere from 70% to 90% of the total value of the invoices. In this example right here you get $100,000 invoice, then the lender will go ahead and advance $90,000, but they will go ahead and hold that $10,000 in reserve. Now once they collect the payment for your invoice from Disney or whatever your clients are, what they will do is, they will go ahead and take out their fees. In this case, 2.5 percent, and they will subtract that from the $10,000 they held back, and they are going to go ahead and give you back the 7500. Just another option. I want you all to be aware that this type of funding exists. As you build your business even bigger, there is also a revolving line of credit. These are for businesses or revenues from what we had dollars to $25 million. And so, your fight go score has to be at 620 or greater, and you must be a business to business focused. You have to be in business for at least two years, and they prefer that you have at least five or more diversified clients. If you meet those qualifications, you can get anywhere from $250,000 to $5 million in this revolving line of credit. At 12 months auto renewal, the interest rates are usually from 8% up to 19%. There is an origination fee for 2% to 4%, and the only security or collateral are your accounts receivable. The time to fund is rather quick, but what I tell the business owners, the responsibility is on you. The faster you get the documents to us, the faster we can help you. So the more organized you are, the better you can get funded as well, and faster too. To start this revolving line of credit, the required documents are a signed application, the last 12 months of your business bank statements, and also 12 months of your invoice data report. This is also known as a customer transaction report in QuickBooks. Were also going to request your current accounts payable and also current accounts receivable, again, detailed. And we will request two years of your financials, meaning your profit and loss and balance sheets, and at this stage of the game, if you are already making $5 million-$25 million, we prefer your year-to-date financials as well as the last two years of your business tax returns. So again, the more you grow your business, the more options you are going to have. There is also the SBA express working capitol loans. This is anywhere from $30,000 up to $350,000. This is a 10 year term. Definitely longer-term with no prepayment penalty. The time to fund is two weeks. It says here a month, but sometimes of the business owner takes a long time to send over the documents, this may take a little longer. So if you are applying for this type of loan, if your loan amount is less than $150,000, than the minimum FICO score you need is 600 . And if you're looking for a loan greater than 150, the minimum FICO score is 650. Now your small business scoring service score has to be 150, and the range of that is from zero to 300. You want to be at least 150 to get considered. For this SBA express working capitol loan, you cannot have bankruptcy or foreclosures in the past three years, and you cannot have any outstanding collections or open tax liens. If you look at the interest rates, for a $30,000 to $49,000 loan it is prime plus 2.75% to 3.75%. For a loan between $50,000 up to $350,000, prime plus 2.75% to 3.75%. The definition of prime is the best price that banks give the best clients. If fluctuates on a daily basis. The only thing you can do is, you can go out and search what is a primary for today, and I checked before the presentation, it is said 3.25% today. So you go ahead, if you're looking for $30,000-$40,000, it is 3.2% plus 2.75% up to 3.75%. That will be your interest rate. It is actually really low right now. Typically, the prime rate is at 4% to 5%. The most important thing about these SBA loans is that you cannot have any felonies at all. No delinquencies or defaults in any government loans because, if that is found on your record, automatically will not get approved. Any further underwriting process will just stop. What they look for one to qualify and pass the SBA specific criteria is your cash flow. Does your business have sufficient cash flow to pay off and service all of your debt payments. The required documents for cash flow analysis are the three years of your business and personal tax returns, your interim P&L statements, year to date balance sheet, and again, a list of your full business debt. If you don't have any, just say none. Once you pass the cash flow analysis, there is going to be some documents and stipulations that the lenders will look for. This is just to make sure everything checks out. We will request your articles of incorporation, we want to make sure you are in good standing. If you're going to use this loan to purchase equipment, you need to provide the invoice or quote for the new equipment. There will also be some insurance documents that may be required as well as your business location documents like a lease or mortgage payment. Lastly, when you look at if you're buying a real estate property and your business occupies at least 51% or more of the square footage, you can qualify for an SBA 504 real estate commercial loan. This is anywhere from $350,000 to $5 million. This is a 25 year fully amortizing loan. This is prime based pricing as well. Prime plus 1.5 percent to 2.75%. There is a three-year declining prepay. The only thing that means is that if you pay off the loan early, the lender is going to go ahead and pay you a fine or fee for that. If you got it paid off three years earlier, you get a 5% fee. 3% for two years and 1% for one year early. Your FICO score has to be at least 675, and your business debt service to credit card ratio has to be at one .25. What that means simply is, if You have expenses totaling $100,000, you have to make sure that you have at least that income that is at $125,000 because lenders want to see that you have the capacity to repay the loan. They like to see that little cushion. The required documents for these are your three years historical cash flow documents, your tax returns, your P&L, balance sheets and the collateral information. Also, the ones get in the game, typically 10% down. To really just recap everything, now that you know the insider information, what underwriters, bankers and lenders look for, really learn how to think like a banker. Would you lend to you in this current situation? you have got to build a solid relationship with your bankers and lenders and make them your strategic partner. You have got to know your numbers, even if you're not a good numbers person. That is no excuse. We have SCORE mentors available to help you do that, get rid of your fear and really explain those financials line by line. Really have a clear understanding why your business needs capitol and how those funds will impact your business. Bottom line, make your loan and funding request as easy as possible for lenders to say yes to. You are not alone. SCORE is here for you. Go ahead and call us up to make sure you get a mentor to walk you through every single step of the way. Even if you don't meet the requirements for funding right now or you don't need capitol this time, get the information, the support, the coaching ahead of time. This will increase your likelihood of obtaining funding. That way, you will be prepared when the need arises, and you won't be one of my clients calling me and saying Hannah help, I need this loan yesterday. Again, thank you so much everybody for being in this webinar today. I commend you for investing time on your business growth. We are all here to support you. Feel free to connect with me. Now I want to go ahead and turn it over to Alexa for some Q&A.

 Thank you so much. [ Indiscernible ] we have been receiving a lot of really fantastic questions. We are going to do our best to address them in the time remaining. And so, I want to go ahead and jump in here. Hannah, the first question here, how much does a business plan factor into your small business loan?

 It is so important, especially if your business is a start up. At SCORE Chicago we have a lot of relationships with banks . Were always getting referrals from the bank partners because the business owner goes in there asking for alone. They don't have a business plan. What a lot of the bankers will do is send them over to SCORE and say, you are not ready yet. You have not fully assessed your market. Again, remember, bankers are risk-averse. They want to make sure you have got a plan of how that money will be spent intelligently. It is very critical, especially if you are a startup.

 Can you hear me okay?

 there is some background noise, but I can understand you enough.

 Okay. I am sorry about that. I am trying to turn up my volume a little bit [ Indiscernible ] a couple of responses have said I am difficult to hear. I apologize for that. Okay. Next question. We have a lot of questions around credit and business credit. The next question comes from Alina. What is the source that banks use for credit checks?

 For the lender, it really varies. One of the sites we prefer as lenders for my companies is identity IQ.com. But there are actually a lot of different sources. All you would need to do is go online and Google credit reports. One of the things is, you don't -- as much as possible, and advice I want to give business owners, you want to pull your credit yourself because it won't work against your FICO scores. But if somebody else pulls your credit for you, you might get a ding depending on whether it is a soft or hard poll because now a third party is pulling that. That counts as an inquiry on your credit report.

 -- That can go against you.

 Okay. We have quite a few questions coming in regarding startups. This question in particular comes to us from [ Indiscernible ] asking about, how does a startup obtain credit if there is no past income? what is your advice for startups?

 I just want to make sure I heard you correctly because it is still hard to hear. Did you ask how would startups get funding if they don't have any revenue?

 yes. Exactly.

 The best way to get funding is to make sure that the FICO score is at least good, meaning it has to be at 700 or greater, because when you have that, you can at least go ahead and fund your venture with those business credit cards but again, this is something you want to go ahead and keep temporary, but a business credit card would be a good option if one of the business partners has at least a FICO score of 700. If they don't have that right now, again, they know the criteria. You know the qualifications. Now you know what to work on so you can get funded.

 The next question comes to us from Miguel. Miguel wants to know, are there adjustments that should be made or implemented to the information provided today? taking your business on part-time will keeping a full time job, is there anything different that they need to do or take?

 It is pretty difficult to understand you. I want to make sure I am answering the questions properly. As a possible to repeat the question again? I have my volume turned up high, but for some reason I can't hear you well.

 I'm trying to make adjustments on my end. Is this any better?

 can you please read the question again?

 sure. Is there any investment that would need to be implemented to this information provided today? Miguel is planning to take on his business part time while keeping a full-time job. Any modifications in order to secure funding or credit for your business if it is going to be more of a part-time effort?

 Not at all. Whether you are part-time or full-time, you cannot go ahead and escape a lot of these hard-nosed requirements. We all need to have excellent FICO scores as much as possible. We all need good financials. So No, the only adjustments I would make on the presentation is, when I shared those rates, those could change. When it comes to the requirements of you set up a is this bank statement, you make sure that you have revenue, or if you don't have that, you either have collateral, or if you don't have collateral, make sure at least you have a good FICO score. Those are all constant and required.

 Okay. Can you hear me a little better?

 I can. Thank you.

 Good. Okay. The next question, we received a lot of questions on this. This is from Sandra. How do you decide which credit card to choose for your business? Sandra does not have an immediate need, but it would be good to help build up the credit. So are there any geared towards small businesses? shall we look for one that offers rewards or points?

 Where you want to start first is your bank relationships. Definitely going back to building that relationship for your banker because every bank has your own credit card. Whether you go to chase or any bank, Bank of America, goes start and talk to the bankers and really dig deep into asking them first before signing anything to see what those rewards are because, yes, you are absolutely right, sometimes some of these cards have rewards where you get money back or you can use it for other purchases. Do due dilligence. Develop that relationship for your banker and start asking questions. Go in there and say I am in the process of seeking a business credit card. I don't need it just yet. They love to hear that. The best time to seek out funding is when you least need it. Say I just want to go ahead and ask you some benefits of getting this credit card over others, and based on the information you gather, decide which one is best for your business.

 Okay. The next question comes to us from Nick who is asking how can chambers, chambers of commerce, how can they best support Hispanic owned businesses? also, wanted to know, in your experience how important of a tool is micro-finance or Hispanic owned businesses?

 first, with chambers, goes back to setting up and building your contacts and finding out as much as possible the different resources that your state, your County, your city has for your small business. For example. Out here in Chicago there is the Illinois Hispanic Chamber of Commerce, who is one of the strategic partners for SCORE Chicago. They offer several services for small business owners who are Hispanic. They offer anywhere from access to grants offered by certain counties in the area. They also offer technical assistance. In addition, there are also different events where you can meet other Hispanic business owners, and also contacts for people that have these procurement opportunities and government contracting . It is definitely great to have a relationship with your Chamber of Commerce. The second part, can you remind me the second part? how important is micro-finance?

 yes.

 If you look at the small business lending landscape, there is definitely a purpose and role for every single one. If you go to micro-finance lenders, they will start you up with a small loan. If that is all you need and you want to build a credit for your business, it is a good place to start. In this area in Chicago, and I think it is national as well, the biggest nonprofit lender is axion that can lend a business owner up to $100,000. One word of caution, once you're looking for a loan greater than $25,000, they are going to go ahead and asked for collateral from you. And so, this is one of the reasons why my presentation and my business exists, because when a business owner is looking for a loan amount that is less than $50,000 or $100,000, if you can qualify for a micro-finance lender or institution, by all means go for it, but always make sure that before you sign anything you read the terms and conditions of that loan to make sure that that's because sometimes I would not suggest getting a loan if it hurts your business more than it helps. Make sure you review all those terms before you sign anything. If you have any questions, don't be afraid to take that, those contracts over to your SCORE mentor or whoever is advising and helping you to make sure . Again, if you're looking for something more, more than $50,000 or $100,000, this is why I'm going over all the other options for small businesses.

 Okay. Hannah, those are all the questions that we have time to address during today's webinar. I hope you can hear me okay. I want to say in closing thank you all so very much for attending this webinar today. We received lots of questions. If we did not get a chance to address your question, a couple of recommendations. We're going to be sending out a link to the recording of this webinar as well as the slide deck. Hannah has her contact information available within the slide deck. You can reference that and reach out to get questions answered or further assistance. We also recommend reaching out to your SCORE mentor as well , if you are not already working with a mentor, you can get further information and request to work with a SCORE mentor by going to the SCORE website, SCORE.org/ my mentor. I have a slide that has a link. You can go and it can help you with answering questions about applying strategies that Hannah has talked about today. On behalf of SCORE, I would like to thank you all for being here today. I would like to give a very special thanks to Hannah Fernandez for presenting with us as well. Thank you so much for being here and sharing this valuable and actionable information for the audience today.

 It is my pleasure. Thank you everybody. Stay safe.

 Thank you everyone. We hope you all take care, and we look forward to seeing you back next time.

 Thanks everybody for tuning in. Stay well.