THE INITIATIVE

LISC and Kiva are partnering to advance a shared mission: expanding financial opportunities for underserved entrepreneurs and small businesses in the U.S.

WHAT IS KIVA?

Kiva is an online loan crowdfunding platform that enables entrepreneurs and small businesses access to 0% interest loans. The three principle aims of the Kiva program are:

- Lower the cost of capital
- Expand access to capital
- Connect entrepreneurs with a global community
# The Kiva Loan

## Loan Purpose
- Purchasing equipment or inventory
- Expanding product lines
- Hiring additional staff
- Marketing & advertising
- Improving or creating websites
- Paying for legal fees

## Social Underwriting
- Kiva uses a borrower's character and reputation as basis for loan
- Borrowers can get endorsed by trustee organizations who vouch for their character
- All borrowers must secure a min number of lenders from their own networks before their loan is posted publicly on the Kiva website
- All borrowers must make a $25 loan to another fundraising borrower before their loan is posted – demonstrates engagement

## Loan Details
- $500-$10,000
- 6 month- 3 year loan term, depending on size
- 0% interest
- Administered via PayPal
- Crowdfunded on Kiva
- Repayments begin one month after loan has disbursed
THE TRUSTEE

Trustees are individuals or organizations who recommend and endorse borrowers and are integral to the Kiva platform.

<table>
<thead>
<tr>
<th>PROFILE</th>
<th>RESPONSIBILITIES</th>
<th>BENEFITS</th>
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<tbody>
<tr>
<td>• Ideal trustees have close personal and/or professional relationships to the borrower</td>
<td>• Identify and reach out to businesses and entrepreneurs who would benefit from a Kiva loan</td>
<td>• Help the entrepreneurs you work with access capital</td>
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<tr>
<td>• CDCs</td>
<td>• Evaluate borrowers based on their understanding of their business and impact of kiva loan</td>
<td>• Gain exposure for your organization – each trustee has an online Kiva profile that links to its website and includes information about it</td>
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<tr>
<td>• Non profits</td>
<td>• Under no financial or legal liability, but…</td>
<td>• Track your impact over time and showcase your work with funders</td>
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<tr>
<td>• Business Incubators</td>
<td>• …Help support borrowers throughout the Kiva process</td>
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THE BORROWER

ELIGIBILITY

- Borrowers must be over the age of 18
- They must have a PayPal account or the ability to create one
- Borrowers cannot currently be in foreclosure or under bankruptcy
- Emphasis on entrepreneurs with household incomes under $100,000
- Each borrower is required to invite a minimum number of lenders from her own personal network before her loan is posted “live” on the website to the greater Kiva lending community
THE BORROWER

SUCCESSFUL KIVA BORROWERS HAVE...

- A network of supporters and champions
  (friends, family members, and customers)
- A social media presence
- Tech savviness (comfortable using email, web,
  PayPal, etc.)
- Comfort marketing their business!
- Momentum coming out of the private
  fundraising period into public fundraising
  (~30% or more raised in private)
- A great photo for their campaign
THE PROCESS

CREATE TRUSTEE PROFILE

IDENTIFY & INVITE ENTREPRENEURS IN YOUR NETWORK

ASSESSMENT

ENDORSE BORROWER

FUNDRAISING CAMPAIGN LAUNCH

CAMPAIGN SUCCESS

BORROWER REPAYMENT PERIOD
LISC'S ROLE

- LA LISC has capitalized a $100k matching fund for all borrowers endorsed by our local Kiva Trustee partners
- LA LISC can provide technical assistance and training for Trustees and their borrowers in regards to successful marketing and outreach campaigns
- LISC can help support borrowers grow their business and climb the ladder of "Financial Inclusion"
INTERESTED IN BECOMING A LISC KIVA TRUSTEE?

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