Successful Lending Practices: Turning Loan Prospects into Successful Applicants

The CDFI Fund's Capacity Building Initiative: *Building Native CDFI's Sustainability and Impact II*

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ICF and First Nations Oweesta Corporation, Inc.

Disclaimer

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Introduction

Turning loan prospects into successful applicants can be difficult! This webinar will discuss meaningful strategies to get your clients to the finish line.

This Webinar Will Help Participants:

- Understand the challenges related to application completion

- Develop strategies to overcome barriers to application completion

- Improve their application forms to reduce applicant frustration and increase number of completed applications

- Learn best practices related to a streamlined application process

- Develop simple tracking mechanisms and processes for pipeline monitoring

Presenters

- Krystal Langholz, First Nations Oweesta Corporation

- Emily Trump, First Nations Oweesta Corporation

Finding Potential Loan Applicants

- Traditional marketing
- Social media
- Development services
- Networking in the community and word of mouth
- Referral by partners

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My organization receives most of our loan applications via:

- Referrals from other community organizations
- Development services/technical assistance participants
- Traditional marketing (flyers, radio, direct mail, etc.)
- Social media
- Word of mouth
- Other

The Application Process

- Client inquiry

- Required technical assistance (sometimes)

- Application and supporting documents

- Follow-up from Native CDFI staff
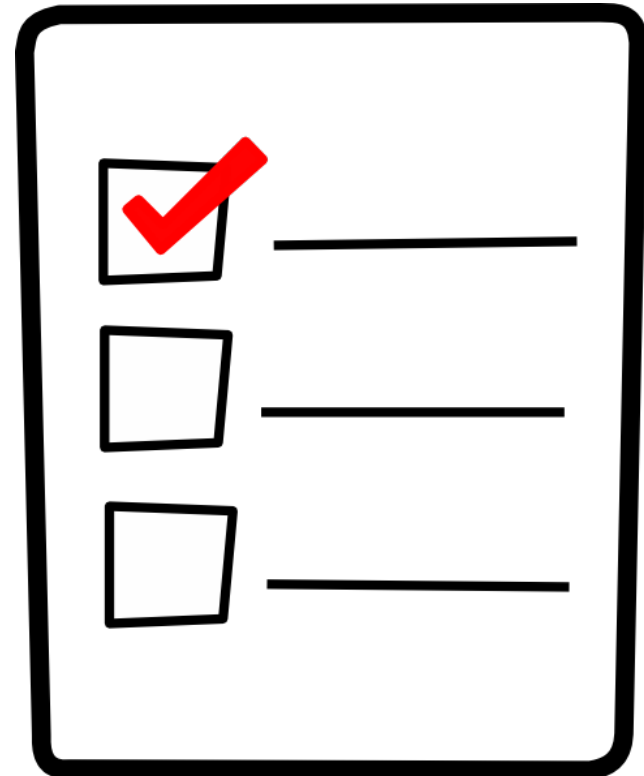
Making Your Forms User-Friendly

- Paper vs. online
- Pay attention to formatting
- Avoid jargon
- Don't ask for unnecessary information
- Ensure that help is available

Best Practices in Collecting Information

- Use data you already have on file, if applicable

- Make it easy for applicants to find/look up information

- Every data point needs a purpose

- Customize your loan application materials

- Keep your loan files organized and confidential

- Follow up on missing information promptly

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Our organization accepts:

- Paper applications

- Online applications

- Both paper and online applications

Client Barriers and Management Strategies

- Process confusion

- The sense of not belonging

- Lack of legal documentation and/or financial statements
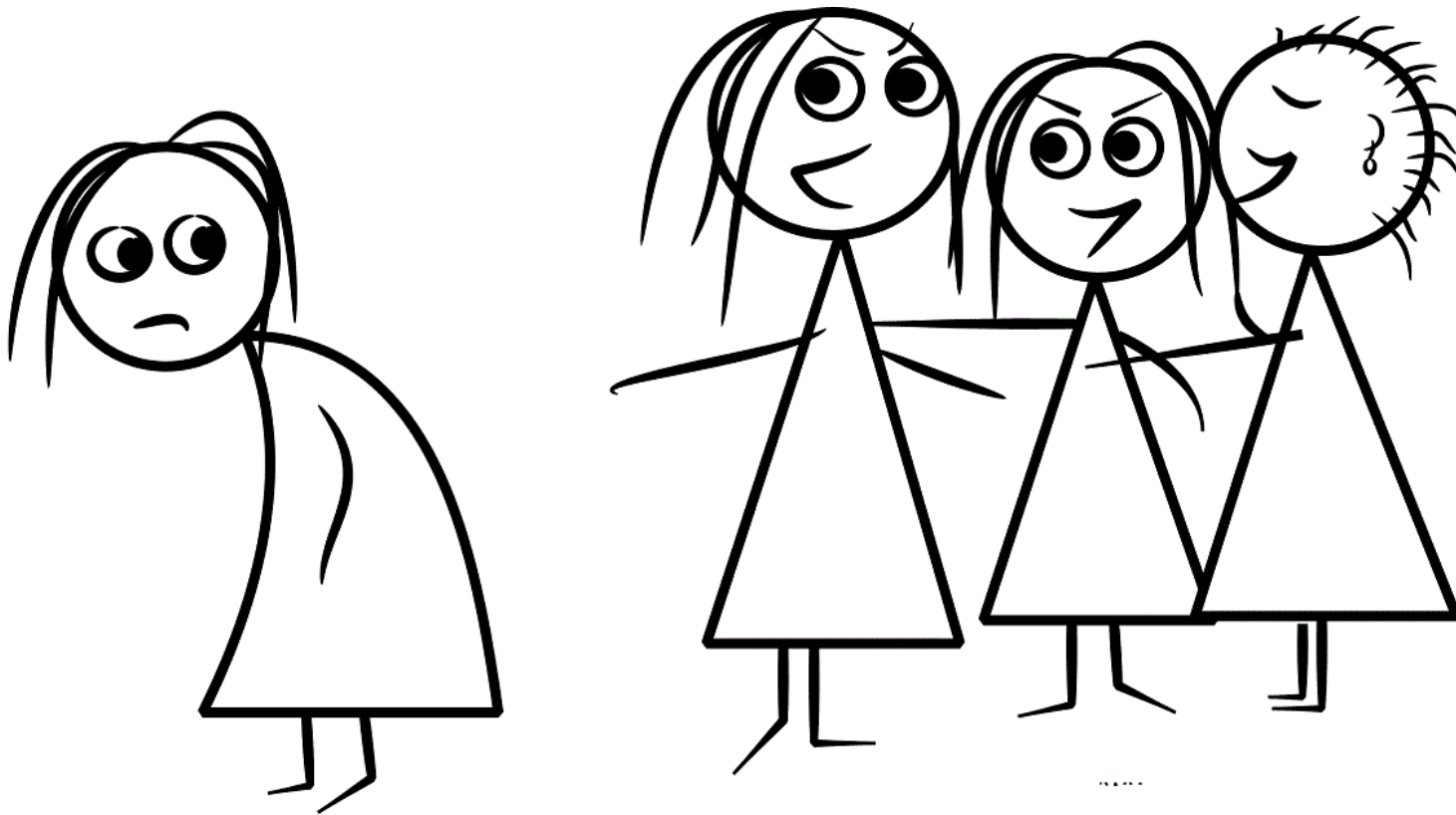
- Undefined goals

- Competing priorities

Process Confusion

Do your clients understand:
- The benefits of receiving a loan from your organization
- The requirements for being approved for a loan
- The usual timeline for approval
- Who to contact for help

The Sense of "Not Belonging"

Lack of Financial Statements and Documentation

What Clients Need

- Business financial statements

- SBA 8(a) certification

- Budget and credit repair plan

What Clients Have

- Shoebox full of receipts

- Informal side job(s)

- Collection notices

Undefined Goals and Competing Priorities

- Receiving a loan vs. achieving a goal

- Being an entrepreneur vs. being a car mechanic

- Family needs vs. career ambitions

- Fixing your credit vs. buying a house

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Our clients' biggest barrier is:

- Confusion with the loan process

- A sense of "not belonging"

- Lack of legal documentation and/or financial statements

- Undefined goals

- Competing priorities

- Other

Strategies for Follow-Up and Keeping Clients on Track

- Scheduling follow-up

- Clear assignment of duties

- Communication methods

- Pipeline monitoring

Chat Box

- Which strategies have been most successful for keeping your clients on track?

Questions?

- OFFICE HOURS SCHEDULED: **THURSDAY, JULY 11, 2019, 1PM-2PM ET**
  - ➢ Open forum for more individualized questions and/or questions related to loan applications that were not covered in this webinar.
- Registration reminder will be sent after this webinar.