

## Frequently Asked Questions about ACCION San Diego

- **Q: Where does ACCION San Diego work?**

**A:** ACCION San Diego currently provides loans throughout San Diego County. If a client is located anywhere outside San Diego County he/she is referred to ACCION USA which is based in Boston, but provides lending through their nationwide internet program. Their telephone number is: (866) 245-0783 and website is: [www.accionusa.org](http://www.accionusa.org)

- **Q: Is ACCION San Diego related to ACCION International, the organization that works in developing countries?**

**A:** Yes, ACCION San Diego is an affiliate office of the ACCION network which includes ACCION International, ACCION USA and other offices independently run in New Mexico, Texas, Illinois and New York. ACCION USA's services cover all of the United States via the independent office locations or through their nationwide internet lending program. ACCION International serves various international locations.

- **Q: Where does ACCION San Diego get funding?**

**A:** ACCION San Diego receives the bulk of its funding from banks under the Community Reinvestment Act which requires a certain percent of their funds allocated to low-to-moderate income neighborhoods. Banks provide both grants and low-interest loans. We also receive grants from foundations and general companies, the City of San Diego as well as donations from generous individuals.

- **Q: Does ACCION San Diego provide training to small business owners in addition to loans?**

**A:** ACCION San Diego provides basic training to its clients through its staff and volunteers, as well as referring clients to our extensive network of specialized community partners for further training. ACCION San Diego has a network of volunteers who are also available to counsel clients on a one-on-one basis.

- **Q: What are ACCION San Diego's interest rates?**

**A:** ACCION San Diego's interest rates range between 12% and 18% depending on the clients individual situation and risk analysis. Our interest rates are higher than banks' due to higher risk.

- **Q: What is ACCION San Diego's repayment rate?**

**A:** Repayment rates have historically been 95% although they have trended upward recently due to the effect of sub-prime lending and current economic conditions.

- **Q: What types of businesses does ACCION San Diego assist?**

**A:** Our client base is extremely diverse and is comprised of store-front, start-up and home-based businesses. Types of businesses range from daycares and restaurants to construction companies and local media.

- **Q: Does ACCION San Diego require collateral?**

**A:** ACCION will take vehicles or business assets as collateral, but it is not always necessary and is determined on an individual basis by the loan committee. The loans are rarely fully collateralized and collateral is usually used for symbolic purposes.

- **Q: Does ACCION San Diego provide SBA loans?**

**A:** No. All the money we lend out is from our fundraising efforts. SBA loans are for larger dollar amounts than our program lends, however we do work in partnership with the SBA on a referral basis.

- **Q: Why are ACCION San Diego's interest rates higher than banks?**

**A:** ACCION San Diego's interest rates range between 12% and 18% depending on the client's situation. Our interest rates are higher than banks' because the loans are higher risk. Clients that come to ACCION do not qualify for a traditional loan through a bank or credit union due to high risk reasons such as lack of credit history or a start-up business and therefore, the loan process is more time intensive and the risk is greater.

- **Q: Does ACCION San Diego give lines of credit or loans used for other purposes?**

**A:** No. We only provide small business loans.

- **Q: Does ACCION lend to start-up businesses?**

**A:** Yes, we will work with start-up businesses and depending on the amount they are requesting the paperwork we require varies.

- **Q: Does ACCION San Diego accept real-estate as collateral?**

**A:** No, we do not accept real-estate as collateral, only vehicles and business assets.

- **Q: How does ACCION San Diego pay its employees?**

**A:** The paid principle of the loans recycles directly back into our loan fund to provide another loan. The interest and administrative fees paid on the loan are used for our program administration. We are also awarded grants from the City of San Diego, banks, foundations and individuals that are specified to supplement our program costs.

- **Q: How does ACCION San Diego reach potential clients?**

**A:** ACCION has relied on very little advertising in its 14 years, and focuses mainly on grassroots marketing and establishing relationships within the community. Many clients are referred to our program by community organizations, current or past clients or banks. ACCION staff does its best to be present at as many community events and meetings where we can reach potential clients and get the word out about our services. We are also fortunate to have a relationship with morning news host Rod Luck on KUSI TV where we are featured with one client per month for about 5-7 minutes. ACCION also recently began local English and Spanish radio advertising campaigns and have received good response.

- **Q: Does ACCION San Diego report to credit agencies?**

**A:** Yes, we report to Experian to assist our clients in establishing or rebuilding their credit history.

- **Q: What loan products does ACCION San Diego have?**

**A:** Currently we offer two loan products. The Quick Loan is for amounts \$2,000 or less, has a one page application with a 48 hour turn-around time. Our Standard Loan amounts range from \$2,001-\$35,000 and require a five page application with a turn around time of approximately one to two weeks.

- **Q: Do you have a citizenship requirement for your clients?**

**A:** We require that our clients have some type of legal status to qualify for our loan program.