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State's Investment Funds Help Baker Continue Mexican Traditions

By F. Leroy Pacheco, Chief Executive Officer, The Loan Fund

“GOOD! GOOD! and more GOOD!” exults an online review from a satisfied customer of Albuquerque’s El Dorado Bakery. “This little gem of a bakery is probably one of the finest things in Albuquerque’s South East ‘San Jose’ neighborhood. ... People are lined up out the door on a Saturday and Sunday morning.”

Many of those early birds are Mexican immigrants and neighborhood residents who hunger for the traditional Mexican breads and pastries that make El Dorado unlike any other bakery anywhere near the intersection of Broadway and Gibson boulevards Southeast. The bakery also serves breakfast and lunch all week and features menudo on weekends.

Comfort Zone

Owner Ruben Dorado named the bakery after himself in a clever departure from the usual New Mexico translation of the name for the mythical Cities of Gold. Two of his brothers do the baking, and his sister operates the cash register. It’s a tradition they brought to the United States from Chihuahua, Mexico, where their father owned a bakery.

Dorado got his first loan from The Loan Fund in 2004 to open a mobile food cart. A larger loan two years later allowed him to launch the bakery. In 2012, Dorado opened another business – El Dorado Taqueria on the corner of Avenida Cesar Chavez and Broadway Boulevard. “They speak Spanish, and they gave me all the information in Spanish,” he said of securing the loans.

While many Loan Fund clients are referred by banks and other traditional lenders, Dorado followed the path many immigrants take — he went directly to an alternative lender he knew would understand him, said Norma Valdez, the loan officer who worked with the entrepreneur on both his loans, tailoring financing to his specific needs and resources in Dorado’s native language.

“For immigrants in general, the banking industry in their countries isn’t (a resource for) low-income people,” she said. “If you know business, you can express yourself with confidence in your native language. You don’t feel inadequate.”

Growing New Mexico Enterprises

The Loan Fund is an alternative lender that provides capital to New Mexico businesses and nonprofits. It gets some of its funds from the New Mexico Small Business Investment Corporation, a state-funded program created in 2001 to provide financial support to small businesses that create jobs in the state. NMSBIC receives funds from the Severance Tax Permanent Fund and makes that money available through alternative lenders that also act as consultants to borrowers and manage the loans.

Besides being the oldest and largest alternative lender in New Mexico, The Loan Fund is the largest lending partner of the NMSBIC, with \$8.5 million in funds committed by NMSBIC. Funds from other entities give The Loan Fund a total loan capacity of \$17 million. Since joining forces with NMSBIC in 2004, The Loan Fund has provided almost \$20 million to more than 380 businesses statewide on behalf of the state-funded program.

Since its creation in 2001, NMSBIC has funded more than 2,400 loans to New Mexico startups and small businesses, and these loans have supported more than 5,800 jobs. NMSBIC has worked aggressively with alternative lenders to encourage them to make business loans in every part of the state.

For more information about NMSBIC, visit www.nmsbic.org. To learn more about The Loan Fund, go to www.loanfund.org.

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