



## Woodworking Business Gets Startup Help from Accion

*By Metta Smith, Vice President of Lending and Client Services, Accion*

It's a common conundrum for startups: The business needs money to grow, but it's too new and untested to qualify for a loan from many traditional lenders.

But, as Regina Baca and Ohel Chillon of Antigua Woodwork discovered three months after starting their business in 2014, Accion is willing to take a chance on fledgling enterprises like theirs. The Albuquerque couple took out a loan in December of that year to purchase equipment critical to their operation.



Ohel Chillon; photos courtesy Antigua Woodwork

The company specializes in custom hand-crafted woodwork, including cabinetmaking, furniture making and fine woodcarving. The business is the main source of income for the couple, who have a son.



“When we started our business in 2014, it was a slow but steady start,” said Baca, who manages the business while Chillon does the woodwork. “With our first Accion loan, we purchased some quality equipment and hustled to get clients. I remember driving two hours out of town to give estimates, stopping at every new construction property we saw, emailing every contact we made over and over and running specials every month.”

She and Chillon did everything that first year. “As we got busier and busier, we needed more room and more help. We moved to a bigger warehouse, hired a couple of employees and purchased a much-needed trailer.”

The couple received a second Accion loan in May 2016.

“Many banks will not work with businesses that are less than two years old due to the risk,” said Gabriela Marques, loan officer and operations impact associate at Accion’s Albuquerque office. “But 40 percent of our loans go to brand-new businesses.”

Accion has a loan program designed for businesses at any stage, whether pre-launch or well established. The organization will lend as much as \$100,000 to startups at an annual percentage interest rate near those of traditional banks.

Traditional lenders typically want to see criteria such as substantial owner equity and strong historical financial performance before lending money to a business. But Accion is able to work with businesses that don’t meet traditional criteria because part of the nonprofit organization’s mission is to help small-business owners acquire financing to become economically self-sufficient and create jobs.

To qualify for an Accion loan, applicants need a minimum credit score of 550 and no active bankruptcies or foreclosures in the prior 12 months. The business must show a steady cash flow or, in the case of a start-up, the entrepreneur needs to demonstrate an ability to support monthly loan payments and offer collateral.

For the owners of Antigua Woodwork, the hard work of launching a business is paying off. “Producing a quality product at a fair price has been what’s worked so far,” Baca said. “We’ve had return customers as well as referrals from their family and friends and have been fortunate enough to make some contacts with a few contractors who keep us busy.”

To apply for an Accion loan, contact 505-243-8844 or contact <https://us.accion.org>.

*Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

