

Landscape Business Puts Down Roots With Help From Accion

By Brinn Pfeiffer, Accion Communications Specialist, and Sandy Nelson, Finance New Mexico

Before Oscar Apodaca talked to Accion, his Santa Fe tree service business was like many growing entrepreneurial enterprises — operating on the edge of society and extremely vulnerable — a position that could be significantly improved by greater access to capital.

Oscar and his wife, Charito, started their full-service landscape business on Rufina Street in 2008 after Oscar left his job at a local nursery. Their dream was to turn his landscaping gig into a full-time business with a permanent home — rather than running the venture from his trailer.

A few years later they were in the swing of things, Oscar's Tree Service was renting a storefront and expanding its retail landscaping business. Then in 2016 when the same property was offered for sale, the Sinaloa, Mexico natives jumped at the chance to buy it, but their taxpayer status made it difficult to secure a commercial loan.

“I'm extremely proud of the Apodaca's perseverance,” said Accion's Vice President of Lending, Metta Smith. “They are fantastic clients that have boot-strapped their business from the ground up.”

Positioned to Borrow

The Apodacas are legal residents of the United States and use an individual taxpayer identification number (ITIN) to pay taxes in lieu of a Social Security number.

Most traditional banks require borrowers to have a Social Security number and won't lend to ITIN taxpayers because their status can sometimes be considered unpredictable. But community-based lender Accion can lend up to \$10,000 to ITIN taxpayers who are authorized to work in the United States — and even more if there's a co-guarantor with a Social Security number.

A relative with Social Security status agreed to guarantee the Apodaca's 15-year commercial real estate loan so they could purchase the property that had housed their business since 2008. Today, the four family members and four other employees who comprise Oscar's Tree Service plan to improve the lot and perhaps open a second Santa Fe location before expanding to Los Alamos. “We are more stable for sure” since the loan approval, Oscar Apodaca said. “We're close to Lowe's and Home Depot; it's a beautiful corner.”

“The ability to open doors for our clients is one of the most rewarding aspects of working at Accion,” said Smith. “I’m thrilled that today, Oscar’s Tree Service is hearty, healthy and ready to grow.”

Beating the Trends

Accion bases loan decisions on a business’s cash flow, collateral, and conditions and its owners’ personal credit and character. The Apodacas had it all, said Accion loan officer Gabriela Marques, and the commercial loan will help them become even more bankable as their credit strengthens.

“Oscar’s Tree Service at one point could have closed without Accion’s support,” Marques said. “It’s been a pleasure working with the Apodacas — to see their joy, grit and passion for their business and how proud they are of what they have been able to accomplish in New Mexico over a decade, including having a source of income and security for their family and employing other Santa Feans.”

To help businesses like Oscar’s Tree Service, Accion is pursuing a bold “moonshot” to get \$1 trillion into the hands of underserved entrepreneurs over the next decade. Its initiative follows a February 2017 Economic Innovation Group report *Dynamism in Retreat: Consequences for Regions, Markets and Workers*, which revealed that business deaths have outpaced births on average since 2008.

“We know that entrepreneurship is critical to economic dynamism and ... to improving lives in underserved populations and geographies,” Marques said. “We’ve seen the difference that a business can make for an individual, family, and community — just like the Apocadas. As it stands, the amount of capital and other resources available to help these underserved entrepreneurs realize their dreams is not sufficient. Through Accion’s work we’re changing that story one business at time.”

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