



## Newcomer maintains family trophy tradition with Accion's ZipPay loan

By *Finance New Mexico*

When Nick Harrison couldn't persuade his mom to let him buy her trophy shop in Oregon, he moved with his wife to New Mexico and bought a complementary business in Albuquerque.

Harrison purchased [The Ribbon Place](#) in March 2017. The 37-year-old Albuquerque company makes custom award ribbons, rosettes, sashes, buttons and other promotional items. It employs seven people, including Nick and his wife.

The business is a perfect fit for the Harrisons, who maintain other jobs until the enterprise can fully support them. Just as appropriate was the loan the couple procured to purchase the company: The ZipPay loan offered by nonprofit community development lender [Accion](#), allows Harrison to automatically divert a percentage of every credit card sale to the lender to pay off his loan.

"Basically, they take a percentage out of every transaction through the credit card reader. It's nice because I don't have to worry about missing a payment," he said.

Accion's novel approach to business financing is designed for existing businesses with frequent electronic payment transactions, limited collateral and uneven revenue. It's structured like a term loan, with regular payments over a specific period, but payments are based on a business's average monthly cash flow: If sales increase one month, the overage is applied to another month's payment when sales might be lighter.

ZipPay loans of up to \$50,000 can be used for working capital, property improvements, business expansion, equipment, marketing and more, according to Accion.

Harrison's loan has a five-year term. "I don't have to think about it," he said. "Before you know it, the loan is already gone. They send a statement every month."

The broker who facilitated the business sale told Harrison about Accion, whose loan officers were impressed with Harrison's knowledge of the business he planned to run.

"My grandfather opened his trophy shop in the late '60s," he said. "I used to go down to the shop and help engrave and put trophies together. My mother also started her own business. I started helping her. As I got older, I became more interested in the business side of things — the pricing and ordering of the

supplies needed for the trophy orders. I also helped out with design ideas for new products and how to market them. After working with both sides of the business, I wanted to follow in their footsteps.”

The Albuquerque business is steady year-round, but things really accelerate from April to October, when up to two-thirds of the company’s revenue is generated from ribbons, name tags and other products made for state and county fairs, conventions and seminars.

“I know that I have the knowledge and expertise to get this business where I know it can be,” Harrison said. “I decided on this business, as it has a strong customer base ... to build on.”

To secure a ZipPay loan, the client must have a minimum credit score of 600 and enough cash flow to support monthly payments. Collateral is not required, but secured loans have lower interest rates.

It also requires switching to an electronic payment vendor for credit card services so loan payments can be deducted automatically. The business must be at least 6 months old, because Accion needs to see at least six months of merchant service statements to tailor an appropriate monthly payment.

For more information about Accion or to schedule an appointment with a loan officer, visit <https://us.accion.org/>.

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