

Landscape business puts down roots with help from Accion

Written by By Sandy Nelson for Finance New Mexico
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Before Oscar Apodaca talked to Accion, his Santa Fe tree service business was struggling like so many entrepreneurial enterprises that lack 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 gigs into a full-time business with a permanent home rather than running the venture from a roadside trailer.

A few years later, Oscar's Tree Service was renting a storefront and expanding the retail arm of their landscape service. When the Rufina Street property was offered for sale in 2016, the Sinaloa, Mexico natives jumped at the chance to buy it, but their taxpayer status made it difficult to secure a commercial loan.

POSITIONED TO BORROW

The Apodocas 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

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ITIN taxpayers because their status can 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 that would allow them to own the property that had housed their business for so many years. 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 said. "We're close to Lowe's and Home Depot; it's a beautiful corner."

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 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. As it stands, the amount of capital and other resources available to help these underserved entrepreneurs realize their dreams is

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not sufficient.”

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