

SMALL BUSINESS NEWS



CENTER *for* RURAL AFFAIRS

FALL 2021



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A loan can provide the extra boost your small business needs.

HOUSING LOANS AVAILABLE



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The Center for Rural Affairs believes in building sustainable communities. To serve more diverse community members, we are often more flexible than traditional lenders.

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CENTER *for* RURAL AFFAIRS

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On the cover: Veronica Ramos, owner of Blossom Beauty Salon | Photo by Kylie Kai



Veronica Ramos received assistance from the Center for Rural Affairs to open Blossom Beauty Salon in Grand Island, Nebraska. | Photo by Kylie Kai

VERONICA'S BUSINESS VENTURE BENEFITS FROM VALUABLE ASSISTANCE

BY LIZ STEWART AND GRISELDA RENDON

From doing nails by appointment in her home to buying her own salon, Veronica Ramos is a prime example of a successful entrepreneur.

Owner of Blossom Beauty Salon in Grand Island, Nebraska, Veronica's specialty is nails—manicures, pedicures, and more. Her sister, Angeles Nuñez, does nails in the salon as well, and Veronica rents the four hair-styling stations to local stylists, making her business a full-service salon.

Although years of hard work, determination, and planning moved Veronica closer to her goal of having her own salon, she also received assistance from

the Center for Rural Affairs. After her other sister, Ana Gonzalez, worked with the Center to open a bakery, Veronica decided to take advantage of the organization's services as well. She used start-up financing to open Blossom Beauty Salon in a storefront next door to The Enchanted Bakery.

"Working with the Center has been a very good experience—I've really enjoyed the process," Veronica said. "Center staff have provided excellent service."

The nail technician has also used financing from the Center to help pay bills and buy additional equipment to assist in growing her business.

Center for Rural Affairs Latino Loan Specialist Griselda Rendon has been by Veronica's side since the beginning and guided both her and her sister through the process of becoming successful business owners.

"She is very talented in what she does and is always looking for ways to make sure her customers are 100% satisfied," said Griselda. "Veronica likes to prepare herself as a person and as a business owner."

Because she and her sister have had such wonderful experiences and continue to use the Center's training programs and services, Veronica has gone out of her way to recommend the Center to other entrepreneurs and business



owners who may need a little extra assistance.

"The Center helps a lot of people," she said. "They offer so much information that helps small businesses grow. I'm really happy that I'm working with them. I love having my salon, and it is off to a good start because of the Center." 📷

Above and below: Veronica Ramos opened a salon next to her sister's bakery in Grand Island. Center Latino Loan Specialist Griselda Rendon has guided both through the process of becoming successful business owners. | Photos by Kylie Kai





OUR LOAN PRODUCTS

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BUSINESS DEVELOPMENT SERVICES

Business counseling

Business development specialists are available for consultations on business troubleshooting, cash flow and budget, loan packaging, and more.

Loan specialists

We have a statewide network of loan specialists ready and willing to help you along your small business journey. Find your specialist on pages 10 and 11.

Start-up checklist

You have a great idea for a new small business. Congratulations! That's the first step. But, you need to do a few other things to turn that idea into a business. We offer an online checklist with actions to get you started. Visit cfra.org/business-start-checklist.

Events and networking

We host various workshops and networking opportunities focused on emergency preparedness, marketing, business plans, social media, specific industries, and more. To stay up to date, visit cfra.org/events.

SMALL BUSINESS ASSISTANCE



Funded in part through a cooperative agreement with the U.S. Small Business Administration. All SBA funded programs are extended to the public on a nondiscriminatory basis. The Center for Rural Affairs is an equal opportunity provider and employer.

PANDEMIC PASSION PROJECT OPENS THE DOOR TO STARTING A SUCCESSFUL BUSINESS

BY LIZ STEWART

Cynthia Huhman has always loved crafts and sewing, but owning an embroidery business was never on her radar.

During the global coronavirus pandemic, Cynthia started creating graphic T-shirts as a way to relax while dealing with the stresses of the outside world. And, in January 2021, when a friend approached Cynthia about taking over

her business, she thought carefully about the prospect of becoming her own boss.

“Making graphic tees was a creative outlet so I could keep my sanity,” said Cynthia. “A friend was ready to retire and wanted to see someone local purchase her business. She thought that since I was already dabbling in apparel that it would be a good fit for me.

She wanted to pass along all the existing client files as well as their logos, and those valuable files would mean nothing to someone who was not going to continue to serve her clientele list.”

Cynthia began working alongside then-owner Deb Bryner to learn more about running the embroidery equipment, and after a few months, she was ready to take over.

“We moved the equipment on Thursday night, Feb. 25,” she said. “Deb worked right up until 5:30 that day, and her shop wasn’t open on Fridays, so the business didn’t even skip a beat.”

On the morning of Monday, March 1, 2021, Cynthia opened



Left and right: Cynthia Huhman opened Nebraska Pasture Door, in Merna, in March after reaching out to the Center for a business loan. Cynthia offers customized and personalized apparel and hopes to expand. | Photos submitted

her business, Nebraska Pasture Door, outside Merna, Nebraska.

The smooth transition was possible in part due to Cynthia reaching out to the Center for Rural Affairs to help finance her business ownership dreams. She knew about the Center through its social media presence and news stories played on her local radio station.

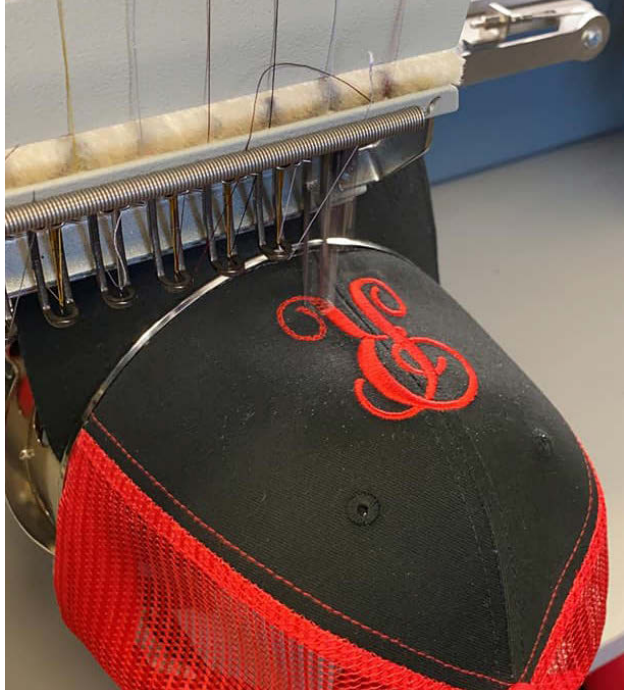
"I applied for a business loan because I did not have the funds to purchase the business on my own," she said. "I knew the Center could be a good resource for me."

Howard White, former loan specialist with the Center, helped guide Cynthia through the loan application process.

"Cynthia has the marketing and artistic skills necessary to make her business work," said Howard. "She had researched the project in detail and had all the answers a lender would ask. She's been a great client to work with who will be successful in any endeavor she attempts."

At Nebraska Pasture Door, Cynthia offers customized and personalized apparel including shirts, jackets, and hats, as well as spirit wear and graphic tees. She works on apparel for businesses, schools, organizations, and reunions. Her website showcases boutique apparel purchased from several resources, which she eventually hopes to expand.

Cynthia is excited to see how far her entrepreneurial efforts take her on this journey. She recently joined the Broken Bow Chamber of Commerce



and celebrated a ribbon cutting at her business.

"I love being in my hometown, and I'm thankful for the outstanding support I've had so far," Cynthia said.

And, Nebraska Pasture Door has already outgrown its first location. Although Cynthia is the only employee, she hopes to add another person to her staff and move to a larger building better suited for her business.

Cynthia knows the Center will be there to help with expansion whenever she needs assistance.

"The financing [from the Center] let my dream of owning my own business become a reality," she said. "I've been a single parent most of my adult life, so I never imagined that owning my own business would be possible. The staff has been very kind and helpful, and I'm thankful for the opportunity that this loan has given me." 📌

CLIENT SUCCESS



Whether you are a starter business or a current business owner, there are some considerations you need to take before applying for a loan. Center staff are available to help. | Photo by Kylie Kai

WHAT TO CONSIDER BEFORE APPLYING FOR A SMALL BUSINESS LOAN

BY SAM TULP

Do you have a great idea for a business? Or already own a business and are looking for ways to take it to the next level? A loan could provide the extra boost your small business needs.

However, before applying for a loan, ask yourself these questions.

1. Why do you need the money? What is that money going to help you accomplish? What is the purpose of this loan?

Itemize how you're going to spend every dollar that you're going to be requesting. It's really important that you've put some thought in beforehand as to how you want to use those funds.

2. How will this loan help you grow your business?

The purpose shouldn't hopefully be just to keep doing what you are doing. You want to be looking to expand, to grow, to bring in new revenue streams.

3. Can I afford this loan right now?

Yes, you may want the money,

but it's important to make sure that taking out this credit isn't going to stop you from what you're currently doing. It's going to supplement what you're currently doing.

Simply answering these questions can help you avoid common pitfalls of borrowing too much or too little for your business needs. Knowing your plan will help you and your lender set your business up for sustainable growth.

GATHERING DOCUMENTS BEFORE APPLYING FOR A LOAN

All lenders have different criteria. Document requirements vary by institution and by the size of the loan request. Generally, any lender may want to see some financial and business verification documents.

A good place to start is once again your business plan. From there, you can build out a profit and loss statement or a balance sheet, which give a snapshot of the financial health of your business at that moment in time.

In addition, most lenders want to see previous tax returns and bank statements—both personal and business. Not only is the business asking for money, but you are going to be personally responsible.

You'll also want to have available your assumed business name or articles of organization, depending on how you registered your business and what type of legal entity you are. You'll want to make sure you have the proper licenses for your industry.

The larger the loan request, the more intensive the documentation may be. Typically, lenders will ask for bank statements, tax returns (both personal and business, if available), and profit/loss statement. You may need to provide pre-pandemic business financials to draw a complete picture of how your business has performed.

ENSURING YOU ARE LOAN READY, WITH BEST PRACTICES

Beyond asking yourself questions about affording the loan and what you need it for, here are 5 things you should do.

1. **Prepare a business plan.**
Make sure you are requesting the right amount of money, and that you have a plan for how you want to spend that money.
2. **Put together those financial documents.**
There are a lot of resources available to small business owners, for example, I provide templates of what I ask for. And, you can find examples online.
3. **Get to know your credit history before applying for a loan.**
You should have an idea of any red flags and what balances you are carrying. Visit annual-

creditreport.com, a free government-backed website that allows you to pull your credit report, free of charge, without ding your credit. This is different than pulling your FICO score from your mobile banking app because it's going to give you deeper information about each of your accounts. Once per year, you can also request a credit report from each of the credit bureaus directly, including Trans-Union, Equifax, and Experian.

4. **Research before deciding where to apply.**

There are a number of financial institutions and banks that are large, small, local, or national. Take a look at interest rates and terms available to you.

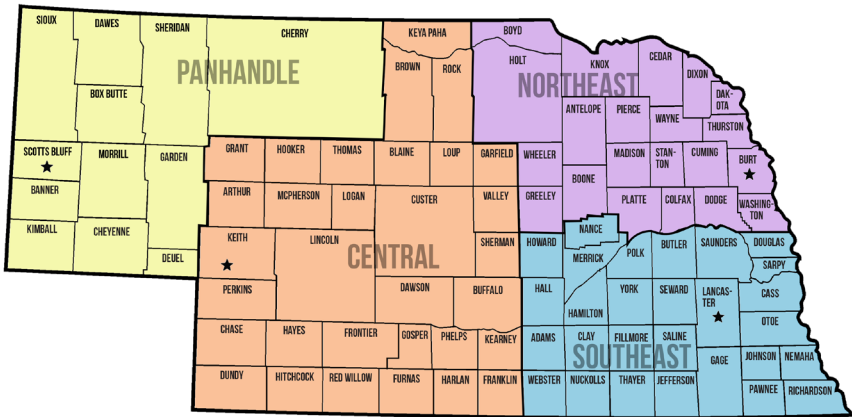
5. **Consider the 5 Cs of credit.**

Do you have any collateral, including personal or business assets you can use to strengthen your case as a borrower? What are current market conditions? What is your capacity? How much extra revenue do you have at the end of each month that you could be using to pay down a loan? What kind of capital do you have? This is investing all of your assets. Take inventory of what you have available to you. Think about your character as a borrower.

Whether you are a starter business or a current business owner, these are some considerations you need to take before applying to a loan. And, there are many resources out there that will help you access and compare. We at the Center for Rural Affairs will help you get ready whenever you need it. Contact us at 402.687.2100 or loans@cfra.org, or visit cfra.org/loans. 📧

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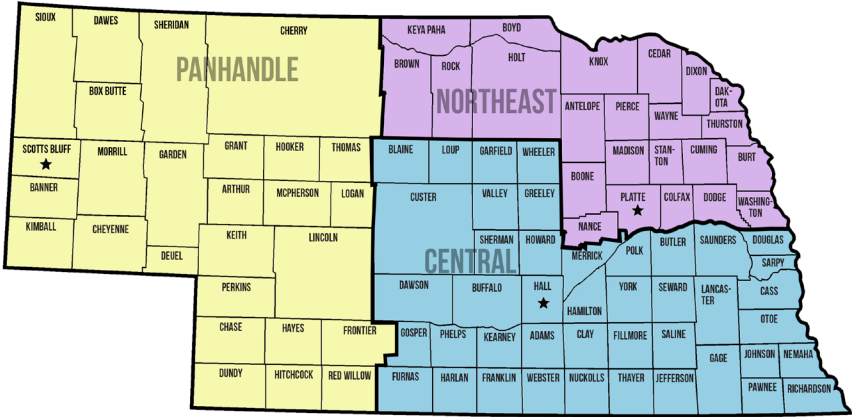
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QUESTIONS AND APPLICATION PROCESS



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SERVICE MAPS



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11/21