The Grow America Fund (GAF) is a small business development loan fund with a mission to create jobs, stimulate investment, and build the strength of the entrepreneurial and small business sector in low-income communities. GAF made its first loan in 1992 and became a Community Development Financial Institution (CDFI) in 1997. It is a wholly-owned subsidiary of the National Development Council (NDC), a nonprofit community and economic development organization that brings comprehensive development and financing services to underserved, low-income communities throughout the country.

GAF was the nation’s first Small Business Administration (SBA)-licensed small business lending company (SBLC), owned and operated by a nonprofit organization. Over the last five years, the demand for GAF financing has significantly increased, largely due to the severe constriction of credit caused by the Great Recession. This is especially true for small businesses located in low-income communities.

GAF’s track record demonstrates its effectiveness, its commitment to its mission, and the efforts of the CDFI Industry. Over 20 years, GAF has issued 465 small business loans, totaling $155 million, which have created or retained 12,125 jobs. Its SBA 7(a) loans range from $35,000 to $2 million and average under $500,000.

GAF has been fortunate to receive four Financial Assistance awards from the CDFI Fund. Between 2010 and 2012, GAF made $51.1 million in loans. Of this amount, $36.9 million were loans to businesses, either located in low-income census tracts or that are minority-owned. The CDFI Fund recently announced its 2013 award to GAF for $1.3 million.

For over 30 years, GAF has worked in the Pierce County region, managing the Grow Tacoma Fund, a $17 million revolving small business loan fund owned by the City of Tacoma, Washington. To date, the loan fund has provided more than $13.5 million in financing to 36 businesses in Tacoma, creating or retaining 693 jobs, including 40 jobs with Stadium Thriftway.

Stadium Thriftway is an independent, retail grocery store located in a low-income neighborhood within North Tacoma, where 22 percent of the population lives in poverty, 79 percent earns less than 60 percent of the Area Median Income (AMI), and the unemployment rate is 10 percent higher than the national average. Because of the small footprint of the store, it was hard to compete with the larger, suburban grocery stores in the area.

GAF made a $2 million loan to Stadium Thriftway to expand the store from 14,000 square feet to 22,000 square feet and to purchase tenant improvements and new fixtures and equipment for the enlarged space.

By offering Stadium Thriftway a below-market, fixed-rate loan, GAF helped the company save nearly $60,000 each year. In addition to providing working capital, GAF loan officers worked with the Stadium Thriftway for 16 months while they negotiated a lease extension to work with its 25-year financing.