Harlem Entrepreneurial Fund

New York, New York

Harlem Entrepreneurial Fund (HEF) is a Community Development Financial Institution (CDFI), established in 2008 by its parent organization, Harlem Commonwealth Council. Its mission is to serve low-income and minority populations by providing capital to facilitate small business expansion and job creation in the underserved, New York City communities of Harlem and the Bronx. HEF accomplishes this by offering microloans to African American and low-income small business owners. Over the last three years, 100 percent of HEF’s loans were made in those communities, and 88 percent were to African Americans.

Many HEF clients do not meet the underwriting standards of private, financial institutions. Most have low incomes, limited credit history, or few sources of collateral and are susceptible to payday lenders.

Since HEF clients are typically small business owners seeking modest amounts of capital, HEF’s Microenterprise Loans range from $5,000 to $25,000. HEF also offers Business Credit Repair Loans, ranging from $500 to $5,000, that allow entrepreneurs to grow their business and build their credit with a smaller dollar loan.

In addition, HEF provides technical assistance to help clients build and maintain good credit and to help small businesses identify reasonable financial goals, including establishing personal financial plans and budgeting. HEF assists clients by providing Business Financial Management courses, which cover basic accounting terms and processes, such as reading and using financial statements, the importance of bookkeeping, and methods and principles of bookkeeping.

In total, HEF has been awarded $87,500 by the CDFI Fund, allowing the organization to provide 42 microenterprise loans, totaling $915,000.

LJ Communications

While drafting his business plan eight years ago, Mr. Yeung Du Rhee became convinced that the North East Bronx needed a store providing up-to-date wireless goods, as well as timely repairs on cell phones, computers, and other technology-based products. As a result, he started LJ Communications, a wireless retail store specializing in modern technology products and services.

In 2010, Mr. Rhee’s store was destroyed by a fire. To reopen, Mr. Rhee needed access to capital. He contacted HEF, went through a quick pre-approval process, and received $25,000 in financing. After securing a lease for a new location just two blocks from his original store, Mr. Rhee used this financing to complete renovations, purchase additional inventory, and acquire new equipment. As a result, the company did not lose many of its customers. In fact, LJ Communications continues to thrive, with sales up 20 percent over the same period last year.

“Thanks to HEF, we were able to increase our inventory, which allowed us to offer a larger variety of quality products,” explained Mr. Rhee. “Customers now expect decreased turnaround time on repairs, and as result, it is extremely important that we have a steady cash flow to fulfill our obligations to our customers.”