

PATHWAY LENDING

Nashville, TN



OVERVIEW

Pathway Lending, formerly Southeast Community Capital, was created in 1999 as an economic development agency to increase access to capital for Tennessee businesses. It was certified as a CDFI in 2002.

Pathway Lending aims to provide term loans and lines of credit for small business, commercial real estate, energy efficiency, and mixed-income and affordable housing financing. Our activities focus on underserved Target Markets that include businesses in low-income census tracts, with high rates of poverty and unemployment and African American-owned businesses.

Pathway Lending provides technical and financial assistance to businesses and entrepreneurs throughout Tennessee and Alabama; we also serve Kentucky through our Veterans Business Outreach Center.

Our educational programming prepares clients to start, grow, or strengthen their businesses and access the capital they need to succeed. These programs help entrepreneurs with their unique paths to success through a flexible combination of classroom training, peer cohorts, and mentoring. We provide business lending, commercial real estate financing, and support for preserving and creating affordable housing.

ROOTED IN STYLE: A NATURAL AFFAIR

Following inspiration from her mother, TaKeisha Berry-Brooks shifted her career focus from hair stylist to full-time business owner when she opened A Natural Affair Beauty Lounge in Memphis, Tennessee, in 2012. TaKeisha wanted to cultivate a space to serve clients with natural hair or those transitioning into natural hairstyles that helped clients feel empowered to take hold of their natural beauty.

Finding success in her first location, TaKeisha decided her business's growth was quickly overtaking her capacity due to the lack of more natural hair salons of its kind in Memphis and the surrounding areas. With demand exceeding the capacity of her space, TaKeisha saw an opportunity to expand into a second location but needed funding to take that next step. Due to uneven cash flow, a result of the impact of COVID-19 on the salon industry, TaKeisha had challenges getting a loan from a traditional bank.

TaKeisha worked with Pathway's local lending and advisory staff to refine her request and prepare her application. In July 2021, TaKeisha secured the \$50,000 loan to make her second location a reality. The loan supported a variety of capital expenses, rent, signage, stylist stations, and general working capital needed to get the new location operational and generate revenue.

TaKeisha is the first salon to partner district-wide with Shelby County schools to help train women in cosmetology school through mentorship and a work-study program. The expansion created three new full-time positions, with plans to add two full-time positions as the second location is fully established.

TaKeisha has been recognized by Essence Magazine as one of the '25 Most Beautiful and Inspiring Black Women in the World' (2006), and her salon and A Natural Affair Beauty Lounge received the 'Best in Black' award for #1 hair salon in Memphis from the New Tri-State Defender Newspaper. TaKeisha partnered with Amazon as they have launched a new program spotlighting black-owned businesses, where she sells several of her natural hair products.

THREE-YEAR IMPACT

- ▶ \$157.8 million in loans
- ▶ 23 community facilities and 620 businesses financed (268 minority-owned, 211 women-owned)
- ▶ 4,975 jobs created at businesses

Green Financing Example:

- ▶ Energy Efficiency Loan Program offers financing for projects up to \$5 million for projects providing significant reductions in energy, emissions, and/or utility consumption.

Housing Financing:

- ▶ 1,197 affordable rental units