

Kiva and Mayor Libby Schaaf Launch "Kiva Oakland"

Public-Private Partnership Connects Oakland Residents to Local Small Businesses Owners Seeking 0% Interest Crowdfunded Loans to Help Create Jobs, Strengthen Communities

Media Contact: Jason Riggs, jason@kiva.org

URL: www.Kiva.org/Oakland and www.KivaZip.org

Interviews with spokespeople, small businesses, photos and video available on request.

Oakland, CA – March 16, 2016 – Bay Area-based Kiva.org—best known for crowdfunding loans for 1.7 million entrepreneurs globally—is going local, this time with the launch of “Kiva Oakland.” Under the leadership of Mayor Libby Schaaf, the City of Oakland is partnering with Kiva to bring 0% interest crowdfunded loans to hundreds of Oakland small business owners who are socially impactful and financially excluded from mainstream lending options.

“This initiative is a virtuous circle of opportunity for Oakland where the return on investment is measured more by character than credit scores,” said Oakland Mayor Libby Schaaf. “We’re giving residents a critical way to directly support the small businesses that are the backbone and creative engine of our local economy, and in turn Oakland entrepreneurs get access to the capital that they need to grow.”

Those interested in helping small businesses thrive in Oakland can visit Kiva.org/Oakland to browse through small business owner’s profiles and choose who they want to lend to. Individual loans of \$25 or more are collected until the borrower’s full loan request is “crowdfunded.”

Beginning today, the City of Oakland, OBDC Small Business Finance, Capital One and the Miller Family Foundation will match every dollar that individuals lend to an Oakland borrower, up to \$225,000. Loans requests average \$5,000 and are offered at 0% interest and no fees. As the entrepreneur repays, lenders can relend that same money to another person at Kiva.org/Oakland or withdraw their money and put it back in their pocket.

“Oakland’s small businesses are the heart of this city. They bring color and vibrancy to the neighborhoods, create quality jobs, and enrich the cultural fabric of this city,” said Premal Shah, President of Kiva.org. “They have the passion and the plan, but often they lack just a small amount of capital to start or expand. Through Kiva Oakland, we can all be a part of their success.”

Kiva Oakland represents a dramatic expansion of Kiva’s work in the Bay Area. Last October, Kiva launched “Kiva San Francisco” and in 2013, Oakland became the first city in the country to officially partner with Kiva Zip as a Trustee to vouch for small business owners on Kiva’s platform. With an initial \$500,000 investment from The San Francisco Foundation and \$500,000 from Google.org, Kiva Oakland is able to become a primary capital source for financially excluded small businesses.

Across the Bay Area, Kiva has connected thousands of small dollar lenders to hundreds of local entrepreneurs, including businesses owned by **immigrants, neighborhood shops working to stay in their community, and businesses founded to hire at-risk youth or to support local food ecosystems.**

The City of Oakland's partnership with Kiva is a centerpiece of Mayor Schaaf's economic policy agenda. Specifically, Mayor Schaaf is working to mitigate the impact of the regional affordability crisis on Oakland residents and businesses by enacting policies and promoting efforts that support the equitable preservation and creation of good housing and jobs.

Increasing access to capital for these small businesses is key to expanding economic development and job creation in Oakland. According to Oakland's Department of Economic & Workforce Development, which operates the city's Business Assistance Center, 90% of Oakland businesses employ 20 or fewer employees. Nationally, small businesses create two-thirds of all new jobs according to the Small Business Administration.

Crowdfunding fills a critical lending gap faced by entrepreneurs whose businesses are too young, too small or too innovative to receive traditional small business loans. Traditional lenders **reject 80% of small business loan applications and Hispanics and African American entrepreneurs are denied small business loans up to three times more often than their Caucasian counterparts.**

Through Kiva, a borrower's credit-worthiness is based on their ability to recruit friends and family to fund a small portion of their loan, demonstrating that they've earned trust among the people that know them best. This "**social underwriting**" creates a system that differs from conventional small business lenders in several ways. For example, Kiva doesn't require a minimum FICO score, collateral, or a minimum operations period for the business – which is unique compared to most non-profit U.S. microlenders typically. More than 90 percent of loan requests on Kiva are fully funded, which is rare among crowdfunding sites.

Kiva Oakland is a partnership between the City of Oakland and nearly three dozen nonprofits throughout the City. Kiva Oakland is supported by grants and matching funds from The San Francisco Foundation, Google.org, PG&E, Capital One, OBDC, Akonadi Foundation, Wells Fargo, the California Endowment, the Miller Family Foundation and the Walter and Elise Haas Fund.

To become a lender or a borrower visit www.Kiva.org/Oakland