

Microlending back in Hampton Roads, first recipient a Suffolk-based soul-food startup

By *Hillary Smith* on May 16, 2016

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(Courtesy of [mouthmeetsouth.com](#))

Microlending is back in Hampton Roads after what some small business experts are calling a yearslong drought.

A frozen soul-food startup based in Suffolk, [Mouth Meets South](#), is the first to receive a microloan under a new partnership. The [Virginia Small Business Development Center Network](#), sponsored by the [Hampton Roads Chamber of Commerce](#), partnered earlier this year with [Accion](#) to provide microloans to small businesses.

The partnership “filled a really big niche in the marketplace,” said Jim Carroll, executive director of the Hampton Roads Small Business Development Center and vice president of small business for the Hampton Roads Chamber of Commerce.

A previous Hampton Roads microlending entity, the Center for Community Development, shut down years ago, according to Carroll.

“We’ve been without access to microlending for quite some time now — over a decade,” Carroll said.

Microloans are defined by the Small Business Association as loans of as much as \$50,000 for small businesses or certain child care nonprofits. Banks have tightened restrictions on lending since the Great Recession and strayed from lending smaller amounts, according to Conaway Haskins III, executive director of the [Virginia Community Economic Network](#).

“In today’s bank environment, those kind of loans are hard to come by,” Haskins said “A lot of banks don’t do loans that small anymore.”

The partnership was created by the Virginia Community Economic Network to connect small, capable business owners with funding sources.

International lending company Accion approved about 20 microloans last year, Haskins said. But the company has the capital to lend more. It’s just a matter of being connected to qualified startup owners, he said. Through the partnership, Accion will get direct referrals from SBDC to business owners who have already gone through marketing and business plans.

That will cut down on random applications that Accion probably wouldn’t accept, Haskins said.

“Having quality referrals will hopefully increase the amount of loans that are made in Virginia this year,” he said.

The program began accepting applications in January; Tanya Howard creator of Mouth Meets South, received a \$10,000 loan for her packaged food business. She hopes to have her frozen soul-food meals online and in grocery stores by the end of the year.

The loan will go towards the costs of flash freezing, refining recipes and packaging, Howard said.

The loans range from \$1,000 to \$50,000, but most average around \$10,000, Haskins said. The program has received 20 to 30 applications each month since January, he said. Small business owners can also find free resources for business and marketing plans and funding at www.hsbdc.org and hrsmallbizloans.com.

Carroll said the partnership is a step in the right direction for once again providing microloans to entrepreneurs in Hampton Roads. Haskins also has high hopes for the program.

“A lot of folks have tried to address this problem through a lot of different ways,” he said. “This may be a new way of doing it.”

Have a story idea or news tip? Contact Business reporter Hillary Smith at Hillary@SouthsideDaily.com or 757-490-2750.