



OPEN USA Loan Funds

The primary purpose of OPEN USA is to promote the gospel of Jesus Christ by mobilizing people to establish and support business for transformation (B4T) among the least reached. OPEN USA established a Loan Fund to help Christian B4T professionals build businesses within least-reached areas that bring spiritual and economic transformation. In areas where Christians cannot express their faith openly without negative repercussions, a Christ-led business is a practical way to open communities to the gospel. The Loan Fund gives these small and medium-sized businesses the capital needed to fulfill their God-given business vision. Obligatory coaching, which accompanies each loan, builds experience as well as accountability for entrepreneurs while reducing risks for investors.

Requirements for Loan Recipients

To help manage the risk associated with starting and investing in a B4T company, OPEN USA partners with the OPEN network, an international body of collaborative B4T business owners and professionals. The OPEN network provides culturally appropriate resources to prospective entrepreneurs, such as internships, apprenticeships, coaching and mentoring.

OPEN USA only invests in companies where the business owner is actively working with an OPEN coach to develop both business and spiritual transformation plans. Such plans clearly demonstrate:

- Solid market research and appropriate business models that include awareness of risks, capacity of teams to execute strategies, and a passion to succeed and overcome inevitable obstacles.
- Community transformation through ministry.

- An agreement to comply with local laws and the payment of required taxes.
- A commitment to the B4T foundation stones of: previous work experience, investment of personal funds, real accountability, equipping people to succeed, creating more than five jobs for locals, a reputable business that blesses the community through daily opportunities to model the Christian faith, and to financial sustainability within 18-24 months.

The OPEN USA Investment Advisory Committee (IAC) investigates applicants to determine their suitability for financing. Transparency, accountability, and metrics are top priorities during the IAC review and after investments have been made.

Capitalizing Funds

OPEN USA is a 501(c)(3) non-profit and is funded through donations and returns on capital previously loaned. Donations may be made to the OPEN USA general fund or to one of the authorized loan funds, as listed below. Directed donations to approved companies are allowed under our 501(c)(3) authorization. At this time, we are able to send 100% of the funds donated to overseas businesses.

Supplementing Capital with Experience and Discernment

OPEN USA seeks to be a sustainable investor that deploys capital in places too risky for traditional capital. Nevertheless, these loans are not the gambles of a hedge fund or speculator. Discernment is a key resource employed by OPEN USA. By offsetting the geopolitical risk with spiritual capital, OPEN USA supports its capital with decades of business and faith experience, and with the prayerful intention to bring God's light of reconciliation to dark places.

OPEN USA can project a low loss rate because the recipients typically personally guarantee loans, and, when possible, some funds are secured against the assets of the company. (With permission, loans are allowed to be subordinated to other commercial debt.) Loan recipients expect to succeed and recognize the difference between an investment, which is totally at risk, and our loans, which expect repayment.

OPEN USA works hard to maintain a flexible posture regarding terms for repayment, which entrepreneurs generally find to be agreeable. Failed ventures should not, in and of themselves, require the entrepreneur to abandon their international posts to work off the debt. Upon refinancing the loan, assuming everything to be in good standing, the entrepreneur may choose a long amortization or even, by mutual agreement, convert the loan to equity.

Loan Fund Descriptions

OPEN USA maintains a set of loan funds that deploy capital across a spectrum of risk and reward profiles:

The 10/40 Growth Fund deploys capital aggressively, with respect to geopolitical concerns, but in a fiscally conservative manner that projects a relatively low loss rate and moderate long-term profit growth. Small loans of USD\$10,000 to \$50,000, with a moderate interest rate of 5 to 10%, are made to promising entrepreneurs. Loans are usually amortized over 3 to 5 years with flexible repayment terms.

The 10/40 Seed Fund targets earlier stage, riskier ventures than the growth fund, but balances the risk by providing smaller loans – allowing for a more diversified loan portfolio relative to capital deployed - and slightly higher interest rates. The loss rate on this fund is higher than the growth fund with a lower long-term profit growth target. Therefore, loan sizes are generally smaller

(USD\$10,000 to \$20,000) with higher interest rates of 7 to 12%. Loans are amortized over 3 to 5 years with a simple annual repayment schedule.

10/40 Explorer Grants are made to promising entrepreneurs willing and able to start a business in the 10/40 Window, but who are still developing their business plan and/or completing language studies. Grants of USD\$2,000 to \$5,000 are provided with a possible one-time renewal after one year of successful exploration.

Make a Difference

Become an investor with OPEN USA Loan Funds and facilitate change in the faith trajectory of a community. Give via the OPEN USA [website](#) or contact loan-fund@openusa.net

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