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ECONOMY

Lhome celebrates \$1.5 million in loan funds and honors founders

By [LISA HORNUMG](#) | December 13, 2018 5:13 pm

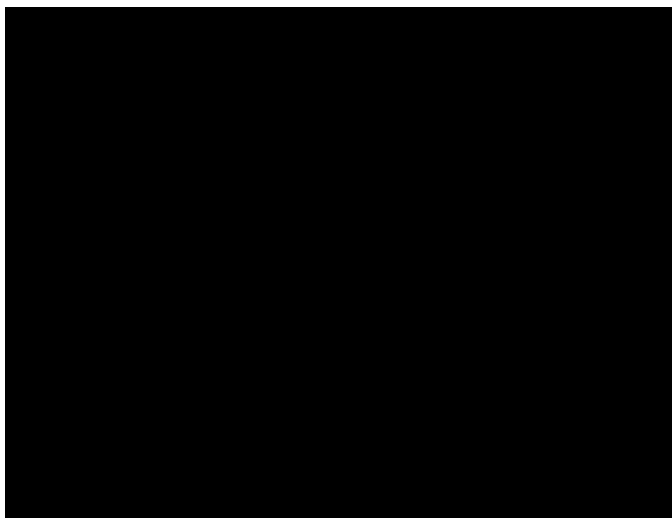


Amy Shir, left, and Judy Freundlich Tiell celebrated Lhome, a Community Development Financial Institution that helps low-income communities build businesses and maintain home-ownership. | Photo by Lisa Hornung

Like a preacher at an old-time tent revival, Amy Shir told the crowd at the Joshua [Tabernacle Missionary Baptist Church](#) Thursday morning why it's important to give funding to home and business owners in west Louisville.

“We are here to spread the word that you can access good capital,” Shir said. “We will help you build your credit. We will build capacity with coaching. We believe in you, and we want you to achieve your dreams.”

Shir, executive director of the Louisville Housing Opportunities and Micro-Enterprise Community Development Loan Fund Inc., or [Lhome](#), joked about being a middle-age, white Jewish woman preaching in a Baptist church in Russell, but her zeal was no less infectious to the crowd, which murmured in agreement to Shir and other speakers when they discussed the issues and solutions to chronic poverty and historic redlining of West End neighborhoods.



Amy Shir, executive director of Lhome, spoke at the Joshua Tabernacle Missionary Baptist Church in Russell Thursday morning. | Photo by Lisa Hornung

Lhome is a [Community Development Financial Institution](#), the only one of its kind based in Louisville. It makes low-interest loans to small business owners and homeowners to help increase investment into Louisville’s struggling neighborhoods and populations.

It was founded by social workers Judy Freundlich Tiell of [Jewish Family and Career Services](#) and Cathy Hinko of the [Metro Housing Coalition](#) when they saw a need for more community investments. The two came together to create the agency then turned it over to become its own nonprofit organization with a new governing board in January 2017.

Lhome got certification by the CDFI fund of the U.S. Treasury in June. As of last year, it had made three micro-loans for a total of \$7,000. In the past year, it’s made 26 loans at \$156,782. It has received \$1.5 million in grants and loans from various sources, including an \$80,000 microloan from Jewish Family and Career Services.

There are about a thousand CDFIs across the country, Shir said, “But the interesting thing about Louisville is that we lack CDFI investment.” She compared Louisville to similar, surrounding cities. Columbus, Ohio, and Memphis, Tenn., had particularly high capital investment in comparison to Louisville. Lhome is changing that.

Banks are required to lend in low-income census tracts by the [Community Reinvestment Act](#), which sought to meet the credit needs of low- and moderate-income neighborhoods. Banks have to lend certain amounts to stay within regulations, so they can lend through CDFIs, such as Lhome.

“Louisville has been leaving federal dollars on the table,” Shir said. “We have access to millions of dollars from the federal government now as a certified CDFI. Now a lot of those funds need matching dollars, and that’s why the philanthropic community here has really stepped up to support Lhome.”

Tiell said she was excited that Lhome has branched out on its own because as a social worker, she never thought she’d be running a bank. She called herself a “proud mama” of the organization, knowing that Lhome would continue to “start those home loans, working with small businesses in neighborhoods that are being economically brought up, so that we could have a whole community — not just part of our community — that is living the life that we all deserve.”

Hinko, executive director of Metro Housing Coalition, agreed, adding that it’s not about gentrification.

“We are in Russell, and we want to see prosperity in Russell. We do not want to define it solely as raising real estate values,” she said. “We want to raise the incomes of the people who live here so that they can become homeowners. Because white developers built housing for white people with mortgages for white people because black people were excluded by law. When America went from being a rental country to a homeownership country within my lifetime, we are left with a legacy where we would have to and willingly want to create 23,000 African-American homeowners in Louisville in order to have the same home-ownership rate as white Louisville has.”

Lhome extends loans to several types of lenders. When older people who may own their homes outright have trouble paying their property taxes, they risk losing the home. Lhome extends loans to them to pay their taxes and help them eventually get their taxes and insurance into an escrow account to prevent future tax issues.

It offers a home inspection loan so that those who are trying to sell won't risk losing the sale because of a home inspection that requires thousands of dollars in repairs. Lhome lends the homeowner the funds, pays the contractors directly, then the repayment comes out of the sale.

It offers a working capital loan, so that contractors can borrow up to \$15,000 to help pay for building supplies, then pay the loan back when they are paid for the work. It also offers small business loans to help businesses get off the ground.

"Primarily, we're a lender but then we support people with coaching and one-on-one services so that they can be successful," Shir said.



Charles Simpson of Charlie's Handyman Service was able to accept a contract with Jeffersonville Housing Authority because he could access \$5,000 working capital to buy his equipment from Lhome. | Photo by Lisa Hornung

Three Lhome clients spoke to the crowd at the Thursday morning event. Charles Simpson of Charlie's Handyman Service was able to accept a contract with Jeffersonville Housing Authority because he could access \$5,000 working capital from Lhome to buy his equipment and supplies. He told the crowd that his dream is to help improve the California neighborhood, where he grew up.

Ismail Ali, owner of Farhiyo's Fashions and part owner of Safari International Grocery Store, said Lhome helped his business grow. "I came here to say thank you for (JFCS) and Lhome who supported me from the ground," he said. "At the time when I was starting with (JFCS) and Lhome, I was having a small thing but today I've got a clothing store and grocery store."

Farhan Abdi, owner of EZ Transport Service and executive director of the Somali Community Center, said Lhome has

helped his business grow 50 percent this year. His business provides medical transport for older residents, and he said he went from three vehicles to six in the last year, thanks to loans from Lhome.

“I also want you to know that we are very pleased with the quality of service Lhome provides to the Somali American community,” Abdi said. “I sincerely appreciate your responsiveness and the way you conduct business. If you want to lift your community please make sure you support Lhome the best way you can.”

Shir, along with Just Money Advisors, has been working in Frankfort for years to try to pass legislation to cap payday loans at 36 percent interest, with no luck. As of now, payday loans can still charge 400 percent interest, and those types of loans have put a heavy burden on low-income communities.

“There are neighborhoods right here (in Russell) which have 15 to 18 percent homeownership. The median appraised value of a house in Portland is about \$27,000,” Shir said. “That community has been historically and institutionally disinvested by the public sector and the private sector. We have this opportunity to help right some of these wrongs. Lhome plays a really big part in that because if you don’t have access to non-predatory capital, then who are you going to go to? Oh, the payday lender on that corner. The predatory cash checker on this corner. That’s who you’re going to go to because that’s what’s in the community now. Lhome wants to put all of the predatory lenders out of business!”

LISA HORNUNG

Lisa Hornung a native of Louisville and has worked in local media for more than 15 years as a writer and editor. Before that she worked as a writer, editor and photographer for community newspapers in Kansas, Ohio and Kentucky. She has a bachelor’s degree in journalism from the University of Georgia, and after a 20-year career in journalism, she obtained a master’s degree in history from Eastern Kentucky University in 2016.



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