



Pathway  
Lending

# CHARTING NEW PATHS

creating opportunities in  
communities for 25 years





SMALL BUSINESS

\$350MM



1,510 businesses financed

30,150 jobs supported



AFFORDABLE HOUSING

\$90MM



2,472 affordable units financed

6,750+ low-income beneficiaries



ENERGY EFFICIENCY

\$73MM



91,728,670 KWH saved/year

\$9.8+MM annual cost savings



MIXED USE

\$13MM



672,739 sq. feet developed

661 housing units created



NEW MARKETS  
TAX CREDITS

\$70MM



\$305,829,180 total project cost

2,584 jobs created or retained

# our historic impacts

1999-2023 |

\$526MM  
LOANS  
FUNDED

12,000  
EDUCATION  
CLIENTS

\$1B  
ECONOMIC  
IMPACT

## our **mission**

Provide lending solutions and educational services that support the development, growth, and preservation of underserved small businesses, affordable housing, and sustainable communities.

## our **vision**

No missed opportunities.

## our **values**

A determination to help with respect for all.



Memphis Tire Recyclers,  
Small Business

# solutions provider



Since our inception in 1999 as a microlender in Oak Ridge, Tennessee, Pathway Lending has been dedicated to empowering entrepreneurs, fostering sustainable communities, and driving economic development across Tennessee and the Southeast through capital and coaching.



Over the last 25 years, Pathway has expanded solutions to promote economic opportunity and social equity. As a Community Development Financial Institution, we recognize the unique challenges faced by underserved communities, and we are committed to addressing these challenges through targeted investments like the Tennessee Rural Opportunity Fund, Memphis Medical District Investment Fund, and New Markets Tax Credits. Strategic partnerships with organizations like the Tennessee Bankers Association (TBA), financial institutions, and governments, enable us to amplify our impact.

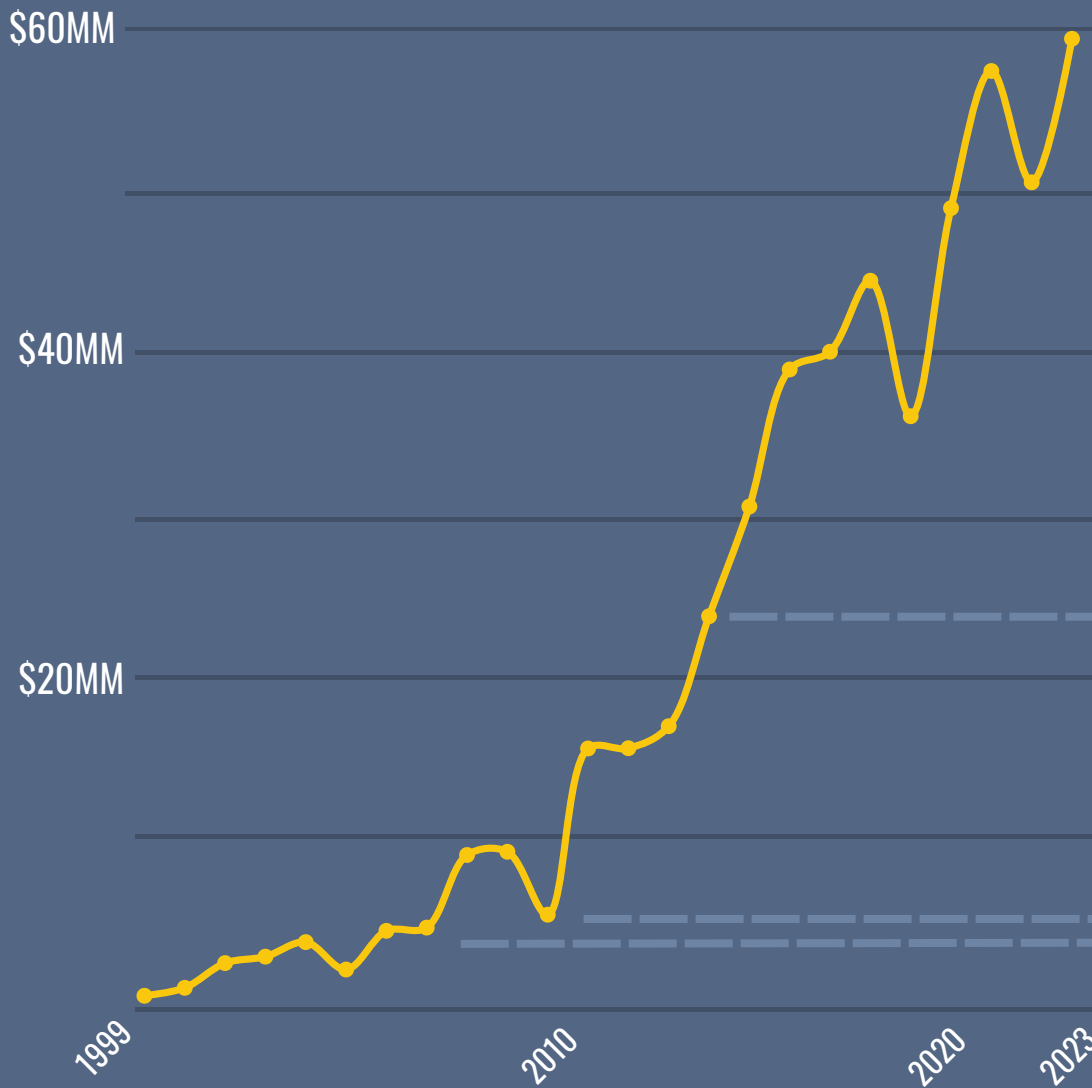


Of note, highlighted in a recent study, the Tennessee Small Business Jobs Opportunity Loan Fund, established in 2010 with support from Tennessee Department of Economic and Community Development, has provided 228 businesses with capital, helping generate 2,396 jobs. 39% of those businesses are women-owned, 29% are minority-owned, and 20% comprise low-income ownership. Collectively, these businesses have generated \$433 million in revenue.



Staying true to our vision, we consistently pursue new opportunities to strengthen the communities we serve. Recent initiatives such as our launch of the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) program in 2023 and the creation of Pathway Affordable Housing Corporation in 2024, respectively, significantly contribute to our sustainability efforts across Tennessee.

# annual originations



purpose  
**capital**

HALF A BILLION  
\$ FUNDED

AVERAGE LOAN SIZE  
\$200,000

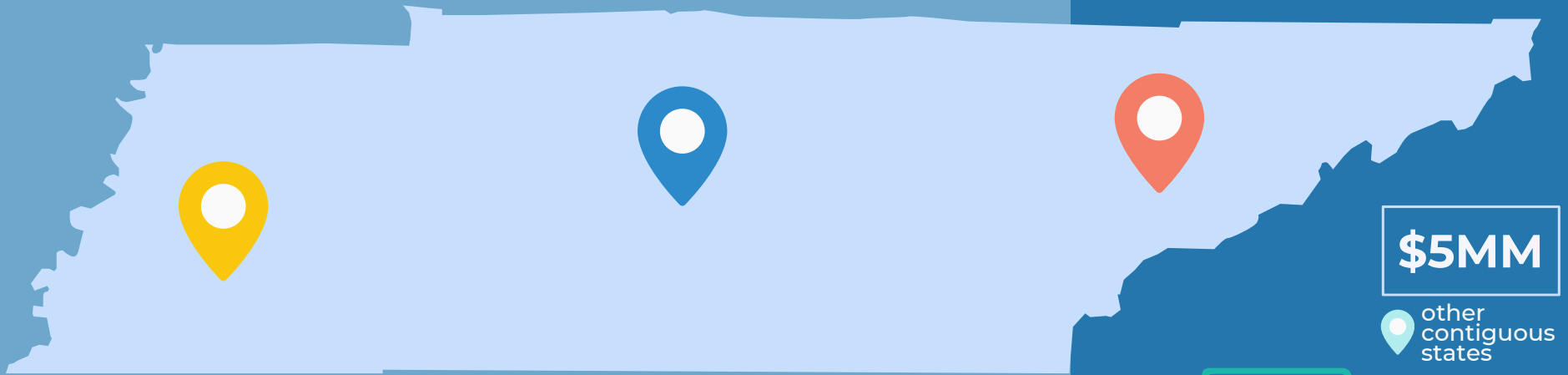
Tennessee Affordable  
Multifamily Housing  
Loan Fund established

Tennessee Small  
Business Jobs  
Opportunity Fund +  
Energy Efficiency Loan  
Program established

Tennessee Rural  
Opportunity Fund  
established

middle  
tennessee  
📍 \$264MM

market  
lending



\$5MM

📍 other  
contiguous  
states

west  
tennessee  
📍 \$98MM

east  
tennessee  
📍 \$152MM

📍 \$7MM  
alabama



AFRICAN AMERICAN  
SMALL BUSINESS  
BORROWERS

**\$40MM+**



WOMEN-OWNED  
SMALL  
BUSINESSES

**\$188MM+**

## SMALL BUSINESS FOCUSED MARKETS



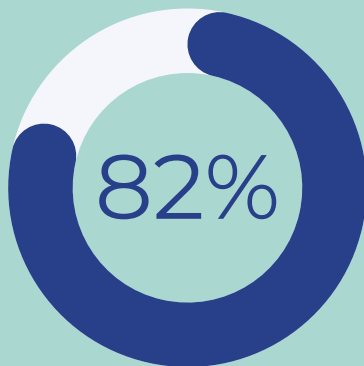
VETERAN-OWNED  
SMALL  
BUSINESSES

**\$6MM+**

# priority markets

Standing firm to our values, Pathway's financing plays a pivotal role in promoting financial inclusion to all.

As a Certified Community Development Financial Institution, Pathway must direct a minimum of 60% of our lending to our target markets. Historically, Pathway has deployed 82% of our lending by dollar to those markets.



**\$ DIRECTED TO CDFI  
TARGET MARKETS**

- **Qualified Investment Areas-** Businesses located in census tracts with high instances of poverty, unemployment, and low-income individuals
- **Other Targeted Populations, African American-** Businesses whose ownership is comprised of greater than 50% African American or Black individuals
- **Low-Income Targeted Populations-** Businesses whose ownership is comprised of greater than 50% low-income individuals, those earning less than 80% of Median Family Income



Kinky Rootz Salon,  
Small Business



**12,000**  
unique  
clients



**45,990**  
coaching  
hours



**59%**  
CDFI qualified  
education clients



**49%**  
loans supported  
by education staff



**\$240MM**  
loans supported  
by education staff

## personalized coaching

Recognizing the importance of both capital and capacity building, Pathway ensures entrepreneurs receive invaluable support. From its inception, Pathway has been committed to fostering business acumen through education programs and coaching pre-and post-loan.

**Business Advisory Services |** Offers tailored 1-on-1 coaching to clients to enhance their financial strategies.

**Pathway Women's Business Center |** Provides classroom and peer learning opportunities for all stages and industries of business.

**Veterans Business Outreach Center |** Entrepreneurship training for service members.

# how we got to 25

## 2004-2008

- Launched the Knoxville Technology & Jobs Fund | 2004
- Established the Nashville location | 2005
- Received two grants from the CDFI Fund to expand the Purchase Order Financing Program | 2006
- Launched the Tennessee Rural Opportunity Fund | 2007
- Reached the milestone of originating 300 loans totaling more than \$30 million | 2008

## 2014-2019

- Launched the Tennessee Affordable Multifamily Housing Loan Fund | 2014
- Launched the Pathway Women's Business Center | 2015
- Created the Alabama Small Business Opportunity Fund | 2016
- Launched seven new education cohorts | 2017
- Launched the Veterans Business Outreach Center | 2018
- Launched the Memphis Small Business Opportunity Fund | 2019

SOUTHEAST  
COMMUNITY CAPITAL



## 1999-2003

- Opened as Technology 2020 Finance Corporation in Oak Ridge, Tennessee | 1999
- Launched the Nashville Opportunity Fund | 2000
- Launched the Chattanooga Opportunity Fund | 2001
- Certified as a Community Development Financial Institution from the U.S. Treasury | 2002
- Clint Gwin named President | 2003

## 2009-2013

- Celebrated 10 years with over \$37 million financed | 2009
- Launched the Energy Efficiency Loan Program and Tennessee Small Business Jobs Opportunity Fund | 2010
- 30% of loans funded supported energy efficiency projects | 2011
- Received the *FFIEC Community Reinvestment Award* | 2012
- Launched the Tennessee Energy Education Initiative | 2013

## 2020-2024

- Pivoted to offer rapid loan products and virtual coaching | 2020
- Launched new loan funds in Chattanooga and Memphis; Received first New Markets Tax Credits allocation | 2021
- Launched the Nashville Small Business Recovery Fund in partnership with Metro Nashville | 2022
- Received \$30MM of capital from partners to expand affordable housing lending | 2023
- Established Pathway Affordable Housing Corporation | 2024

# the path forward



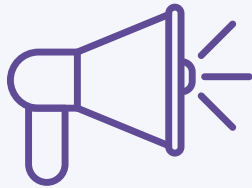
**BUSINESS  
CAPITAL  
SOLUTIONS**



**AFFORDABLE  
HOUSING**



**GREEN  
PROJECTS**



**ADVOCACY  
AND  
POLICY**



**SOCIAL  
CAPITAL  
SOLUTIONS**



**HUMAN  
CAPITAL  
SOLUTIONS**



**JOB  
CREATION**



**PARTNERSHIPS**

**advancing sustainable  
& resilient communities**

# impact in **action**

2000

**“The initial support from Pathway to invest in the best equipment proved invaluable as it fueled our business's sustained growth and success.”**



Jeff Bohanan

## **From Vision To Victory**

### **East Tennessee Small Business**

With a vision to establish an engineering design and manufacturing company focused on aerospace and military parts to serve the Southeast, Jeff Bohanan started Protomet Corporation in 1997.

Faced with the challenges of securing traditional startup financing, Protomet, based in Oak Ridge, Tennessee, turned to bootstrapping its operations.

In 2000, Protomet connected with Pathway Lending for additional capital. The infusion of capital for new equipment proved pivotal, enabling Protomet to prioritize cutting-edge machinery over used alternatives, ensuring operational efficiency and setting the stage for sustained expansion, free from the constraints of maintaining outdated equipment.

Over the span of 15 years, Protomet leveraged Pathway's support to acquire additional equipment and commercial real estate, experiencing a twentyfold increase in growth. Today, Protomet is more stable than ever, empowered to make strategic decisions, and is equipped with mature banking relationships for continued growth.

Protomet's commitment to growth extends to community impact too, notably recently fulfilling its pledge to generate 200 new jobs over 5 years in Loudon, Tennessee, after expanding into its second location in 2018.

In 2024, Protomet announced the creation of its fourth engineering and manufacturing facility in East Tennessee, which will create 250 new jobs.

# impact in action

2004

**“Our business has been blessing homes for over 30 years and Pathway has played a significant role in changing lives and scaling our business.”**



Orlando Pender Jr. and Orlando Pender III

## Driving Expansion

### Middle Tennessee Small Business

Orlando "Catfish" Pender Jr. founded Catfish Moving Company over 20 years ago, inspired by his family's hardworking foundation. Starting solo with rented trucks, Catfish saved enough to buy his first truck, quickly establishing a solid reputation in Nashville.

In 2015, Orlando Pender III joined the family business, bringing fresh energy and new ideas. An introduction to Pathway Lending provided the capital to purchase a larger 27-foot truck and business coaching to enhance financial management. A second loan allowed them to acquire another truck with a lift-gate and 10-foot ceiling, facilitating further expansion.

Over the years, Catfish Moving accessed additional capital to scale its operations, and has grown from two employees to 25.

In 2022, Catfish turned to Pathway again to purchase property for a new office headquarters and self-storage facility. Orlando attended Pathway's six-week Emerging Developer Program, gaining valuable skills and connections to select the ideal location.

Orlando has since renovated all the units, moved the office and truck storage to the new location, and secured a two-year lease with a major construction company for onsite equipment storage. Future plans include creating a temperature-controlled storage facility and an affordable housing development on the lot, positioning Catfish Moving Company for continued growth and community impact.

# impact in action

2012

**“Pathway gave us the chance that we needed to make it work and to prove that our business was worth something. They helped in a financial way, but also lifted our spirits to know that somebody believed in us.”**

## From Dreams To Delights

### Knoxville Small Business

Before diving into the confectionary world, Joy and Brad Hamlett had different career aspirations—Brad dreamed of law, while Joy thrived as a local gift shop merchandiser. When Brad opened his first chocolate store in 1995, little did they know it would lead to both business success and a blossoming relationship between the two. Their partnership kickstarted Bradley's Gift & Home, now a cherished spot in Knoxville.

In 2012, Joy and Brad turned to Pathway Lending for pivotal financing and business coaching to grow their business. With the first few loans from Pathway, they navigated significant milestones, acquiring an additional chocolate business and a downtown factory building.



Joy and Brad Hamlett

Over the past decade, their entrepreneurial presence has grown, and Pathway has supported them along the way.

Today, after more than two decades, Bradley's Gift & Home stands as a testament to resilience and innovation, providing employment opportunities for over 20 individuals through their chocolate and retail store. With plans to open a second location, Joy and Brad continue to inspire with their dedication to growth and community engagement, spreading joy one sweet treat at a time.

2014



impact in  
action

## Serial Entrepreneur To Change-Maker

### Nashville Small Business and Affordable Housing

Serial entrepreneur, Stephon Flemming, has owned and operated businesses spanning over three decades. His journey began in 1997 with the inception of Fleming & Associates, a full-service Allstate Insurance and Financial Services Agency headquartered in Nashville, Tennessee. The need for working capital to expand the team and diversify product lines led Stephon to make a pivotal connection with Pathway Lending in 2008, marking the beginning of the 15+ year relationship.

In 2014, Fleming & Associates facilitated a significant asset acquisition, leveraging Pathway's support. Shortly thereafter, Fleming & Associate's expansion into the Enhanced Satellite Agency in MetroCenter marked a significant milestone, solidifying its position in the market.

Driven by a love and commitment for their community, Stephon and wife Kelli began a new entrepreneurial mission to provide affordable, mixed-income multifamily housing in Davidson County, starting AmeriCare Properties in 2021. Recognizing the importance of honing skills and developing invaluable connections, Stephon participated in Pathway's Emerging Developers Cohort. Financing from Pathway then helped to kickstart a series of ambitious projects aimed at rehabilitating duplexes in North Nashville. The infusion of capital propelled Stephon and Kelli's vision of fostering vibrant communities and igniting economic growth in under resourced neighborhoods.

In Stephon and Kelli's entrepreneurial journey, they've not only built successful businesses but have become champions of community revitalization in Nashville. Fleming & Associates and AmeriCare Properties are creating jobs, providing quality housing, and strengthening communities.



# impact in action

2017

**“It has been so refreshing to gain business knowledge and I am thankful for the mentors we’ve had. Pathway played, and continues to play, a big part in our business and its’ success.”**



Sandra Boyd & Cathy Allen

## Threads Of Triumph

### Rural Small Business

For 122 years, Crescent Sock Company has been a cornerstone of Niota, Tennessee, providing jobs and quality products to its community and beyond. Founded to uplift its small-town roots, it is now led by Cathy Allen, a fourth-generation owner. Her sister, Sandra Boyd, is also a part of Crescent’s dedicated team of over 100 employees.

Crescent started from the beginning producing high-quality socks and has not looked back since - shipping exceptional product to all parts of the world. Whether it be customers, vendors, employees or community, their goal every day is to provide the best possible experience to all they serve.

In 2017, Crescent connected with Pathway Lending to secure financing for seasonal raw materials and product needs. Cathy and her team also engaged with Pathway’s business coaches to focus on strengthening and strategically positioning their business for growth and opportunity.

The initial request for funding has turned into a long-standing relationship, and from 2017 onwards, Crescent has overcome challenges and implemented tools to enhance operational efficiency with Pathway’s support.

Crescent remains dedicated to its rural community, offering valuable employment opportunities, giving back, and maintaining its tradition of delivering exceptional products.



**“As a minority-owned business just starting out, we were very thankful when Pathway Lending wanted to provide us with capital. It was pivotal that they took a chance on us.”**

## **Promoting Sustainability, One Tire At A Time**

### **Memphis Small Business**

Established as a helpful resource to the community, Memphis Tire Recyclers saw the opportunity to meet the growing demand in combatting illegal tire dumping in Shelby County, from more than 250 local tire retailers. Corteney Mack, co-owner of Memphis Tires, connected with Pathway Lending for capital to scale the young business through the purchase of equipment and real estate in 2021.

Corteney and business partner David started the city's first tire recycling center in the city in 2020, which has since become the contracted vendor for Shelby County, repurposing old tires into Tire-Derived Aggregate (TDA), Tire-Derived Fuel (TDF), and crumb rubber. Today, Memphis Tires employs a team of 15 with three locations.



2022

## Beyond The Walls

### Memphis Affordable Housing Redevelopment

Rolling Hills Apartments, which was recently redeveloped by ALCO Management, represents the affordable housing mission in Memphis, Tennessee and helps address the pressing demand within Shelby County. With a focus on serving tenants below 60% of the Area Median Income, the community's 137 units, supported by Section 8 rental assistance, ensure rent remains within 30% of residents' incomes and fosters stability for local families.

Recognizing the necessity for more sustainable and quality housing, ALCO secured funding from Pathway Lending in 2022 to purchase and revitalize Rolling Hills, the 40+ year old complex. This extensive renovation includes modernized bathrooms, kitchens, HVAC systems, lighting, windows, and balconies. External enhancements, including new roofing and siding, fortify the property's longevity.

The renovation also prioritized inclusivity, as 5% of apartments are handicap accessible. Additionally, a new service center was added, offering vital amenities such as a computer center and after-school resident activities, enriching community life.

Rolling Hills stands as more than just housing, but serves as a symbol of resilience, poised to serve generations to come. ALCO's dedication and strategic partnerships further reinforce their commitment to affordable housing, enriching the lives of its residents and the broader community in Memphis. Similarly, Breezy Point, another apartment community managed by ALCO, prioritizes affordable housing for residents at or below 60% of the Area Median Income. Capital from Pathway has also supported renovations for its 171 units.

**“Pathway is a great partner to ALCO. With their help, we have been able to do more of the work that we set out to do. We’re able to push our affordable housing mission further and make a meaningful difference for the Memphis community.”**

impact in  
**action**



# impact in action

2023

## Manufacturing Job Creation

### Rural Small Business | New Markets Tax Credits

Perry County's largest employer, NYX Linden, has employed over 250 team members as an automotive parts manufacturer. After securing contracts to supply parts and components for several new vehicles, the demand required an expansion of its facilities and operations to ensure continued success in serving its clients and supporting the local economy.

NYX accessed \$29.5 million in New Markets Tax Credits in 2023 to facilitate its expansion, adding 64,000 square feet to its facilities and investing in new and innovative equipment to accommodate projected growth. Pathway Lending allocated \$7 million in New Markets Tax Credits, contributing to the lasting community benefits, with the creation of 140 permanent full-time jobs in the rural community.

These jobs offer benefits, job training, and an average hourly wage of \$18.95, ensuring sustainable economic growth and quality employment opportunities for residents.

Environmental sustainability is also top-of-mind through this expansion, with measures to reduce water consumption, increase recycling and reuse of manufacturing scraps, and install high-efficiency equipment to reduce energy consumption.

# impact in action

2023

**“The resources offered by Pathway have given me the opportunity to grow my business, reach clients outside of Nashville, and sell my products nationwide. This support has allowed me to compete with major haircare brands.”**



Kristi Alderson

## More Than A Salon

### Middle Tennessee Small Business

Kinky Rootz Salon, founded by Kristi Alderson, is more than just a salon—it's a symbol of empowerment and inclusivity. Kristi's journey from honing her hairstyling skills in the Navy to establishing her business in Nashville is a testament to her dedication and passion for her craft.

With support from the Veterans Business Outreach Center at Pathway Lending, Kinky Rootz expanded its operations, launching its own sustainable beauty brand, Queen of Kinks, and enhancing its salon facilities. This support not only helped Kristi realize her vision but also enabled her to engage with her target audience effectively, leading to increased media recognition. Today, Kinky Rootz is a key player in Nashville's natural hair and product scene, competing globally and securing coveted placement opportunities in various markets, including The Tribune Store at the Nashville International Airport.

But beyond its success in the industry, Kinky Rootz stands out for its commitment to empowerment and inclusivity. It serves as a sanctuary where women are celebrated for their uniqueness and encouraged to embrace their true selves. This ethos is reflected not only in the salon's services but also in its broader mission to uplift and inspire its community.

In essence, Kinky Rootz Salon is more than just a place for hair care—it's a beacon of empowerment, promoting self-expression and confidence among its clientele.

**“This innovative financing solution not only revitalizes our property at Flatiron Heights but also sets a precedent for sustainable development in Chattanooga.”**

## Redefining Sustainability

### Chattanooga Redevelopment | Energy Efficiency

The 5-story historic office building, Flatiron Heights, originally constructed in 1911, has undergone a transformative redevelopment. Now housing 15 residential condominiums alongside 24,000 square feet of vibrant retail and office space, its impact resonates far beyond its storied walls.

Redevelopment efforts were extensive, incorporating cutting-edge energy and water conservation measures such as LED lighting, heat pumps, and low-flow plumbing fixtures. These modern upgrades not only breathe new life into the building but also significantly reduce its environmental footprint.

Notably, Flatiron Heights blazes a trail as the inaugural Commercial Property Assessed Clean Energy (C-PACER) project in East Tennessee. Financed by Pathway Lending, this initiative facilitated the implementation of sustainable enhancements, underscoring the commitment to revitalization and sustainability in Chattanooga.





impact in  
**action**

2023

**“This project demonstrates the meaningful progress our community can make to address affordable housing priorities in Nashville when the private and public sectors work together.”**

## **Crafting Community, Creating Homes**

### Nashville Affordable Housing

Birchstone Village, currently under construction in Madison, is poised to help address Nashville's pressing need for affordable housing. Comprising 228 units ranging from 1 to 3 bedrooms, the village promises high-quality, affordable residences.

This development is extending support to nearly 200 families currently residing in Nashville's Berkshire Place Apartments, a subsidized housing complex that has served the community for over two decades. With Berkshire Place slated for redevelopment due to its aging infrastructure, Birchstone Village emerges as access to more modern, affordable housing options to existing residents, along with an additional 43 units to accommodate more families.

The three-story apartment buildings include in-unit dishwashers and washer/dryers, storage space, and stainless-steel appliances. In addition, the property will host an 11,000 square foot community building, splash pad and playground area, a multipurpose recreational court, and covered stops for both school and city buses. Job placement training, after-school activities, and financial literacy programs will also be offered onsite!

This project, led by general partners Pathway Lending and Trent Development Group, is a testament to the power of collaboration. With the combined efforts of numerous private and public organizations, Birchstone Village is playing a pivotal role in addressing the critical need for affordable housing in Nashville.

# financials balance sheet

AS OF 12/31/2023

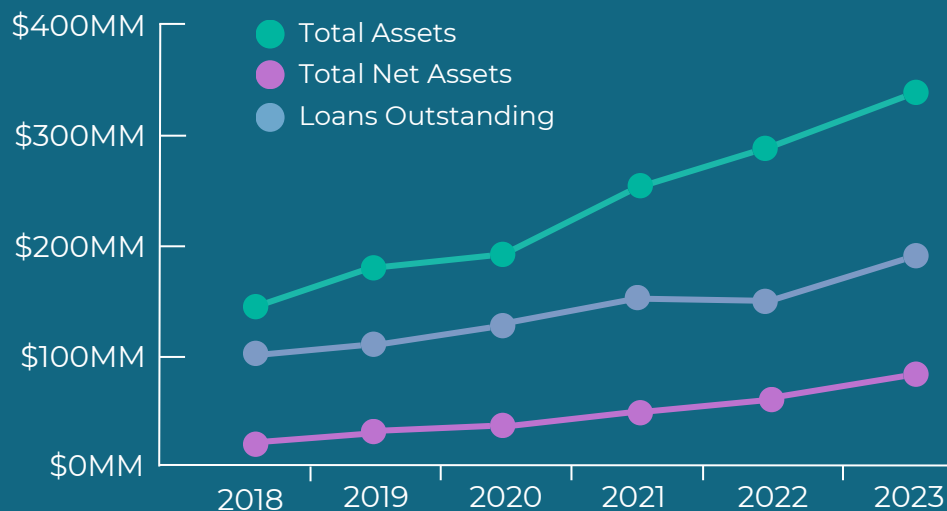
 **TOTAL ASSETS |** \$336,197,905

 **TOTAL LIABILITIES |** \$274,625,168

 **TOTAL NET ASSETS |** \$61,572,737

**LOANS  
OUTSTANDING**

**\$180,226,787**



**117%**

5-YEAR GROWTH IN TOTAL ASSETS

**71%**

5-YEAR GROWTH IN LOANS OUTSTANDING

**116%**

5-YEAR GROWTH IN TOTAL NET ASSETS



# Pathway Lending

[PATHWAYLENDING.ORG](https://PATHWAYLENDING.ORG)