



PRESERVATION RESOURCE CENTER

— of NEW ORLEANS —

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Brain Gain: *This series features smart people who have moved to New Orleans' historic neighborhoods, proving that this is a great place to visit but an even better place to live. From young rebuilders to retirees, a new and exciting demographic is emerging in the heart of the city. Preservation has played a major role in drawing these residents by saving and rejuvenating the historic districts that draw them.*

By Danielle Del Sol



Chonchol Gupta.....Uptown

When the Federal Reserve Bank of San Francisco calls to say that your business is changing the U.S. finance system, you must be doing something right.

Recent Tulane MBA graduate Chonchol Gupta, 28, got that very call upon the February 2011 launch of Rebirth Financial, a peer-to-business lending company he has established with partner Xavier Cabo. The social-impact lending endeavor is the first of its kind in the nation; though individuals have been able to invest in socially-driven business opportunities in other countries for years through organizations like Kiva, Rebirth Financial introduces the model to America, and New Orleans specifically.

The concept is simple: Local businesses request a loan through Rebirth Financial, and individuals or companies can invest as little as \$50 to help fund those loans. In return, investors reap bountiful benefits in the form of attractive interest returns and the knowledge that their money helped fund a business owner and the local economy. The company's slogan explains it all: "Why invest on Wall Street when you can invest in Canal Street?"

Gupta formed the concept for Rebirth Financial one night at the Uptown bar Bruno's — "All great ideas are formed at bars," he joked — during a stint as an intern at the New Orleans World Trade Center. "In Louisiana, we have a \$1.6 billion void in small business lending," he said. "Banks aren't lending."

Local companies already benefiting from the model include NOLA Brewery, which is seeking to source funds for new bottling operations, and Hammonds' Transportation, the company that busses students for all of the city's charter schools, which recently borrowed money to buy radios for their fleet. Once they approve a loan request, Gupta and Cabo can fill the entire sum through their investors or partner with a bank to cover a portion.

In addition to the financial needs of the state, Gupta recognizes the opportunities New Orleans offers for collaborations and visibility. "It's a great place for an entrepreneur; it's like the Wild West," he said. "People in New Orleans like to buy things that are local, so if you bring in a new product, people will notice." This opportunity for market visibility presents a special chance for Rebirth Financial to make a big name for itself. "I think that if we were in any other city, we might not have been recognized to the extent that we have been here."

The need, timing and resources now converging in New Orleans can create, in Gupta's opinion, an unprecedented opportunity: "We'd like to help make this the alternative financing hub of America," he said.

He dreams big, but it's understandable: Gupta has accomplished much at his young age. He has earned two undergraduate degrees, has run for a state representative seat in California and has spent significant time volunteering at orphanages in his father's native India. And when he came to New Orleans in 2008 to pursue his MBA, he made a mark at Tulane as well, leading the graduate business program as class president in his final year.

Despite having lived on both coasts, Gupta is determined to stay in New Orleans, even if Rebirth Financial's operations go national. "My family has always taught me to give back to those who help you, and Louisiana has helped us immensely. New Orleans helps. People ask me, 'Are you going to stay and grow your company here?' And when I say yes, they thank me, even if they are a competitor. That's the type of culture you deal with here," he said.

He specifically appreciates the culture of the Uptown area near the universities that he's called home since moving to the city. "It's a conducive environment for people who are starting out. You have a mix of youth, seasoned vets who will make introductions for you, and we're still close to the universities," a necessity since the fledgling firm still relies on advice from professors and intern manpower.

By April 2011, the company had already received over \$2 million in loan requests and had funded \$500,000, and Gupta accepted an invitation to host a new radio show, “The Entrepreneur Happy Hour” on WGSO AM 990. “There’s a lack of capital for entrepreneurs, so why not bring a product that would be able to fund these guys onto the scene?” Gupta said. “We want to help Louisiana, we’re here to stay — let’s grow the industry.”

The Preservation Resource Center is a New Orleans nonprofit whose mission is to promote the preservation, restoration and revitalization of New Orleans’ historic architecture and neighborhoods. Preservation in Print, its magazine since 1975, is published nine times per year. To subscribe, visit www.prcno.org and become a member of the PRC.