

Business Finance Group (BFG) successfully underwrote, structured, packaged and submitted to SBA a \$400,000 SBA 7a loan for one of the banks we provide consulting services to. The borrower, a bank customer, wanted financing to acquire a commercial welding business in Santa Clarita, CA. To successfully fund, we had to address the following:

- **Source of Capital Injection from Borrowed Funds**

We thoroughly analyzed the impact the borrowed funds had on the individuals and business by incorporating the additional debt burden into the personal draw needs of the individuals, which had a minimal impact on the overall repayment ability of the subject business.

- **Opening Balance Showed Deficit Debt to Tangible Net Worth Ratio**

The proforma balance, which included a portion of goodwill in the acquisition price, did not have the benefit of retained earnings of the previous owner. Thus, we demonstrated that given the historic profits of the company coupled with the projected income from the buyer, we would expect the leverage ratio to improve over time as profits of the company are retained.

- **No Demonstrated Debt Repayment Ability For Loan Evident**

When the new buyer's draw requirement was considered, historical cash flow did not reflect debt repayment ability for the amount of the loan request. We worked closely with the client to develop detailed projections to demonstrate that projected cash flow would be sufficient to repay the proposed loan.

To ensure the success of obtaining suitable business financing or business insurance for our clients, we thoroughly analyze and evaluate every transaction engagement.

We look forward to working with you and your clients, who you feel require business financing and/or business insurance to allow their businesses to successfully expand their business horizons.