

Business Finance Group (BFG) successfully arranged \$175,100 in SBA financing to consolidate debt and to provide working capital for a newspaper distributor in Ventura County. To successfully fund this transaction, we had to address the following:

**Pay Off Existing SBA Loan**

The borrower obtained SBA financing from a local bank; however, the bank had recently went through an acquisition. The acquiring bank was not eager to pursue SBA financing and after two months, declined the borrower's request for additional financing. We convinced the SBA to allow us to pay off the existing SBA loan with another SBA loan, which usually is prohibited. We not only paid off the existing SBA loan, we arranged additional \$60,000 in financing above the pay off amount to provide working capital for expansion to add a national newspaper to their distribution territory.

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

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 reflecting how the financing will allow the newspaper distributor to profitably expand its territory and circulations.

**Balance Sheet Ratios Well-Below RMA Industry Ratios**

With projected cash flow savings from improved debt coverage combined with projected increase in profits, we convinced the bank that the balance sheet ratios will improve and be more in line with RMA industry ratios.

**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.**