

## **Business Finance Group (www.bfgloan.com) - Recently Funded SBA Loan - Car Wash**

*By Mark D. Austin*

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*Business Finance Group (BFG) successfully arranged \$1,168,700 in SBA real estate financing for a car wash operator in Santa Monica. The SBA financing was used to pay off mortgage debt that matured.*

The client, a car wash operator, was referred to us through a long time banking relationship who required our expertise in SBA lending. To successfully fund, we had to overcome the following issues:

- The real estate was under active remediation.
- The note secured by the property was maturing and the current lender would not renew

BFG worked closely with the environmental company that was performing the remediation to understand the scope and nature of the underlying contamination. We were able to successfully obtain SBA environmental approval from SBA district counsel to allow funding on a contaminated site, which enabled the client to avoid the balloon payment on the note secured by the real estate. Some key highlights are below:

- We took additional collateral to support the risk related to the contaminated site. Community bank lending partner will release the additional collateral when the client receives site closure in 1-2 years.
- We determined the site was approved under the State Clean Up Fund and that sufficient funds were available to complete the remediation.
- The client had operated the business for more than 30 years. Business cash flow was good. The personal and business credit references were excellent. Loan to value was less than 50%.

All these factors contributed to our ability to overcome the initial concerns raised by the SBA and Community Bank lending partner.

While many SBA lending participants have either substantially reduced or eliminated their SBA loan participation, Business Finance Group with its core community bank lending partners, has continued to be a very active participant and is positioned well to assist small businesses to take advantage of the latest positive developments for the SBA 7(a) lending program.

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Business Finance Group (BFG) specializes in arranging financing for small to medium size businesses through its network of lenders committed to lending to the small to medium size business community. BFG has more than 40 years of combined SBA lending experience.

PLEASE CALL one of our qualified staff to discuss how Business Finance Group can provide small business financing assistance.

Category	Sba, Working Capital, Small business loans
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