

Business Finance Group (www.bfgloan.com) - \$400,000 SBA Loan to Printing Company

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Printing company receives SBA loan to refinance an expiring line of credit and provide permanent working capital. The business prints educational school supplies and calendars located in Los Angeles County, California.

The borrower was referred to BFG by a CPA who has been referring his clients to BFG Loan since attending one of our SBA workshops.

Issue:

The borrower was contacted by the bank holding his business line of credit informing him that his line would not be renewed unless he paid down the line significantly or provided additional collateral. The borrower was never late on a payment and relied on the line to take advantage of purchase discounts associated with purchasing inventory in bulk. The borrower was the victim of the bank's fear of a decline in the value of the real estate held as collateral. Note: The borrower's existing lender also had an SBA department; however, the commercial loan department and the SBA department failed to communicate.

Solution:

BFG provided the borrower an SBA loan along with a community banking relationship to insure the business has a more flexible banking partner to grow with. The borrower received the following benefits from using the SBA loan:

- Saved \$10,800 in SBA Guaranty Fees that were eliminated due to the American Recovery Act of 2009.
- Reduced monthly debt payments by 87% by refinancing line of credit through SBA. The bank offered to term the line of credit out over 12 months or foreclose on the collateral securing the credit line.
- Saved jobs as the borrower did not have to make severe cuts to compensate for the unfair repayment terms offered by the bank. The working capital gave the borrower sufficient cash cushion to retain existing employees at reduced production levels.
- Obtained permanent working capital to maintain business operations without the need of a revolving line of credit.

While many SBA lending participants have either substantially reduced or eliminated their SBA loan participation, Business Finance Group (BFG), 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.

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.

BFG successfully assists businesses expand their business horizons.

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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.

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