

Financing Your Nature Based Business

Woodlands Bank
Paul Caimi
Commercial Loan Officer

Financing Options

- Commercial Loan
 - Commercial Mortgage Loan
 - Equipment and Inventory Loan
 - Lines of Credit
- Government Loan Programs
 - SBA Loans (504, 7(a) Program, Express loan program)
- Other
 - Public Loan Programs (WLCC Chamber/CC revolving loan)
 - Owner Financing

Use of Proceeds

- Acquisition of Commercial Real Estate
- Purchase Machinery/Equipment/Furniture & Fixtures
- Working Capital/Inventory
- Acquire an Existing Business
- Start a New Business
- Refinance Existing Business Debt

Owner Investment

- Cash Injection
 - Cash you have in a checking, savings, or CD account to invest in your project
- Collateral (equity in)
 - Home
 - Property
 - Equipment
 - Investments

Applicant/Borrower Requirements

- Business Plan
- Financial Projections (Start-Up Business or Expansion)
- Personal Financial Information
 - Personal Financial Statement
 - Federal Income Tax Returns (3 Years)
- Business Information
 - Existing Business Acquisitions (3 Years Tax Returns)
 - Existing Business Loan/Refinance (3 Years Tax Returns)

Risk Assessment/Mitigants

- Credit Risk
 - Collateral
 - Personal Guarantees
 - “Keyman” Life Insurance (if required)
- Environmental Risk
 - Site Inspection
 - Environmental Assessment
- External Environment
 - Economic
 - Industry

Credit Factors

- Cash Flow
- Collateral
 - Business Assets
 - Personal Assets
- Capital
- Capacity
 - Other Income
 - Debt to Income Ratio
 - Management Experience
- Character
 - Credit History (Credit Score)

Loan Structuring

- Interest Rates
 - Dependent on credit strength and other factors
- Term Restrictions
 - Property (10-20 year)
 - Equipment (typically 7 yr. or usable life)
 - Revolving (lines of credit reviewed annually)
- Fees/Costs
 - Appraisals
 - Lien Search
 - Flood Search
 - Tax Search
 - Mortgage Recording
 - Credit Report
 - Document Prep.
 - UCC-1 Filing
 - Other Costs

Sample Project

● Building Purchase	\$ 60,000
● Equipment	\$ 20,000
● Inventory	\$ 14,000
● Professional Svs.	\$ 3,000
● <u>Closing Costs</u>	<u>\$ 3,000</u>
● Total	\$100,000

Financing

● Owner Investment	\$ 20,000
● Bank Financing	\$ 80,000

Turnaround Time

○ Approval Process

- Meeting with lender to discuss the project
- Preparing documents for the lender
- Presenting documents to lender
- Evaluation by lender and credit department
- Determination by lender

○ Closing

Questions and Answers

Woodlands Bank Contact Information

Paul Caimi

Commercial Loan Officer

570-601-8466

pcaimi@woodlandsbank.com