

Checklist for Bank Term Loans: \$30K- \$350K *(up to \$500k for exceptionally strong credits)*



24-60 month term loans



Fixed interest rates as low as 7.99%

General Eligibility

REQUIREMENTS

- 2 years in business (with corresponding tax returns)
- For-profit business
- Proceeds: Working Capital, Debt Refinance, Equipment Purchases, Construction Buildouts, New Locations, Partner Buyouts
- Individuals owning 20% or more of the business must guarantee the loan
- Individuals owning 20% or more of business must be US Citizens or Legal Permanent Residents

Credit

*for all individuals
owning 20% or more
of business*

Good Personal Credit

- Minimum Personal Credit of FICO 660

Public Records search for business owners

- No bankruptcy in past 3 years
- No foreclosure in past 3 years
- No open tax liens

Cash Flow

*Cash Flow analysis is
calculated using
these documents**

- 2 years of business and personal tax returns
- YTD Profit & Loss and Balance Sheet
- Business Debt Schedule
- 6 months most recent business bank statements
- Debt Service above a 1.0x GDSCR

* We calculate global cash flow for guarantors. Recommend gross annual income of \$250,000



Information to gather before applying on behalf of your customer

Cash Flow documents

- + 2 years of Business and Personal Tax Returns
- + Business Debt Schedule
- + Interim Financials: Profit & Loss Statement, Balance Sheet
- + 6 months most recent business bank statements



Barriers to fund

These are some items to watch out for that may lengthen time to fund or render a business ineligible

- + Declining revenue trends in borrowing business or affiliates
- + Unfiled tax returns
- + Criminal records
- + Businesses or Guarantors that are mid-litigation
- + Undisclosed debt



Tips to vet your client

Background information to ask your client

What's your timeline to funding?

- + Our SBA loans usually take 4-6 weeks to fund and our Bank Term loans average 2 weeks. This is much faster than traditional bank lenders but not as fast as many short-term, high-interest lenders.

Have you filed business and personal taxes in the last 2-3 years?

- + SmartBiz will use these figures to run their cash flow analysis; in addition, we'll need an updated Profit and Loss Statement and Balance Sheet dated within 90 days.

What are you planning to do with loan proceeds?

- + Banks will request an explanation for how the borrower plans to use the loan.

Does the borrower own multiple businesses?

- + Banks will require two years of tax returns for affiliate businesses in which the borrower has a 50%+ ownership interest.

Was your client's business impacted by Covid-19?

- + If yes, they may need to provide a detailed summary of the Covid-19 impact with their 2020 financials.