

## SBA guaranteed loans

Just as there are different types of commercial loans, there are also many types of SBA loans available to businesses.

Most common SBA loans are

“7(a)” guaranteed loans

“504” loans (for commercial real estate and large equipment projects only)

Community Express loans or lines of credit.

The primary differences between commercial and SBA loans are loan term and down payment. SBA loans are obtained from lenders approved by the U.S. Small Business Administration (“SBA”). SBA 7(a) loans are loans from these approved lenders that are guaranteed 50% - 85% of any loss in the case of default by the borrower.

Examples of typical loan terms can be seen in the table below.

USE OF FUNDS	TYPICAL COMMERCIAL LOAN TERMS	TYPICAL SBA LOAN TERMS
Purchase, construct, renovate or refinance <i>owner-occupied</i> commercial real estate	Usually 15 or 20 years	Up to 25 years
Build out or improve leased space	Up to 7 years	Up to 25 years
Purchase machinery, equipment, furniture or fixtures	Up to 5 years	Up to 10 years
Business acquisition or expansion	Up to 5 years	Up to 10 years
Working capital, project soft costs, professional fees, and closing costs	Up to 5 years	Up to 7 years
Debt refinancing	Up to 20 years, depending on debt being refinanced	Up to 25 years, depending on debt being refinanced

Down payments towards purchases are to be expected. So are personal guarantees of owners of 20% or more of the business. Down payments vary from lender to lender and depend on the deal. Generally, commercial lenders look for a down payment or equity contribution to the project to be financed in the 20% - 30% range whereas SBA loans require as little as 10% down for qualified applicants. In many cases, SBA loans require additional collateral beyond assets being purchased and may include a mortgage against your home.

Perhaps you have already talked to your banker and have been turned away. Perhaps you have experienced the process of obtaining an SBA loan or heard about it from someone and the news was not good. Don't let anyone discourage you. Whatever your commercial loan needs, our experienced team of professionals at Fountainhead Funding can assist you in obtaining a commercial or SBA loan, anywhere in the country and for any reason. If we can't do it, chances are we know someone who can.

In order to better serve you, please provide us with some basic information by filling out the attached **Financing Worksheet**, which follows on pages 3 through 5 of this document. Thank you for the opportunity to assist you.

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## Financing Worksheet

Borrowing Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Name \_\_\_\_\_ Title \_\_\_\_\_

Business Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Mobile \_\_\_\_\_ Email \_\_\_\_\_

**Briefly describe what your company does.**

**How much capital you are seeking?**

**Breakdown the use of the loan proceeds:**

This Years Projected Sales Volume \$ \_\_\_\_\_

Year Company Began \_\_\_\_\_

Total Accounts Receivable Now \$ \_\_\_\_\_

Accounts Receivable over 90 days old \$ \_\_\_\_\_

Total Accounts Payable over 90 days old \$ \_\_\_\_\_

Approximately how much are you billing per month \$ \_\_\_\_\_

Credit terms extended (30 days etc.) \_\_\_\_\_

Who do you typically sell to? \_\_\_\_\_

Is the business seasonal? \_\_\_\_\_

What % of sales are performed under contract with progress billing? \_\_\_\_\_

What % of customer base is outside U.S.? \_\_\_\_\_

Does any customer account for more than 25% of A/R? \_\_\_\_\_

## Financing Worksheet

Last year Sales (200\_\_ ) \$ \_\_\_\_\_ Last year net income \$ \_\_\_\_\_

Prior year Sales (200\_\_ ) \$ \_\_\_\_\_ Prior year net income \$ \_\_\_\_\_

Prior 2 years Sales (200\_\_)\$ \_\_\_\_\_ Prior 2 years net income \$ \_\_\_\_\_

Prior 3 years Sales (200\_\_)\$ \_\_\_\_\_ Prior 3 years net income \$ \_\_\_\_\_

Amount of backlogged orders now \$ \_\_\_\_\_

Are you currently making or losing money? \_\_\_\_\_

If making, for how many consecutive months? \_\_\_\_\_

What is current company net worth \$ \_\_\_\_\_

Are there any tax delinquencies? \_\_\_\_\_

Estimate the liquidation value of your inventory excluding work in progress

\$ \_\_\_\_\_

Estimate the liquidation value of your equipment \$ \_\_\_\_\_

**(Note- furniture and telephone/computer equipment is not acceptable collateral)**

If equipment has been appraised, for how much and when? \$ \_\_\_\_\_

As of \_\_\_\_\_ What type appraisal: FMV, OLV or FLV? \_\_\_\_\_

Appraised/estimated value of business owned Real Estate \$ \_\_\_\_\_

Estimated value of any other business assets \$ \_\_\_\_\_

Total secured debt (including mortgage) against company now \$ \_\_\_\_\_

Monthly payment now on secured debt? \_\_\_\_\_ Are you current with payments? \_\_\_\_\_

Do you have accountant prepared financial statements? \_\_\_\_\_

If so, what date does your accounting year end? \_\_\_\_\_

What type statement (audited, reviewed, compiled) \_\_\_\_\_

The personal credit of the majority owner is: Excellent \_\_\_\_ good \_\_\_\_ fair \_\_\_\_ poor \_\_\_\_

Last known Fair Isaac Credit Score: \_\_\_\_\_

## Financing Worksheet

Additional Comments, if any:

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

Please include:

1. Most recent internally prepared balance sheet & income statement (with schedules).
2. Last 3 fiscal year-end financial statements.
3. Summary AP & AR aging's as of the most recent financial statement.
4. Catalog or any marketing / sales materials

***Please forward to:***

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