

## **First Innovative Financial Group ([www.fifginc.com](http://www.fifginc.com)) - Assists Lending Partner with SBA Loan**

*By Mark D. Austin*

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*First Innovative Financial Group (FIFG) successfully underwrote, packaged and submitted to SBA a \$281,000 SBA 7a loan for one of the banks we provide consulting services to.*

The borrower, a bank customer, wanted financing to startup a cell phone reseller business catering to low income individuals with limited credit. To successfully fund, we had to address the following:

### **1. Startup Business with Aggressive Sales Projections**

In reviewing the initial financial forecast provided by the borrower, we determined the projections were overly aggressive based on a best-case scenario. We worked closely with the client's chief financial officer to develop financial projections we believed to be more reasonable and attainable. The bank and SBA agreed with our determination.

### **2. Initial Joint Venture Structure was Ineligible for SBA Financing**

The borrower initially proposed a joint venture arrangement with a large multinational cellular phone provider which we determined made joint venture ineligible for SBA financing. The borrower needed to maintain a relationship with the cellular phone provider to assure its source of cell phone supplies. We encouraged the borrower to forgo the operating joint venture arrangement and substitute a licensing agreement to maintain its relationship and assure its supply source. With our assistance a licensing agreement was developed and accepted by each party, thereby making the borrower eligible for SBA financing.

### **3. Negotiated to Eliminate Landlord Waiver Requirement**

The bank and the borrower's landlord were at an impasse on executing an SBA required acceptable landlord's release, which provides the bank with limited right of entry onto the premises to remove business assets securing the loan in the event of loan default. Our solution was to have this requirement waived by the SBA because it would not be practical for the landlord not allow access to the property in the event of a default and indicating the type of business assets at the leased location did not have substantive collateral value.

To ensure the success of obtaining suitable business financing or business insurance for our clients, we thoroughly analyze and evaluate every transaction engagement.

We look forward to working with you and your clients, who you feel require business financing and/or business insurance to allow their businesses to successfully expand their business horizons.

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First Innovative Financial Group (FIFG) provides its community bank partners solutions and services to help develop a successful long-term SBA lending program.

FIFG has been directly involved with SBA and Banking since 1974. This unique combination of SBA expertise and banking industry experience gives us the ability to provide a full range of critical solutions and services for a successful SBA lending program.

Category            Sba, Working Capital, Small business loans

Tags sba, machine shops, lending, banking, funding, equipment loans, working capital, refinance, business loans  
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