

Business Finance Group (www.bfgloan.com) - Recently Funded SBA 7a Loan - Allstate Insurance Agent

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Business Finance Group (BFG) successfully arranged \$505,000 in SBA financing for an Allstate Insurance Agency to refinance real estate and business debt that was maturing.

The SBA loan provided the following benefits:

1. The two loans that were paid off were maturing within two months. By refinancing, the borrower avoided a substantial balloon payment that would have adversely effected the long term viability of the business.
2. The SBA financing was amortized over 17 years based on a blended term between real estate debt and business acquisition debt. The new payment was substantially less than the borrower's previous monthly payment, thereby improving company working capital.

In order to fund, we had to overcome the following credit issue:

1. Real estate appraised for 40% less than original acquisition price in 2006 causing loan to value to exceed 100%.

As a solution, we worked with legal counsel at the Los Angeles District Office for Small Business Administration and Allstate Insurance to allow a collateral assignment of Allstate Termination Payment as collateral support for this loan request. By including this additional assignment as collateral, we were able to overcome the substantial decline in market value for the commercial property.

While many SBA lending participants have either substantially reduced or eliminated their SBA loan participation, Business Finance Group, with its core community bank lending partners, has continued to be 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.

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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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