Presenting the S & B Business Finance Corporation, and the Southeast and Bootheel Regional Planning Commissions

September 23, 2014
WELCOME TO THE S&B BUSINESS FINANCE CORPORATION

Serving the Southeast and Bootheel Regions of Missouri
Welcome to the newest “tool” in the “toolbox” of your business development partners.

This new firm is being established for one purpose only - - to provide financing to local small businesses.

Working through the Bootheel and Southeast Missouri Regional Planning Commissions we will be offering long term, fixed rate financing to qualifying businesses.
Why does this matter?

When a business is starting out they are cash poor. The SBA “504” Lending Program offers access to financing by providing a significant portion of the financing for long-term capital purchases (land, buildings and equipment).

Banks find the structure of “504” loans attractive since they are in a first collateral position with 50% participation.

Bank involvement insures “due diligence.”
Structure?

- 50% bank financing
- 40% SBA “504” up to $5,000,000 Loan Program financing
- 10% owner equity (10% down)

For example – a $500,000 project

- $250,000 bank
- $200,000 SBA
- $50,000 Owner
Is this a grant program?

NO!

It’s a loan program.

- Long-term.
- Fixed rate.
- Attractive terms.
How does it work?

- For profit business contacts us.
  - Bank referral.
  - Referral from membership.
  - Referral through economic development partners.
- Find us through our outreach.
- S&B Staff works the business through the process.
Process?

- Staff/Business develop application.
- Loan Review Committee Review.
- Board of Directors Approval.
- SBA Review/Approval.
- Bank closes interim financing.
- Debenture Auction (third Wednesday of the Month).
- Funds Disbursed.
“Interim Financing??”

- Yes. Short term financing to get project moving until debenture is sold and funds in the Business’ hands.
- At that point the program is “gilt edged.” SBA is committed.
So how long does all of this take?

- As long as it takes the business to get the application package complete to get things started.
- Once the “checklist” has all boxes checked or marked “n/a” clocks start ticking.
Let’s talk about those “clocks.”

- S&B Business Finance Corporation will have the project done in 10 working days (two weeks).
- SBA approval generally another week (3-5 days).
- Debenture sale per schedule – third Wednesday of the month. 20 year deals done monthly. 10 year deals every other month.
And that’s it

- If you make a photocopy of everything you need for the bank you’re pretty well covered.
- It really is a fairly simple program to use.
- And it can be a big deal to small businesses.
Revolving Loan Fund
- Gap Financing
- Up to $150,000
- 1% Loan Fee
- Fixed Rate
- Up to 15 Years for Buildings
- 5 - 7 Years Equipment and Working Capital
- Flexibility on terms
- May take second lien position
- Can use for working capital or fixed assets
- Requires a turn-down from bank
- Requires a personal guarantee
- Not allowed to use as equity
- Will need to provide collateral
RLF Applications Available At:

http://semorpc.org/

http://www.bootrpc.com/
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