

Access to Capital

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DREAM IT. FUND IT.

LiftFund

LiftFund.com

AGENDA

- Who we Are
 - What We Offer
 - Who We Serve
 - Our Clients
- Finance Options
- Preparing for a Business Loan
- 5Cs of Credit
 - Character
 - Capacity
 - Collateral
 - Conditions
 - Capital
- Resources

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Who are we?

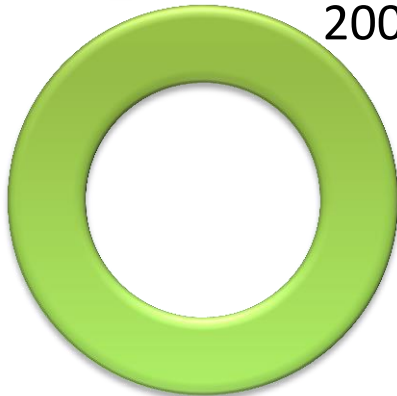


1994
Founded

Expanded



1996 to 2005 Expansion across Texas



2008 Created MMS

2009 Expansion
Continues



2009 to 2014 Expansion across Delta
(LA, AL, AR, TN, KY, MO, MS)

\$236 Million

Small Business loans disbursed since 1994

18,404 Loans

Small business loans disbursed since 1994

1,518 Jobs

Created in 2016 alone

\$52 Million

Total loans under management

2,979 Clients

Number of active clients

2,692 Jobs Retained

Retained in 2016 alone

2015 Five New
States:

(FL, GA, NM, OK, SC)



A Non-profit Lender

- *Dedicated to the mission of providing credit and services to small business owners and entrepreneurs*
- *20 Year proven track record of working with small businesses.*

Leading CDFI

- *#1 SBA 7(a) Community Advantage Lender for 2016*
- *Service provider to other CDFI lenders*

Economic Motivators

- *The money we lend creates jobs, income and tax revenue.*
- *Every \$1 lent generates \$13 in economic activity.*

What we offer...

- \$500 to \$500,000 for business loans
- Terms: 6 to 120 month terms
- 7.25% to 18% fixed rates
- No pre-payment penalty
- Online business education
- Financial & business management consultations



Who do we serve?



Up to \$500,000

Technical
Assistance
Provided

BUSINESS



Non-Targeted
Industries:

Restaurants

Construction

High Risk Models

All industries except adult
entertainment, and speculative
lending.

CREDIT SCORE

720-850

700-719

675-699

650-674

560-619

500-559



Non-Ideal
Borrowers:

Credit

Capacity

Collateral

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OUR CLIENTS



Our clients reflect the diverse communities we serve. For East Texas this means 44% African American, 26% Hispanic, 42% women-owned.

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Financing Options – Personal



Personal Savings



Retirement Funds



Personal Credit Cards

Friends and Family



Financing Options - Spontaneous



Vendors and Supplier Terms



Equipment Leasing



Factoring

Financing Options - Online



Crowdfunding



Peer-to-Peer Lending

Merchant Advances



Angel Investors/
Venture Capital

Financing Options - Institutional



Traditional Lending Institutions



Community Development
Financial Institutions

What about the SBA?
The SBA does not provide direct funding, but does
provide programs through traditional lenders and CDFIs.



What are LENDERS
looking for?



Preparing for a business loan

- Ask yourself...
 - ✓ Are you a good Borrower?
 - ✓ What is the risk?
 - ✓ How will the loan be paid back?
 - ✓ What will secure the loan?
 - ✓ What is your contribution?
 - ✓ Will the business succeed?



Put yourself in their shoes...

Would you Lend to Yourself?

5 C'S of Credit



Character

Measures reliability.

Capacity

Measures ability.

Capital

Measures your commitment.

Collateral

Measures what you own.

Conditions

Measures timing
and expertise.

Character

A measurement of the credibility of the borrower

The prospective lender will evaluate your credit score and report to review:



*History of your debt repayment.

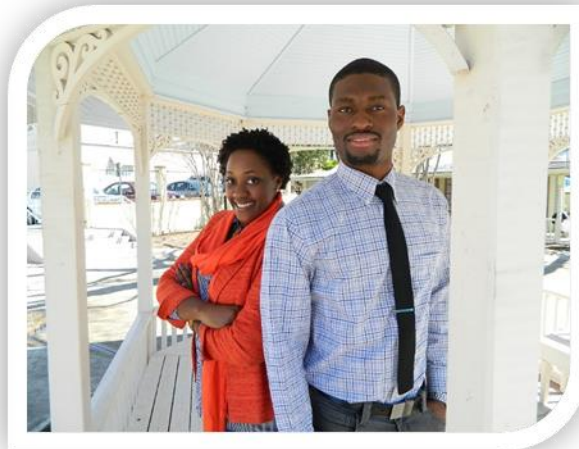
*Credit Score Range: 300 – 850

*Will determine loan size and influence the rate.

*Based on payment history, length of credit history, new accounts that have been opened, number of recent credit checks, and how many accounts you have in use.

Character at LiftFund

- LiftFund client's average credit score is 599.
- Low Credit may not prevent you from accessing capital, but potentially could limit the amount that you can qualify for and thereby affect the interest rate that you may pay.
- We will provide specific information in our review of your credit that will give you a pathway for moving forward.



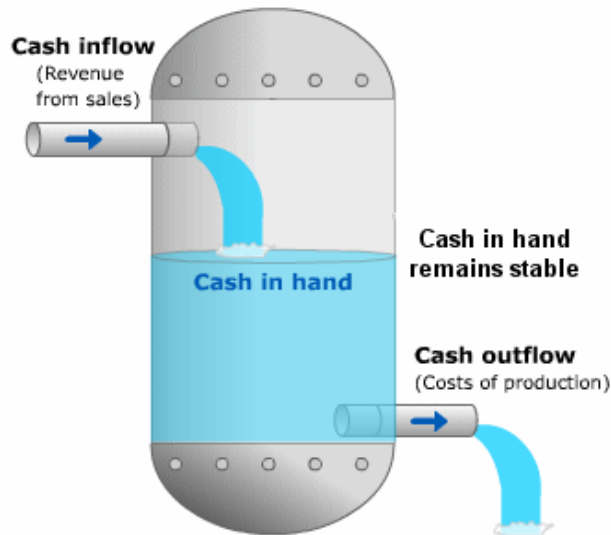
Possible Character Hurdles

- Undisclosed information
- No viable explanation regarding credit issues.
- Some issues require time:
 - Bankruptcies
 - Civil judgments and tax liens
 - Taxes owed (state and federal)
 - Write-offs and collections issues
 - Recent Slow payments



Capacity

A measurement of the financial ability to repay the loan



The prospective lender will evaluate your financial documentation to identify:

*the historically proven sources of repayment

*the business trends

*will influence the loan amount

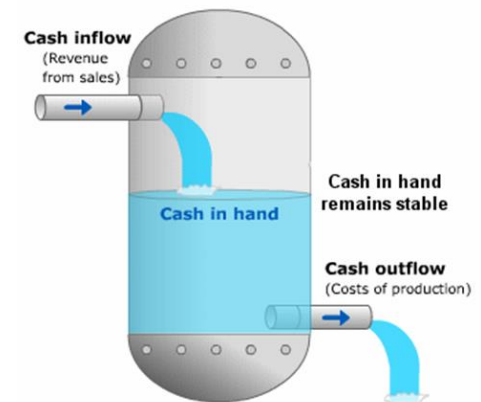
*Documentation will vary but will likely start with your business plan and include tax returns, interim financial statements, and bank statements

Capacity at LiftFund



- Much like traditional lenders, we look at
 - Debt to Income Ratios
 - Global Cash Flow Ratios

The difference is in the approach.



Possible Capacity Hurdles



- Documentation that is not:
 - Timely
 - Accurate
 - Understood by the company representative
- Income that is not verifiable.



Collateral

Assets a borrower provides as a guarantee of payment to the lender

- *One measure of your commitment to the loan.
- *Collateral can be any business asset that is currently owned or to be purchased.
- *Collateral that is Free and Clear is preferred
- *100% Loan Collateralization is Optimum

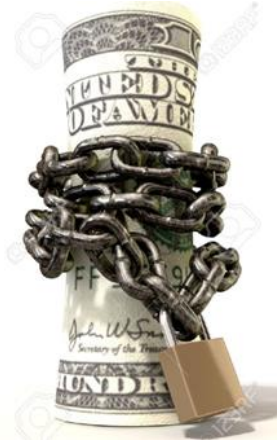


Collateral at LiftFund



- Tangible business assets
 - Assets to be purchased with the loan proceeds
 - Vehicles
 - Real Estate
 - Contracts
 - Stocks & Bonds
 - Cash value on a life insurance policy
 - Products to mitigate a shortfall in collateral value such as the TCAP and the SBA 7(a) community advantage.

Possible Collateral Hurdles



- Outstanding liens
- Unpaid taxes

Insufficient collateral value



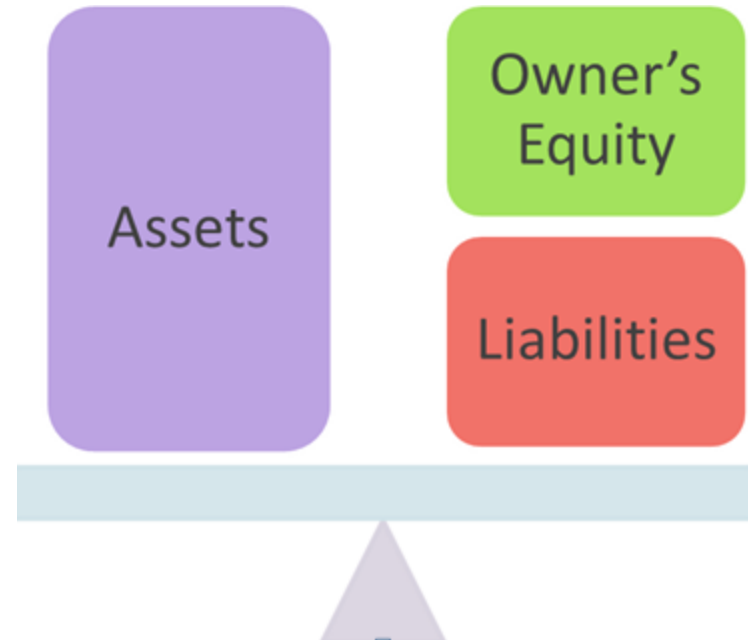
Capital

A measurement of the borrower's investment and commitment to the business

The prospective lender will evaluate financial statements to identify:

- *Retained Earnings
- *Personal Savings (in the case of a start up)
- *Business Assets

Lenders are not willing to take on 100% financial Risk



Capital at LiftFund



- Requirements vary, beginning at 10%.
 - Standard requirement is 20%
- We will consider assets that have already been purchased or funds that are set aside for a start up business.
- There are programs that help us to mitigate the need for high capital requirements, such as the SBA 7(a).

Possible Capital Hurdles

- Lack of planning – not seeking financing until funds are depleted.
- High cost lenders depleting capital of the company.



Conditions

A measure of the viability of the business

The lender will review the business plan, projections, and legal documentation to evaluate:

- The business climate (economic, industry and environmental conditions of the industry).
- The owner's experience
- The business' readiness
- The competitive landscape
- The seasonality of the business
- How the loan proceeds will be used
- That the legal documentation for the business is complete.



Conditions – Start Ups



- Secondary Source of Income
- Minimum 10% Personal Investment
 - Experience in the industry
 - Plan of Action for first year's rent
 - Business Plan & Financial Projections

Get Ready, Get Set, Go!!

Get Ready

- Identify how much you need and the specific purpose.
- Create your business plan
- Understand your contribution (capital)
- Review your credit.

Get Set

- Gather your legal documents
- Gather your financial documents
- Gather documentation regarding the loan purpose

Go!

- Set up a meeting with a Business Development Officer or
- Apply at liftfund.com

Need Help?



WE HAVE RESOURCES...



Anthony Lopez



Rick Mikeska



Dennis Silva



Darrell Pevoteaux



Michael Coulter

Our Business Development Team has both traditional and non-traditional lending experience.



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Questions?

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- Visit our online library that has:
 - business plan templates
 - startup budget
 - our loan application budgets
 - projections
 - personal financial statement



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