

Procedures

To Start

Access www.franchise-finance.com

or

Call Franchise Finance For A Rate
Quote And Application

- ◆ See section on procedures

General Credit Criteria

Start -Ups

- ◆ Good Credit
- ◆ Non-Borrowed Funds For Equity Injection
- ◆ Collateral May Be Required
- ◆ Direct Industry Experience-Restaurants is Preferred
- ◆ Approved Cash Flow of Personal Living Expenses

Resale

- ◆ Must Meet All Above Requirements
- ◆ Business Cash Flow of 1.25% Coverage Ratio Above Expenses Including New Loan Payment

* All amounts financed, terms, rates and collateral requirements are subject to approval of Lender and Credit Department, on all transactions.

1. Franchisor refers or Applicant contacts Franchise Finance for an application. Applications can also be printed from our website at <http://www.franchise-finance.com>
2. Applicant then reviews the application and contacts a representative at Franchise Finance with any questions.
3. Application must be completed and mailed with the application deposit and all documents required.
Mail to: Franchise Finance, 92 Pebble Beach Dr, Little Rock, AR 72212
4. Upon receipt of application package, credit department will review documentation.
5. Applicant will be informed of pre-approval authorization within one business week. However, the SBA always has final approval.
6. Franchise Finance will provide the Borrower with a pre-approval letter, which must be signed, dated, and returned with the required origination fee.
7. After applicant signs and returns pre-approval letter, the application is then forwarded to SBA underwriter for the next stage of the approval process. Underwriter may contact the Applicant directly within a few business days for any additional SBA documentation. Allow 2-3 weeks for final approval.
8. The SBA underwriter will then send the Applicant a commitment letter to be executed. It will state any additional items that may be required before funding.
9. Applicant is required to sign the letter and return it to the SBA underwriter, along with any additional documents requested.
10. A representative (Closing Agent) from the documentation department will call the Applicant, and discuss funding procedures. This process could take up to two weeks.
11. Applicant then gathers all other information needed and will send it directly to the documentation department. This may include a Landlord Waiver signed by your Landlord and an option of Assignment of Lease by Lender. A copy of your Insurance Certificate showing Lender as a Loss Payee and as an Additional Insured will also be required. If not previously submitted, you should also send a signed copy of the space lease including the legal description.
12. Once Applicant has submitted all documentation and it is approved by closing agent, advance funding may begin. Once the site is complete and open for business, final funding/closing will take place.
13. Advance funding disbursements may only be used for vendor and contractor payments. No working capital will be disbursed until final funding at the time permanent loan closing
14. Equipment may be inspected and tagged after it is installed. Lender will send a firm to tag the equipment and do a site inspection. Working capital is paid after project is finished.

*Above requirements subject to change.
Franchise Finance has final authority on all approvals.*



FRANCHISE FINANCE

Since 1988

Franchisee Programs

- ◆ New Location
(Small Business)
- ◆ New Location
(Conventional)
- ◆ Remodels/Resales
- ◆ International Financing
- ◆ Construction Bridge Loans

FRANCHISE FINANCE

Rick Anderson
92 Pebble Beach Drive
Little Rock, Arkansas 72212
(501) 228-4047 ext 101
(501) 228-0708 FAX
www.franchise-finance.com



New Location Financing

(Small Business Loans)

AMOUNT FINANCED

- ◆ 100% Franchise Fee*
- ◆ 100% Furniture, Fixtures & Equipment*
- ◆ 100% Leasehold Improvements & Signage*
- ◆ 100% Working Capital* (some limits apply)
- ◆ 100% Land and Building*

(Maximum loan 70 - 85% for start-ups)

TYPE TRANSACTION

- ◆ Full Payout
- ◆ Floating Rate

TERM

- ◆ Equipment/Leaseholds 3 - 7 - 12 years
- ◆ Land/Building 25 years

COLLATERAL

- ◆ UCC Filing on equipment
- ◆ Personal guarantee of principals and spouses
- ◆ Landlord Waiver and Assignment of Lease required on all assets. Lender will finance
- ◆ Outside collateral may be required

CONSTRUCTION LOANS

- ◆ Finance advance deposits for equipment, contractors and inventory
- ◆ No out of pocket expenses for Franchisees. Any interest and closing fees are rolled into the permanent SBA loan
- ◆ Term usually 90 days

RATE: Floating - Call Franchise Finance for current quote (501) 228-4047

* All rates, terms, conditions, and requirements subject to change. Franchise Finance has the right to refuse any transactions.

New Location Financing

(Conventional Loans)

AMOUNT FINANCED

- ◆ 100% Furniture, Fixtures & Equipment*
- ◆ 100% Leasehold Improvements & Signage*

(Leasehold max equal to Furniture, Fixtures, Equipment, and Signs)

TYPE TRANSACTION

- ◆ Full Payout
- ◆ Leases

TERM

- ◆ Equipment/Leaseholds 3-7 years

COLLATERAL

- ◆ UCC Filing on equipment
- ◆ Personal guarantee of principals and spouses
- ◆ Landlord Waiver and Assignment of Lease required on all assets. Lender will finance

RATE: Fixed for term - Call Franchise Finance for current quote (501) 228-4047

* For Approved Franchise Systems

Equipment Leasing

(New Location or Existing Owner)

- ◆ 100% on all equipment
(Plus normal shipping, installation and taxes)
Term 5 - 7 years

* All rates, terms, conditions, and requirements subject to change. Franchise Finance has the right to refuse any transactions.

Remodels/Resales

AMOUNT FINANCED

- ◆ Up to 80% of Buy/Sell Contract*
- ◆ Up to 100% for Existing Owners*

TYPE TRANSACTION

- ◆ Full Payout
- ◆ Leases

TERM

- ◆ 3-7 years (Conventional)
- ◆ Up to 12 years (SBA)

COLLATERAL

- ◆ UCC Filing on equipment
- ◆ Personal guarantee of principals and spouses
- ◆ Landlord Waiver and Assignment of Lease required on all assets. Lender will finance

* For Approved Franchise Systems

International Financing

- ◆ OPIC (US Government Agency) must approve
- ◆ Approved countries only
- ◆ Applicant must be credit worthy
- ◆ Amount financed up to 75% of total project cost
- ◆ Project may include: Percentage of Territory Rights, Franchise Fee, Leaseholds, Build Outs, Fixture/Furniture/Equipment, Working Capital, Land and Building if needed, Inventory and Start-up costs

Above requirements subject to change. Franchise Finance has final authority on all approvals.

RATE Call Franchise Finance for current quote (501) 228-4047