

*Your Guide*  
*to* **Small  
Business  
Loans**



**FIRST BANK**  
**OF THE LAKE**  
Member FDIC

## Having the right banking partner is essential to your success.

Choices are vital when it comes to business loans. We take a consultative approach and partner with you to structure the financing you need to achieve your business goals. As a **nationwide SBA Preferred Lender**, First Bank of the Lake has the resources and extensive experience and together we can tailor solutions for your business and guide you down the path to success.



**WE'RE MORE  
THAN A LENDER.  
WE'RE YOUR  
LENDING  
PARTNER.**



**Ranked in the top 1%  
of most active SBA  
7(a) lenders in 2023**  
(by lending volume) by  
the U.S. Small Business  
Administration

888.828.5689

## You specialize in business. We specialize in business financing.



Business financing options seem endless, and let's face it, sometimes are confusing. Each type affects your company's cash flow, taxes, operations, and overall competitiveness very differently. We're here to help you make the decisions that impact your business.

At First Bank of the Lake, lending decisions are driven by our team of banking professionals who understand your business. We employ our creativity, understanding, experience and expertise to build the right solution for you.

**Funded over 1,000 loans for over \$1 billion, helping SBA borrowers nationwide**

(Funding dates January 1, 2020 to February 22, 2024)



**Named the #1 Community Bank Commercial Lender in 2021**

(\$500 million to \$1 billion in assets) by the Independent Community Bankers of America (ICBA)

**First Bank of the Lake understands how essential growing businesses are to fueling local economies and that not all businesses qualify for conventional business loans. That's why we offer government-guaranteed Small Business Administration (SBA) 7(a) and 504 loans.**

## **WHEN SHOULD YOU CONSIDER THE SBA 7(A) LOAN?**

The 7(a) loan is the SBA's most popular loan program for small business owners. While many people mistakenly think that this loan is only for those starting a new business, the SBA 7(a) loan is also an excellent financing tool for those who want to expand an established business, buy an existing business, purchase a building, or finance a construction project.

What makes the SBA 7(a) loan so attractive? It typically offers longer, more flexible terms and lower-equity contributions than many other conventional loan programs. Many business owners who would not otherwise qualify for a small business loan find that they qualify for the SBA 7(a) program.



# FEATURES OF THE SBA 7(A) LOAN

## Amounts

First Bank of the Lake SBA 7(a) loans go up to \$5 million.\*

*\*In certain circumstances, the bank may consider lending beyond this amount.*

## Minimum Credit Scores

Whereas the SBA doesn't set specific credit score minimums to receive approval, SBA-approved lenders will almost always have credit score minimums. Typically, a FICO score of 670 or higher is preferred.

## Down Payment

Minimum 10% from borrower for start up or business purchases.

## Loan Terms

In the case of the SBA 7(a) loan, the loan term is fully amortizing and is based upon the use of proceeds, not the loan amount or how much collateral you have. Many conventional loans will amortize for a longer term but "balloon" in a shorter period of time.

Typical terms for the 7(a) loan are:

- Business acquisition: 10 Years
- Real estate: 25 years
- Equipment: 10 years or more depending upon useful life
- Working capital: 10 years

Mixed-use loans can have blended terms, but typically the longest term is used based on the largest use of proceeds as a percentage of the loan.



## The SBA Guarantee

The 7(a) loan program is a guaranty program meaning the SBA provides a guaranty to the Bank to encourage lending to small businesses. In exchange for this guaranty the SBA charges a one time fee which is financed into the loan structure. The fee structure is set by the SBA and the actual amount of the fee is determined by the loan size.

## Interest Rates

Fixed and variable rate loans are available. Actual Interest rates on SBA-backed loans are floating, meaning that they move up and down with the market or along with an index. Pricing is risk-based and depends on the strength of the loan.

## Eligibility Requirements

Lenders and loan programs have unique eligibility requirements. In general, eligibility is based on what a business does to receive its income, the character of its ownership, and where the business operates. Normally, businesses must meet size standards, be able to repay, and have a sound business purpose. The lender will provide you with a full list of eligibility requirements for your loan.

- **Be a for-profit business**  
The business is officially registered and operates legally.
- **Do business in the U.S.**  
The business is physically located and operates in the U.S. or its territories.
- **Have invested equity**  
The business owner has invested their own time or money into the business.

Learn more about the [industry size standards set by the SBA on SBA.gov](https://www.sba.gov/industry-size-standards).





## ADVANTAGES OF THE SBA 7(A) LOAN

### **SBA loans often have relaxed requirements as compared to traditional bank loans.**

The SBA guarantee enables banks to extend more favorable loan terms to small businesses.



**Lower down payment requirements.** In some cases, some 7(a) loans require a down payment of just 10%, as opposed to 25% or more that most lenders will require on a non-SBA loan.

**Longer repayment terms.** The SBA's goal is to aid in the success of small businesses, thus the term of the loan is often longer as compared to traditional loans.

**SBA loan programs are not just for new businesses.** Many established businesses take advantage of SBA-backed lending, not just new ones. Funds can be used to expand, refinance existing business debt, buy equipment and inventory, and gain access to working capital.

# WHEN SHOULD YOU CONSIDER THE SBA 504 LOAN?

Unlike the 7(a) loans, the SBA 504 loan program is more specific in terms of what you can use the funding for. Created by the SBA to support and encourage small business growth, the funds from this loan must be allocated toward fixed assets such as commercial real estate and equipment. These loans have low down payments and interest rates.

## FEATURES OF THE SBA 504 LOAN

### Amounts

First Bank of the Lake SBA 504 loans go up to \$15 million. However, if a building is working towards “Green Certification,” loans can be larger.

### Minimum Credit Scores

Whereas the SBA doesn't set specific credit score minimums to receive approval, SBA-approved lenders will almost always have credit score minimums. Typically, a FICO score of 670 or higher is preferred.

### Down Payment

Requirements range from 10%-20% depending on the project.

### Loan Terms

Typical terms for the 504 loan are:

- 20 or 25-year terms available
- Refinancing capability for 504 loans may be available depending on loan-to-value and eligibility.

Mixed-use loans can have blended terms, but typically the longest term is used based on the largest use of proceeds as a percentage of the loan.

*CDC mortgage recording may be waived. Check with your SBA lender for details.*





## Loan Uses

- Acquiring an existing building
- Building expansion or renovations
- “Green Certification”
- Fixed assets from business acquisition
- Refinancing eligible business debts with the opportunity to cash out your equity

The SBA 504 loan allows business owners to finance construction costs, closing costs and soft costs, including architectural fees, engineering, fees, surveys, title insurance and more within the loan. Machinery, equipment, furniture, fixtures, signage, landscaping and parking lots and equipment can also be included. This allows borrowers to retain more of their working capital for other expenses.



## CASE STUDY

### Challenge

A machine shop had outgrown their leased facility and needed to move to a larger building. While purchasing the real estate made sense, allocating the cash for a down payment was a problem.

### Solution

Utilizing the SBA 504 loan program, 90% of the total project costs were financed thereby conserving the company’s cash and preserving the necessary working capital to support continued growth.

### Result

The combined monthly payment on the acquisition of their new building is actually less than their lease payment and the company was able to stay local. In addition, with more space they expanded production and added new, full-time jobs.

### Did you know?

To help businesses “go green,” an unlimited number of SBA 504 loans are available, even if 504 and 7(a) borrowing limits were already met.

# FROM THE PRESIDENT



Over 35 years ago, a dedicated group of individuals came together with one shared goal: to create a local community bank that truly cares about the people it serves and provides ways to help them thrive. Though the technology of banking has changed, we remain committed to our most valuable assets – our customers and employees.

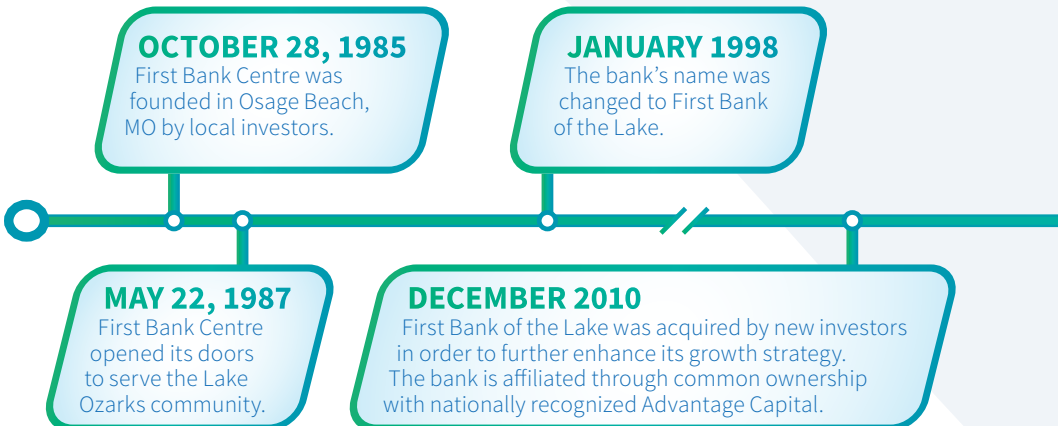
**People are the foundation of our values and our success.**

Our bankers and the strong relationships that they develop with our customers are at the core of our growth and success. We recruit top talent who apply their extraordinary experience and depth of knowledge to providing first-class service, trusted advice and the best financial products. Their dedication and commitment is truly inspiring and is the spark that ignites innovation, competition, and expansion.

Our intent is clear. We will be the bank businesses and consumers turn to first as their trusted partner. We will help unlock their potential and support their future. At the end of the day we are your neighbors, working together towards the same goal of building a strong family, better business and thriving community.

**- Mike Anderson, President and CEO**

## OUR HISTORY



“ **The strong customer relationships that our employees develop are the core of First Bank of the Lake’s exciting growth. Our bankers play an important role in our success. Their dedication and commitment to providing first-class service, trusted advice and the best financial products is truly inspiring.** ”

Small businesses are the cornerstone of our communities and the American Dream. We remain focused on connecting people with the resources they need to achieve financial success and staying involved in the communities where we live and work. While maintaining the best of our community banking roots, we are experiencing exciting growth in our robust government guaranteed loan division.

We are proud to help finance the entrepreneurs and trailblazers as they grow and capitalize on opportunities. Not only is this going to expand our footprint, but we will transform businesses across the country.

**- Annemarie Murphy, Executive Vice President and President SBA Lending**



**DECEMBER 2014**

Mike Anderson is named President and CEO.

**SEPTEMBER 2019**

Significant expansion in government guaranteed lending nationally starts.

**JUNE 2015**

The bank expanded nationally into government guaranteed lending.

**AUGUST 2019**

Annemarie Murphy is named EVP and President SBA Lending.

**2023**

The bank ranked in the top 1% of most active SBA 7(a) lenders.

# MEET OUR TEAM

YOU'VE GOT PLANS. WE'VE GOT FINANCING SOLUTIONS.



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Plus, with First Bank of the Lake, enjoy:  
EXPERIENCED UNDERWRITERS & CLOSERS  
**STREAMLINED UNDERWRITING  
& CLOSING PROCESS**

From start to finish, we're here for you!

888.828.5689

# TESTIMONIALS

Unlike many other lenders I've worked with in the past, you took time to understand my vision and stayed the course to help me achieve the objectives. Without your support and commitment, I know that I would not have the success that I am experiencing today. You worked tirelessly with me, stood by every one of my requests and guided me through the entire process. Though we faced challenges, you did not falter. Your thorough research, calm demeanor, deep understanding of the SBA lending process, and practical commonsense approach provided the pathway we needed to close the deal.

First Bank of the Lake came through for me in a big way. They saw the potential in the company I wanted to buy, and guided me through the process quickly and efficiently. I love working with people who do their jobs well, and I had the pleasure of working with a First Bank of the Lake team that is incredibly skilled at what they do.

Thank you again for all the help you gave us with getting our loan processed. We are doing amazingly well. Our business account has close to \$300k in it after just 2 years in business and our business is exploding beyond our wildest dreams. Again, thank you so very much for all you did for us!

We understand the challenges you face and can help you achieve your goals and stay pointed in the right direction. Talk to us about your business and where you want to go. We can help you get there.



CALL OR CLICK TO  
**GET STARTED TODAY!**

888.828.5689  
FBLake.Bank

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