

# WHAT IS A PROPRIETARY LENDING PROGRAM



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# Today's Presenters



**Morgan Johns**

*Strategic Lending Partnerships*



**Eric Schechterman**

*Chief Development Officer*



# What is a Proprietary Lending Program?



## Before we dive in....

Updates on SBA Lending & Lender Appetites – What are the banks looking for? Current interest rate and expected terms?

Prime = 7.75 (increased .25 last week)

Adding 2.75 (typical for SBA Franchise Loan) = **10.5%**

	Total 7(a) Dollars Approved	Total 7(a) Loans Approved
FY18	\$7,165,916,900	15,952
FY19	\$6,288,186,100	12,934
FY20	\$5,443,529,600	11,684
FY21	\$5,016,100,400	8,566
FY22	\$4,442,955,200	8,855
FY23	\$6,776,211,200	12,968



Q4 of 21 (3.25%)

Q4 of 22 (7-7.50%)

4,000+ more loans  
2.3B+ more in funds

# What is a Proprietary Lending Program?

## Main characteristics of a proprietary lending program

One or more banks to set aside a block of money to be used exclusively for your franchise concept by providing loans to your candidates

Establish the appropriate “credit box” or set of criteria through which your clients will be analyzed to ensure the greatest likelihood of success for funding approval

Proprietary lending programs can simplify your funding issues, increase candidate’s confidence in your system, project a strong brand image and catapult your unit growth

# What is a Proprietary Lending Program?

## What are the benefits of a proprietary lending program?

- Direct access to capital
- Simplified qualification process
- Quicker loan approvals
- Dedicated loan officer from application to closing
- Consistent communication with lender and single point of contact

**benetrends FINANCIAL** BODY20

Ready to open a BODY20 studio or expand your portfolio?  
Now, it's easier than ever!

**\$30 MILLION IN FUNDING AVAILABLE**

Benetrends Financial and BODY20 have partnered together to provide you with access to capital. Through the Benetrends Proprietary Franchise Funding Program, BODY20 franchisees have access to \$30 million in funding. If you've been considering the opening a second location, now is the time.

**benetrends FINANCIAL** BRIGHTSTAR CARE HOME CARE | MEDICAL STAFFING

**Benetrends Proprietary Lending Program**

Below is a summary of the typical credit accommodations which would be provided to your franchisees at this time under the proposed financing program.

**Eligible Project Costs:**

Franchise Fees	Working Capital	Leasehold Improvements
Inventory	Furniture, Fixtures & Equipment	Closing Costs
Startup Expenses		

**Minimum Capital Injection:** 20%

**SBA Term Loan:**

- Term: 10 years with up to 6 months interest only through startup
- Interest Rate: 5.25 - 9.75%
- Approximate Payment: \$1,073.00-\$1,088 per month *for each \$100,000 borrowed*
- Prepayment Fees: None
- Guarantors: All principals owning 20% or more of franchise

**Minimum Collateral:**

- First lien on all business assets;
- Collateral assignment of life insurance for the amount of the loan on each of the lives of the guarantors
- Personal Guarantees
- Mortgage liens on borrower or guarantor owned real estate to the extent needed to comply with SBA 504's

**Minimum "Pre-Qualification" Credit Requirements**

20% of total program cost
\$80 or higher

**FASTSIGNS**

**\$15 MILLION IN FUNDING AVAILABLE**

Want to open or expand a FASTSIGNS franchise? Now, it's easier than ever!

Benetrends Financial and FASTSIGNS have partnered together to provide access to capital. Through Benetrends Proprietary Franchise Funding Program, FASTSIGNS franchisees have access to \$15 million in funding. If you've been considering FASTSIGNS location, now is the time.

**PROGRAM BENEFITS**

- Direct access to capital
- Simplified qualification process to add existing territory
- Dedicated loan officer from application to closing
- Loan proposals within 2 business days of receiving initial application
- Loan commitments within 10 business days of receiving loan package
- Consistent communication with lender and single point of contact
- Access to experienced PLP SBA lenders

**Hand & Stone**

**48 SBA Loan Approvals** **\$20 MILLION**

That's the astounding success Hand & Stone franchisees have had utilizing Benetrends Proprietary SBA Funding Program since January, 2014.

Now, it's easier than ever to open a franchise when you leverage the winning combination of Hand & Stone and Benetrends!

# What is a Proprietary Lending Program?

## Strategies to Establish Funding Partnerships

Identify lenders/banks that already have shown an appetite for your concept – **Lender Discovery Days**

Create a prequalification process for your development team and tools for your websites

Work to create a templated business plan that will appeal to lenders and make it easier on your candidates

Having up to date data on your brand and the industry space (FranData reports)

Training and support for your teams and coordinated updates so the sales process doesn't stall



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*Strategic Lending Partnerships*



**Eric Schechterman**

*Chief Development Officer*



[eric@benetrends.com](mailto:eric@benetrends.com)  
[mjohns@benetrends.com](mailto:mjohns@benetrends.com)