
MASTERS OF 504 LENDING SERIES

SPECIALTY PRODUCTS OUTSIDE 504 FOR “THE DEAL YOU CAN'T DO”



TODAY'S PRESENTERS

KIMBERLY HOLLEY

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Kimberly has been with Mountain West Small Business Finance since 2007 and brings over 15 years of commercial lending experience in both SBA 504 and 7A.





TODAY'S PRESENTERS

OLIVIA LEISHMAN

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Olivia has been with Mountain West for two years and in lending for 7. With Mountain West she has primarily facilitated non-504 loans under \$350,000.

TODAY'S DISCUSSION

Non 504-products Including:

- SBA Community Advantage Pilot Program
- Community Advantage eligibility, requirements, and terms
- Utah Small Business Loan Fund
- Other resources





SCENARIO

You have a growing relationship with a small business looking for capital, BUT they fall just outside your credit box. They have a collateral shortfall, an SBSS score outside your guidelines, or are in that in-between growth phase.

Mountain West might have an option...

A background image showing two people shaking hands, overlaid with a semi-transparent blue filter. The hands are clasped in a firm grip, and the sleeves of white shirts are visible. The background is slightly blurred, focusing attention on the handshake.

OUR 'SPECIALTY' PRODUCTS/RESOURCES

Community Advantage (SBA 7A)

Partnership with Utah Small Business Loan Fund

Community Referral Resources

COMMUNITY ADVANTAGE PILOT PROGRAM

The SBA launched the Community Advantage loan program to assist small businesses in underserved market. In the CA program, community-based, mission-focused lenders meet the credit, management, and technical assistance needs of small businesses in underserved markets. This program has been extended to September 2024.



COMMUNITY ADVANTAGE

Clients:

- *Startup Businesses*
- *“The deal you can’t get done”*
- *Located in Utah, Wyoming, and Colorado*

Eligible Uses:

- *Debt refinance*
- *Working Capital*
- *Inventory Purchase*
- *Equipment*
- *Partner Buyout*



USING COMMUNITY ADVANTAGE FOR DEBT REFI

A community advantage refinance loan still needs to meet the requirements of refinancing 7A including:

- *May not be used to pay creditor in position to sustain a loss*
- *'No longer meets the needs of the applicant' typically seen with revolvers vs. term loans*
- *Needs to meet the SBA 10% improvement to debt service coverage requirement (unless existing loan is a line of credit)*



U.S. Small Business
Administration

COMMUNITY ADVANTAGE

Terms:

- *10 Year Term*
- *\$50,000-\$350,000*
- *Variable Rate*
 - *Based on WSJ Prime +*
- *Flexible Collateral Requirements*
- *No Prepayment Penalties*



Reach out to any Mountain West Loan Officer to get more information or refer a client. New changes have been made to Community Advantage in 2022, and we anticipate more updates to help the program reach even more borrowers outside the bankable box.

If our programs aren't the right fit, we want to get them in the right place with an SBA Microlender, technical training, or resource centers.

REQUIREMENTS



SCORING:

Community Advantage applicants need to have a minimum acceptable SBSS score of 140

EQUITY INJECTION:

10% for startup in business <1 year

COLLATERAL:

Blanket UCC lien must be taken on all assets

1st Position lien required on equipment purchased with loan proceeds

REAL ESTATE:

Personal Residence not required

LIFE INSURANCE:

Life Insurance not required

Utah Small Business Loan Fund

Clients:

- Businesses 2 years or older
- Located in Utah
- Not quite bankable

Uses:

- Working Capital
- Real Estate Purchase
- Equipment
- Debt Refinance

USBLF.ORG



Utah Small Business
Loan Fund



EXAMPLES

WITH THESE FINANCING PRODUCTS THAT ALLOW MORE FLEXIBLE COLLATERAL REQUIREMENTS, MOUNTAIN WEST HAS BEEN ABLE TO HELP BUSINESSES ACROSS A WIDE VARIETY OF INDUSTRIES THAT WOULD NOT OTHERWISE HAVE ACCESS TO FINANCING.

- **WINTER SPORT STARTUP**
 - BULK INVENTORY PURCHASE
- **MANUFACTURING**
 - EQUIPMENT
- **SOFTWARE TECH AND DEVELOPMENT**
 - WORKING CAPITAL



See more borrower spotlights on the MWSBF YouTube page

MORE RESOURCES



UTAH MICROLOAN FUND



kiva





COMMUNITY ADVANTAGE POP QUIZ

WHAT'S THE MINIMUM LOAN AMOUNT?

WHAT'S THE MAXIMUM LOAN AMOUNT?

WHAT'S THE MINIMUM SBSS SCORE REQUIREMENT?

IS THERE A LIFE INSURANCE REQUIREMENT?

FOR THOSE DEALS JUST OUTSIDE THE BOX
REACH OUT FOR MORE INFO OR TO REFER A CLIENT

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Mountain West
Small Business Finance

QUESTIONS?