

Community Futures Development Corporation of the North Cariboo

Community Futures relationship and the Banking Sector: What you need to know.

COMMUNITY FUTURES' CLIENT FOCUS

Our goal is to help our clients end up in better financial positions in order to become a viable client for a bank.

PARTNERING OR JOINT LENDING OPPORTUNITIES

CF is able to partner with other lenders in order to reduce risk and ensure successful business loans. For example:

- CF is able to assist:
 - o in developing business plans and prepare lending proposals for banks
 - o with preparing cash flows and financial data
 - o existing community businesses to do a self-assessment on their operations and look at options on how to "fix" problems that they see
- CF is able to finance working capital, inventory and equipment
- CF is able to take on a subordinated security position to a bank
- When a bank has a business client that they can identify as having a unhealthy financial situation; for example, Lines of Credit are maxed, payments suffering, visa's maxed, client is contacting the bank to miss payments etc., then the bank can, confidentially and with a client's approval, refer the client to CF for business support services to help them review their finances before it negatively impacts their credit standing with the bank

LENDING INFORMATION

CF interest rates are higher than a bank's are for business lending – rate is relative to the higher risk being taken.

CF considers higher risk loans

1. Start ups - CF will finance start-up businesses where there is no credit or financial history;
2. Lending that the banks may be restricted from doing;
3. Banks may do equipment, land, buildings financing and CF can do inventory, technology, operating capital financing;
4. Clients who are interested in Self Employment with no credit history;
5. Clients with poor credit history;

CF offers personalized and flexible repayment plans– cash flows fluctuate and CF can build payment plans to fit these fluctuations. For example: interest only payments for a period of time, reduced P&I payments, extended payment plans.

SERVICES AVAILABLE

Growing communities one idea at a time.



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CF provides significant opportunity for “hand holding” after a loan is advanced, with ongoing support services for the business. CF works with the client to revamp business plans, provide on-going advisory services in the areas of marketing, financial analysis, inventory issues, regulatory issues, competition, and technology, just to name a few.