

FINANCIAL POISE WEBINARS

BUSINESS BORROWING BASICS

SERIES OVERVIEW

Cash is the lifeblood of any business. While some companies operate solely with their own working capital, most must borrow money from time to time. Borrowing, of course, includes something as mundane as buying goods or services on credit (whether on credit terms or by using a credit card). But most companies of any significant size have a revolving line of credit or a term loan, or both, with a bank or other commercial lender. This webinar series explores where companies should look for business loans, how to negotiate them, and what to do if they default under them. Each episode is delivered in Plain English understandable to business owners and executives without much background in these areas. Yet, each episode is proven to be valuable to seasoned professionals. As with all Financial Poise Webinars, each episode in the series brings you into engaging, sometimes humorous, conversations designed to entertain as it teaches. And, as with all Financial Poise Webinars, each episode in the series is designed to be viewed independently of the other episodes, so that participants will enhance their knowledge of this area whether they attend one, some, or all of the episodes.

EPISODE SUMMARIES

EPISODE #1

Negotiating a Loan Agreement
Airing January 17, 2017 at 2pm CST

Like most other important contracts, the contract by which a bank (or other lender) lends money to a borrower is commonly governed by a written contract: the loan agreement. This is somewhat misleading, however, since the relationship between borrower and lender is commonly governed by a *number of separate documents*, with the “loan agreement” being just one. Others typically include a security agreement, a pledge agreement and a personal guaranty. Many lenders present the loan documents as “take it or leave it” propositions. Most lenders, however, are in fact willing to negotiate. The terms that a lender will agree to will depend on a number of factors, including the

creditworthiness of the borrower, the nature of the borrower's business and the level of competition among lenders. This webinar provides guidance on what terms are "market," what terms are more easily negotiated, and strategies to negotiate loan terms.

EPISODE #2

Alternative Financing - When the Bank Says "No" Airing February 21, 2017 at 2pm CST

Just because the Bank says "No" doesn't mean a business is out of options. Even before the Great Recession there were plenty of "alternative" (non-bank) lenders but the number exploded in the past several years. Peer-to-peer lending, alone, came out of nowhere just a few years ago to become a major source of financing for millions of businesses. And this new business model is just the latest entrant into the larger category of what is commonly called "alternative lenders." Indeed, just listen to a business radio station, go to a business-focused website, or open your morning mail, and you are likely exposed to all sorts of advertisements asking you if your business would like a loan- fast and with few questions asked. This webinar paints a picture of what the alternative lender landscape looks like, how to access it, how to assess individual lenders and discusses the pros and cons of going various routes.

EPISODE #3

Financing a Business With Help From the Feds: SBA Loans and Other "Special Programs" Airing April 4, 2017 at 2pm CST

A new or expanding business may want to consider looking to the United States Small Business Administration ("SBA") for help with financing. The SBA participates in a number of loan programs designed for business owners who may have trouble qualifying for a traditional bank loan. Such programs are not direct loans from the government but, rather, involve a government guaranty. The guarantee typically covers between 75% and 90% of the loan, thus eliminating much of the risk for the actual lender and enabling the lender to offer more favorable to borrowers. The downsides are that additional paperwork needs to be filed, extra fees need to be paid, and it takes longer to get a decision. This webinar focuses on two such programs (504 and 7a), and touches on some other alternatives borrowers have to leverage the government's support of small businesses.

EPISODE #4

**Dealing with Defaults- What to Do and Not Do When Your Company Violates its Loan Agreement
Airing May 9, 2017 at 2pm CST**

When a company defaults under a loan agreement the results can be catastrophic to the company, and any guarantors of the loan. On the other hand, some defaults are much easier to deal with than others, and even significant defaults can be dealt with in a manner that avoids disaster. This webinar explains the different types of defaults, the range of lender reactions to various defaults, and how to best deal with them. In particular it focuses on the steps borrowers and their advisors can take to keep the lines of communication open and mitigate the negative effects of a default.