

# **Asset Backed Lending - Short Term Working Capital Loans for Businesses – Sale Lease Back**

## **Commercial Truck and Trailer & Heavy Equipment Finance & Leasing**

### **Mid-Market Credit Facilities Guidelines**

#### **DEAL SIZES:**

- ❖ **\$250,000 - \$2,500,000 (Larger transactions will be considered on an exception basis)**
- ❖ **Transactions under \$250,000 will still be considered under standard policies**

#### **KEY CREDIT DRIVERS:**

- ❖ **Quality of Management**
- ❖ **Quality of Information Systems & Reporting**
- ❖ **Corporation's Cash Flow & Total Net Worth**
- ❖ **Asset LTV & Recoverable Values**
- ❖ **All related entities and owners to provide guarantees (We will consider limited guarantees from the shareholders)**

#### **ASSETS:**

- ❖ **Hard Assets Only**
- ❖ **Maximum Advance: 50% of Appraised LTV**
- ❖ **Larger advance rates maybe considered based on profile & security**

#### **STRUCTURE:**

- ❖ **24-60 Month, fully amortizing term**
- ❖ **Standard Lease**
- ❖ **True Lease (residuals will be secured)**
- ❖ **Loan & Security Agreement**
- ❖ **Pre-Payment privileges available for each transaction**

**APPLICATION REQUIREMENTS:**

- ❖ Completed Credit Applications
- ❖ Long Form Personal Net Worth
- ❖ Corporate Organisational Chart showing all legal entities and their ownership
- ❖ 3 Years of Accountant Prepared Financials
- ❖ Most recent interim statements with year over year comparison
- ❖ List of proposed assets & estimated payouts for each asset
- ❖ Usage of Proceeds
- ❖ Client interview by Lender

**TIME FRAME:**

- ❖ Initial Review of suitability: 1-2 Business Days
- ❖ Expression of Interest: 1-2 Business Days (due diligence fee required)
- ❖ Due Diligence: Up to 1 week (depending on client)
- ❖ Formal Term Sheet: 2-3 Business Days
- ❖ Documentation & Funding: as soon as 1 Business Day

**All costs will be the billed to the client**

Ian McDonald - Cell #604-798-8295

Verico Paragon Mortgage Group Inc.

Email: [ian.mcdonald@verico.ca](mailto:ian.mcdonald@verico.ca)

Website: <http://www.mortgageweb.ca/ianmcdonald>