



An interview with
Susan Lamping
CDC Loans who specialize in loans for women owned businesses

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What to expect at a loan meeting with CDC Small Business Finance

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Susan Lamping
Technical Assistance Coordinator
CDC Small Business Finance
www.CDCloans.com
2448 Historic Decatur Rd #200, San Diego, CA 92106
CDC loans have offices throughout California, Nevada, and Arizona
800.611.5170
619.291.3594

CDC Small Business Finance Statement of Strength

We are a one-stop loan shop.
Let us know what your loan needs are, and we will find a lender for you.

- 1 **Q.** *What amount would be the minimum business loan you would consider?*

A. \$10,000

- 2 **Q.** *Could you put a dollar amount to the maximum loan amounts you offer?*

A. \$10,000,000 for commercial real estate, \$750,000 for operating capital

- 3 **Q.** *What kind of business owner scenario is most compatible with your loan goals?*

A. Any business – Startup to established – Any legal, for-profit business.

- 4 **Q.** *Are these approved by the loan officer or a consortium?*
A. The loan approval process depends on the product or type of



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loan. There are different committees for different loans.
Some loan decisions are decided internally, others are decided
by the bank's loan committee.

- 5 Q. *Does an entrepreneur need a business plan to get a loan?*
- A. Startups and businesses less than 2 years old do.
Businesses over 3 years in existence do not.
We meet with all clients at their location of the business and
ask questions to satisfy our concerns which would take into
consideration sections of business plans.
- 6 Q. *On an existing business what kinds of qualifications are you
looking for?*
- A. Historical cash flow
Collateral – not having it won't exclude a person from
getting a loan
Experience of principals
Good personal credit
- 7 Q. *What is the number one concern when you are considering
loaning money to a business owner?*
- A. We look at the entire package and consider a combination of
things. High on the list would be cash flow – experience in
the field they are going in to – credit history
- 8 Q. *What is the number one problem entrepreneurs with a plan
face when applying for a business loan?*
- A. No capital injection
Too much personal revolving credit
No experience in the industry
No collateral



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- 9 Q. ***Regarding the individuals who are looking for money for their business. What kind of obstacles surface?***
- A. Revolving debt is the most common, also not enough experience in the industry.
- 10 Q. ***What are some key problems an entrepreneur should have solutions for in their plan?***
- A. Plans to handle a changing environment
No plans for competition – they might be opening a coffee shop and don't have a contingency plan if a Starbucks opens down the street or within a mile of their business
- 11 Q. ***How important are the financials, and what is the weight of importance in a plan?***
- A. Critical. The business will be evaluated on the cash flow of their operation. Startups are evaluated in part of the soundness of their projections.
- 12 Q. ***What financial reports do you like to see in a plan?***
- A. P & L, Balance sheet, Cash flow statement
Existing business-past 3 years financial statements
Existing business- accounts receivables, accounts payable, aging summary
- 13 Q. ***How far into the future should an entrepreneur project the numbers?***
- A. Startup 1st year by month, 2nd and 3rd years annual
Existing – if the loan repayment is based on projections they will want 12 months of projected revenue.



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14 Q. ***Do you feel about comparing the company to an existing company with vertical, horizontal, competitor and same size and same industry comparisons?***

A. I would be very impressed if these were included, nobody does it though.

15 Q. ***Do you find an entrepreneur may experience a lot of changes in the first year?***

A. Definitely
Unforeseen things that happen – under financed – no plan for competition that surfaced

16 Q. ***If an entrepreneur does not understand financials do you have a way to help them?***

A. We'll help them with projections and modifying their business plan. If they need more extensive assistance we send them to SCORE or the Small Business Development Center.

17 Q. ***What about the executive summary? How long should that be?***

A. One page

18 Q. ***How many pages are appropriate for a plan?***

A. 20 pages are sufficient, we have to read it, we have to send it to others to read, along one will have difficulty getting through the system

19 Q. ***Anything else about a plan that is important?***

A. Experience of the management team



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Marketing plan

Assumptions part of the projections are key and often left
out

20 Q. *What sections of the plan are most important to you?*

A. Management team
Marketing plan
Projections
Executive Summary

21 Q. *What section do you look at first?*
2nd?
3rd?

A. Executive summary
Management team
Projections

22 Q. *What is the entrepreneurs biggest misconception
entrepreneurs when they come to you for a loan?*

A. Can they get a loan w/o having any money to put into the
business on their own

23 Q. *How does the loan process differ from what entrepreneurs
think it works?*

A. They usually think it is going to be faster than it really is.

24 Q. *What happens behind the scenes in the actual loan process?*

A. Underwritten by credit analyst
Ratios calculated on financials
Loan committee analyzes it.



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If a loan officer presents it they are questioned about the details of the deal.

25 Q. *What is the typical length of time it takes to get a business loan?*

A. The decision in 2-4 weeks depending on loan product, funded in 4-6 weeks.

The loan process: A 20-minute phone interview is conducted when the applicant calls, they get sent some prescreening forms, the forms are reviewed and the applicant is called back within 24-48 hours. If they seem to be a prospective applicant, the full loan application is sent to them. Once this is sent back and reviewed, a 1 to 2-hour meeting is scheduled at their business.

26 Q. *Can you identify an ideal candidate for a loan?*

A. The ideal would:

Be in business for over 2 years

Good personal credit

Lots of experience in the business they are going into

Own their own house with equity equal to or greater than the value of the loan.

27 Q. *Anything I haven't asked you feel would be good for business owners to know?*

A. We have loan products for women, minorities, veterans, and businesses located in low to moderate income areas. If a loan product is out there for someone, we can usually find the right product for the individual business whether it is a \$5,000 microloan or a \$2MM commercial real estate loan. We are truly a one-stop business loan shop offering financing in a very wide range with many different bank partners as well



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as small community loan products.