



THE WALL STREET JOURNAL.

6 Highlighted *Wall Street Journal* articles on pages 3-8 state:

- 1) \$1.2 TRILLION (\$1,200 Billion) of commercial mortgages cannot refinance in the next 3 years based on current property values and interest rates. Over 80% of commercial mortgages are interest only loans.
- 2) Regional & community banks are caught between high exposure to the collapsing commercial mortgage market and government requirements to shore up their balance sheet with costly additional reserves.
- 3) PE firms see a multi-TRILLION business opportunity to replace regional banks with more expensive loans.
- 4) PE firms believe they will acquire businesses at steep discounts, as in 2008, after bank loan default.
- 5) Regional Banks under financial duress will modify their risk tolerance on business loans and continue to tighten new business loan requirements. Page 2 shows 13 ways banks can adjust or call your loan.
- 6) The Federal Reserve is considering "stress testing" regional banks.



- Our must see companion video analysis
- Uses different statistical sources to underscore why the looming commercial mortgage crisis will have such a significant effect on the economy and regional banks.
- Steve Eisman, famous for predicting the "Big Short" 2008 bank crisis discusses why the current commercial mortgage situation may be even worse.

ONLY WE CAN...

- ▶ Combine US government-guaranteed SBA financing for 100% of the up to \$10 million cost of buying out a partner, competitor or supplier WITH cost savings which double your profitability. This pays for 100% of your loan payment.
- ▶ Providing timely payments are made, loans stay in place and cannot be called or altered by a lender.
- ▶ Our SBA banks close loans in half the time of most SBA lenders.

We provide access to "Peace of Mind" financing in all 50 states.

- ★ Funding available from \$1MM up to \$250MM+
- ★ No financing surprises - terms, fees, and interest rates are government regulated
- ★ 100% financing possible for qualified business owners
- ★ Fixed maturity
- ★ No escalation clauses
- ★ No balloon payments due
- ★ Common sense underwriting, easily understood language.
- ★ No early call-in provisions
- ★ Financing direct from the U.S. Small Business Administration (SBA).
 - ★ Our VP contacts at the largest SBA lenders sit on loan committees so your loan is approved in 1/2 the time.

2 Scenarios to use SBA Loans to increase your income and save Money

1) Increase your Income with a Business Acquisition or Partner Buy-Out

(100% financing available for business expansions - up to \$10 million)

- a) You own 100% of the business and keep 100% of the profits - no longer split with a partner.
- b) Combined with our cost savings solutions, your increased cash flow covers all loan servicing costs.
- c) Request a Free copy of the 14-page PDF: ["Business Acquisition Checklist and Transition Guide"](#)

2) Fire your landlord and Save Money...Stop Renting and Start Owning

- a) Buy a commercial building and use those payments to build equity and appreciation, instead of paying a landlord rent. Office buildings are now selling for 20% of their 2019 value at auction.

Many Loans Docs have problematic clauses – check yours carefully!

- 1) **Interest fluctuation clause:** the bank can alter the rate of interest as and when they change their base rate without seeking your approval.
- 2) **Early call-in provision:** Loan due and payable in the event of "default" or non-compliance with covenants
- 3) **Balloon payment:** Loan balance due under certain conditions
- 4) **Definition of default:** Lenders have different definitions for 'default' including divorce, civil or criminal offense, cross-default, i.e. when defaulting on any other loan provided by any bank or the same bank, etc.
- 5) **Disbursement Clauses:** Funds may not go to you, but instead to other parties.
- 6) **Force majeure clause:** Bank reserves the right to unfix the fixed interest rates for your loan in the event of any unforeseen economic conditions or extraordinary circumstances.
- 7) **Reset clause:** Bank reserves the right to reset the rate to a higher level after a given time period
- 8) **Debt collection by third parties:** Borrowers get annoyed when receiving calls from loan collectors.
- 9) **Amendment clause:** Banks can change both the terms and conditions without approval of the borrower.
- 10) **Insecurity clause:** Lender can accelerate payment of a debt, demand additional collateral, or halt future advances if the lender believes that the debt cannot be paid in accordance with the agreement terms.
- 11) **Confession of Judgment Clause:** Gives the bank permission, in a loan default, to file a judgment against the business and any other individual guarantors in the loan agreement without filing a lawsuit.
- 12) **Income or Debt Service Coverage Ratio Covenant:** Sets cash flow requirements such as ratio of income to debt payments which must be maintained by the business throughout the term of the loan.
- 13) **Real estate loan-to-value provisions:** Potentially disastrous in a declining market.

