



100 Bush Street, Suite 1750
San Francisco, CA

Business Note Purchasing Program: *Updated* Criteria

- Performing and strongly preferred. Re-performing Notes considered if strong payment history for last 12-18 months
- Down payment of at least 20-25% (*previously 30% minimum*); ITV (interest to value: current balance divided by business' sale price) of 70% or less ideal
- Personal Guaranty required (can be waived if low ITV and excellent payment history)
- As little as *1 month* of seasoning required (*previously min. 3 months' seasoning required*)
- Business must be cash flow positive (1.25x debt service coverage ratio). If biz cash flow isn't positive, occasionally we may fund if guarantor has documented outside income and/or has pledged personal real estate assets with lendable equity
- Guarantor credit shows no recent delinquencies, defaults, liens, judgments, or a multitude of recent credit inquiries; we don't have a fico cutoff
- 1st lien position preferred, 2nd possible if combined ITV is under 65% with a good payment history
- Maximum balance of up to \$500K on any one Note – however, bulk purchases have exceeded \$500K
- Maturity within 72 months; in cases where maturity >72 mos., we can purchase a partial of up to 72 months
- Balloon payments *now considered* if the # of remaining months until the maturity date plus the # of months needed to amortize the balloon (at the current monthly payment) is less than 72 months
- We buy Notes secured by businesses in all 50 states, but FL, TX, and MI will be scrutinized
- All business types considered; *hybrid (r/e and business) now considered if in CA*

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