

Here are some questions for you to ask any local bank that you wish to contact.

1. Do you work with Franchises and Start-Up/New locations?
If they do, let them know that (insert Franchise name) IS on the Franchise Registry, if they are!
<http://www.franchiseregistry.com/>
2. Have they ever worked with (Your Franchise)?
3. Average Down-Payments for Start-Up Franchises? (most lenders run 20%-30% depending on the overall strength of the borrowers and the franchise itself)
4. Ask them about their Collateral Requirements. (They will tell you that they need it, but they must look at all of your information before giving percentages or any firm answers) **Make sure that they will stop at 1:1, collateral to loan amount**
5. What are their guidelines with regard to Real Estate and Personal Residences as it equates to collateral?
6. Ask them to give you estimates as to:
 - a) Terms (how long of a loan) **Ask for 10 years**
 - b) Rates (maximum allowable by the SBA is Prime + 2.75%)
 - c) Variable or Fixed Rates? (majority are Variable rates, may adjust quarterly, and have no cap)
 - d) Pre-Payment Penalties (should be no pre-payment penalties on SBA loans under 15 years)
 - e) Bank Fees (Processing, closing costs, etc.)
also ask about the **SBA Guarantee Fee**
7. Are they an SBA Lender?
Are they a ****PLP Lender**** (Preferred Lender Program)- CLP Lender (Certified Lender) or - GP (General)

Here are a few questions. If you ask them these, they will know that you did some homework.

At Diamond Financial Services, we want you to know the Facts!