

Get Your Credit Team To Quickly Buy Into Your Deals!



"A highly effective deal memo steers your credit team to the decision you want them to make!"



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First: do your homework!

- **Do you know your credit policy?**
- **Does your borrower meet the minimum requirements?**
- **Do you have a complete package?**
- **Did you do a cash flow analysis?**
- **Does the borrower support the debt?**
- **Do you have adequate collateral?**
- **Are there any credit issues?**

Second: address deal killers!

- **If you did your homework, you will identify the deal killers!**
- **Deal killer examples:**
 - High loan-to-value
 - Prohibited industry
 - Weak or no debt service coverage
 - Credit issues
- **Is there a strong mitigating factor?**
- **Would you lend the prospect your own money?**
- **If yes, start preparing your deal memo!**

Third: write the deal memo!

- **Don't submit your deal if the memo is not written!**
- **If you did the work in steps 1 & 2, you will build credibility with your team!**
- **Why? You are making it easy for them to do their job & approve your deal!**
- **If your team has a template, use it. Otherwise, see next slide!**

Deal Memo Content

- **Loan purpose & your product recommendation**
- **Collateral description (type, estimated value, LTV, market...)**
- **Identify borrower(s) & guarantor(s)**
- **Description of the business & owners**
- **Explain the numbers & cash flow analysis:**
 - Revenue & profitability trends
 - One-time or non-recurring items
 - Debt service coverage estimate
- **Discussion of strengths & weaknesses**
- **Discussion of deal killer & mitigating factors**
- **Disclose & explain adverse credit history**
- **Explain or show why the team should approve your deal!**

Want To Improve Your Business Lending Game?

This material came from the Commercial Lending Toolkit! The toolkit helps you get your loans approved & funded fast!

Access the free toolkit at: www.bizpetrol.com or follow [#bizpetrol](#) on LinkedIn for more content like this.



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