

Middleburg
Financial Corporation



Small Business Financing

Jeffrey Milnes, Vice President
Middleburg Bank

Overview



Economy

Loan Products

Process to Apply

Resources



Economy



CBOE Interest Rate 10-Year T-No | ^TNX | Charts - Yahoo! Finance - Windows Internet Explorer

Enter name(s) or symbol(s) GET CHART COMPARE EVENTS TECHNICAL INDICATORS CHART SETTINGS RESET

Week of Nov 5, 2007: ^TNX 4.2250

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1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jan 14 2002 TO: Jul 30 2012 -67.74%

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Start Citrix XenApp - Applicati... CBOE Interest Rate 1... Loan Portfolio 2010 - \R... Inbox - JCulver@middleb... 29 Reminders - \Remote Small Business NGA pres... Small Business NGA pres...

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Loan Products



Meeting your funding needs

Lines of Credit – Working Capital

Term Loans – Equipment, technology upgrades, leasehold improvements



Conventional Products

Guaranteed Loan Programs

Conventional Loan Products



Lines of Credit (LOC)

Standard Business LOC

Demand, Floating Rate, Interest Only

Asset Based LOC

Demand or hard maturity, Floating Rate, Interest Only

Term – Specific Purpose

Fixed term – *useful life of asset*

Amortized payment – *P&I*



Guaranteed Loan Programs



Small Business Administration (SBA)

Basic Eligibility:

Size requirements – Sales and/or # of employees
Doesn't qualify for conventional products
Ability to manage & administer contracts



SBA Lines of Credit



7(a) – CapLines

Up to \$5 million, 10 year maturity

Advance Rates 50%-90%

Monthly borrowing base

➤ **Working Capital Line**

➤ **Contract Line**

SBA Term Loans



Standard 7(a)

Maximum loan \$5 million

Maturities – 10 yrs equipment & 25 real estate

SBA Express

Streamlined process

Maximum loan \$350K

Patriot Express

Eligibility: Veteran, reservist, active duty & spouses

Maximum Loan \$500K

Getting Prepared for Financing



Know Your Business

Compile a Business Plan - Basic elements

Where are you today? *financials*

Where do you want to be tomorrow? *projections*

Focus: Purpose for funding
Plan to repay
Financial picture now and future



Resources: SBDC, SBA & independent websites

Process to Apply



Contact Local Bank

- ✓ Establish solid relationship now
- ✓ Use your business banker as a resource
- ✓ Open Communication – current and future



Process to Apply



Be prepared to discuss your business plan

- Loan purposes and funding needs
- Business history & management experience
- Business & personal financial statements
- Cash flow
- Projections



Process to Apply



Provide Complete Application Package

- Increases efficiency of processing request
- Can shorten decision period and get you an answer quickly



Loan Application Package



Basic financial packages include:

Borrower

Application & Business plan

Federal Business Tax Returns – 3 years

Compiled Financial Statements – 3 years

Balance Sheet and P & L – 90 days

Aging Report – A/R & A/P – 90 days

Debt Schedule

Projections – 2 years



Loan Application Package



Guarantor

3 years Personal Federal Tax Returns

Current Personal Financial Statement

Personal credit experience.... Know your score

SBA

SBA Application Forms

Personal History Statement

Eligibility Questionnaire

Closing



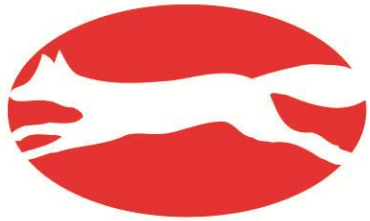
- Develop solid relationship with banker
- Develop strong application
- Know your business



Resources



- Local Business Bank – www.middleburgbank.com
- Small Business Development Center - <http://www.asbdc-us.org>
- SCORE - <http://www.score.org>
- SBA – www.sba.gov
- Local Economic Development Commission
- Business Plans – http://www.bplans.com/sample_business_plans.php



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Questions/Comments?

Thank You!



Middleburg Bank 703-777-6327
www.middleburgbank.com