

Making life better since 1952

- People | Community | Financial Wellness
- Consumer and Commercial Lending
- 14 Local Branches
- Team of 13 Business Lending Professionals



Core Values

People

Community

Financial Wellness



COLUMBIA
CREDIT UNION
Making life better.



The Credit Union Difference

Not for Profit

Personalized Service

Community Focused

Member Owned



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Prepare to apply - Business Loan

We're here to help you every step of the way



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Understand Your Project

Prepare a Detailed Business Plan

Gather Necessary Documentation

Prepare to apply - Business Loan

We're here to help you every step of the way



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Establish a Strong Credit Profile

Explore Government Loan Programs

Demonstrate Financial Stability

Products & Services

Revolving Lines of Credit
Term Loans for Equipment
Term Loans for Real Estate
Construction Loans
CapEx Lines of Credit
SBA & USDA Loans
Business Visa Cards

Deposit Accounts
Checking
Savings
Money Market & CDs
Business Online Banking
Online ACH & Wires
Remote Deposit
Merchant Services
Fraud Prevention Tools



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Required Documentation

3 Years Business Federal Tax Returns – Borrower
3 Years Personal Federal Tax Returns – Owners
3 Years Company Prepared Financial Stmts.
Personal Financial Statement – Owners
Copies of Contracts
WIP Report
A/R & A/P Aging Reports
Articles of Incorporation or Member Agreement
Business License



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QUESTIONS?

Thank You!



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Joe Storm, VP

Director of Commercial
& Business Services
JoeS@columbiacu.org

Marc Timm, SVP

Chief Lending &
Credit Officer
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A promotional banner for a virtual event. The background is a teal gradient with an illustration of two construction workers in orange and yellow gear on a bridge, with a city skyline and a river in the background. The banner contains the following text and logos:

- Logos for CREDC (Central Regional Economic Development Council) and APEX (Apex Institute for Economic Development) in the top left.
- A yellow bar with the text "PREPARING FOR PUBLIC PROJECTS SERIES".
- The main title "FINANCE: EXPANDING FOR BIGGER PROJECTS" in large, bold, black letters.
- Logos for Columbia University and Banner Bank in the bottom right of the title area.
- Event details in the bottom left: "March 19, 2024" (with a calendar icon), "Virtual" (with a location pin icon), "3:30 PM - 5:00 PM" (with a clock icon), and "Free" (with a dollar sign icon).

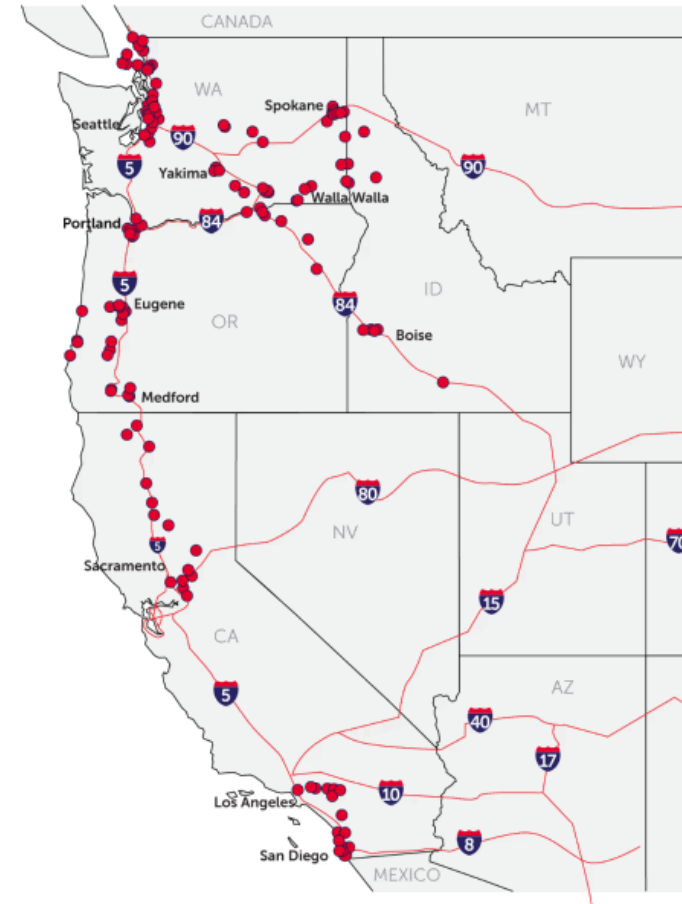
George Martin

Vice President, Banner Bank

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george.martin@bannerbank.com

- Banner Bank - established in 1890
- Headquartered in Walla Walla, WA
- Banner operates 135 offices in Washington, Idaho, Oregon, and California
- Total assets of \$15.7B as of 12/31/23



1. Products and services offered by Banner Bank:

Business loans and lines of credit (LOC) – from \$50,000 to over \$10,000,000

- Revolving lines of credit
- Equipment lines of credit
- Equipment term loans
- Real estate loans
- SBA 7a and 504 loans
- USDA guaranteed loans

Business checking and savings

- Business and personal checking accounts
- Savings and money market accounts

1. Products and services offered by Banner Bank:

Treasury management services

- Account analysis
- Remote Deposit Capture (RDC)
- Business online banking
- Credit and investment sweep accounts
- ACH origination
- Positive pay
- Rewards and rebate commercial credit cards

Merchant Services – accept debit and credit card payments

- Standalone countertop terminal, virtual terminal and mobile card reader

2. Requirements for loan approval

- **Capacity**
- **Capital**
- **Collateral**
- **Character**
- **Conditions**

Capacity – the ability to repay a loan

- Lines of credit - do you have the short-term assets, i.e., accounts receivable, inventory, progress billings, that are readily convertible to cash to pay back the line of credit?
- Loans – does the business generate adequate cash flow to service the debt over time? Cash flow traditionally measured via EBITDA. Reflected in the business's debt service coverage ratio (DSCR). A 1.25x DSCR is considered a general, minimum DSCR.

Capital – equity in the business

- Are there sufficient forms of equity (capital, retained earnings) in the business to ensure the business is not highly leveraged?
- Banks are lenders, not partners.

Collateral – does the business have adequate collateral to backstop the loan in a worst-case scenario?

- Depending upon loan type, collateral can be accounts receivable and inventory, equipment, or real property.
- Loan-to-value (LTV) is the ratio of borrowings to collateral. The lower the LTV the better.

Character – does the owner exhibit the character to repay loans when times get tight?

- For commercial loans/lines of credit, the business owner will guarantee their loans.
- Credit history and FICO score

Conditions – market conditions change, can your business change with them?

Other Considerations for public works jobs:

- Are you the general contractor or a subcontractor?
- “Paid when paid.”
- Know the bid requirements.
- Do you need to post a bond?
- What is the prevailing wage? Did your bid account for it?
- Be prepared for certified payroll.
- Do you have an accurate WIP report and other financial reports?
- Successful public works contractor/companies have strong relationships with their attorney, lenders, CPAs, and insurance agents/suretys.

Funding Your Business: An Introduction to Capital Sources for Entrepreneurs

Steven Phan,
Business Lender

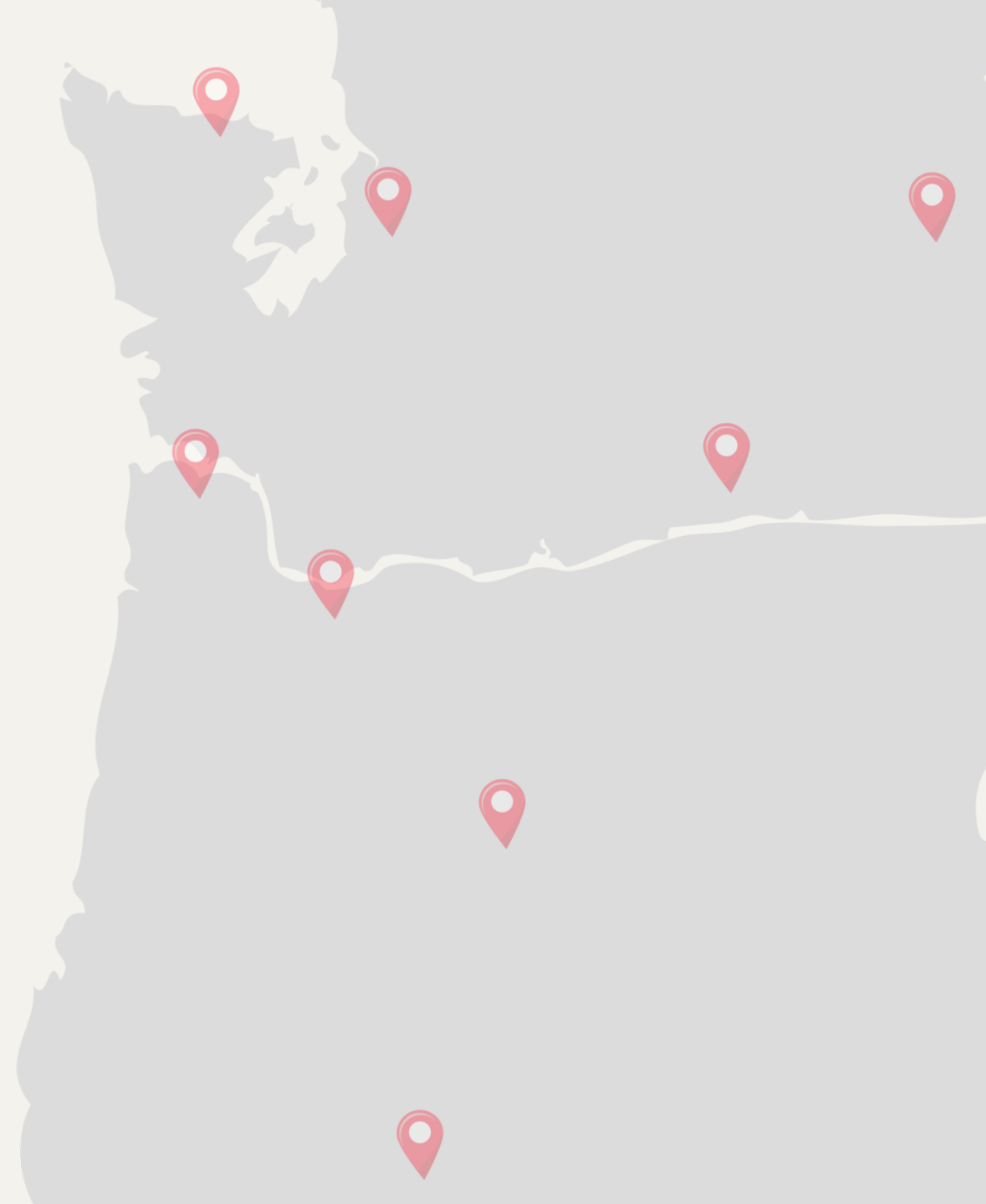
03.19.2024

01.02.2023



Who We Are

- Craft3 is a Community Development Financial Institution (CDFI).
- Since 1994, Craft3 has invested over \$700 million in entrepreneurs, nonprofits and individuals.
- We're a non-bank nonprofit community lender.



What We Do

We lend money to businesses and organizations that can't qualify for traditional financing and may fit one or more of these criteria:

- Good business, poor credit
- Limited or no collateral
- Incomplete financials
- Real estate loans
- Startups
- Entrepreneurs who only have ITINs
- Bridge financing for established nonprofits



Supporting Spanish-speaking entrepreneurs

We are committed to your success. We offer:

- Spanish-speaking lenders and coaches
- Spanish-language educational content
- Assistance with the application process

We do not offer:

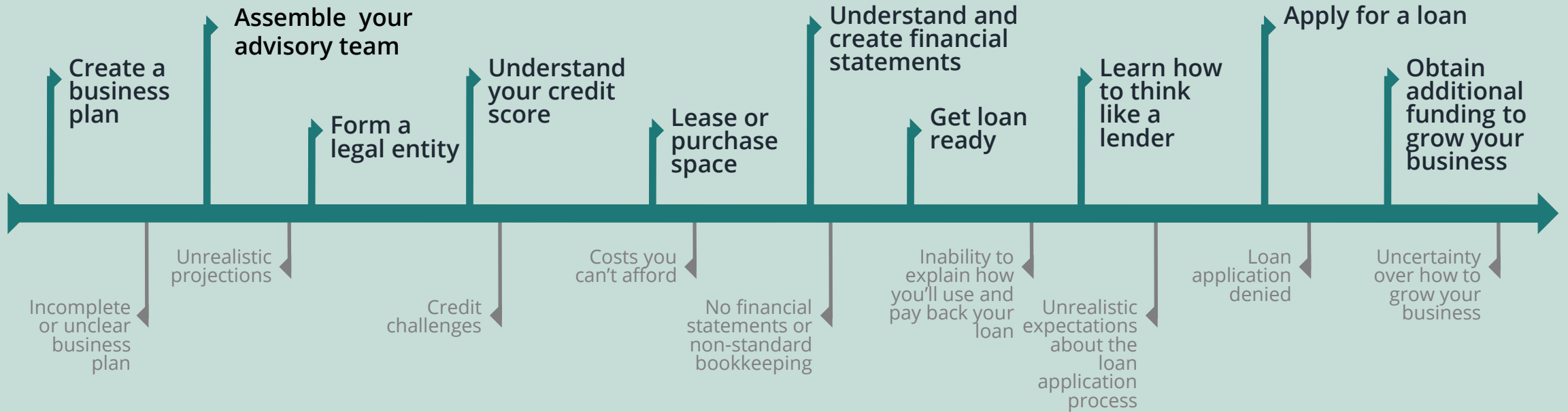
- Applications and loan documents in Spanish



Your Business Journey

MILESTONES

SETBACKS





Outline

- 01 The Vocabulary of Financing
- 02 Types of Funding
- 03 Planning Your Next Steps

The Vocabulary of Financing





Ask Questions

Remember it's always OK to ask questions; you are the client!

Takeaway: You don't need to talk like a banker, but you may need to be able to talk with a banker.

Types of Funding



Self-Funding

Investing your own capital and resources to build your business.

SOURCES

Savings, retirement accounts, credit cards, outside income

ADVANTAGES

Flexibility, no application process

DISADVANTAGES

Potentially slow, may risk your savings or retirement funds

Grant Funding

Cash awards that do not require repayment.

SOURCES

Government, corporations, foundations

ADVANTAGES

No repayment

DISADVANTAGES

Very competitive; involved application and reporting processes



Equity Financing

Financing in exchange for a portion or ownership stake in your business.

SOURCES

Angel investors, venture capital, partners

ADVANTAGES

Typically, the money does not need to be repaid

DISADVANTAGES

You give up some ownership and control

Debt Financing

A loan (money, debt) that you promise to pay back with interest by a set date.

SOURCES

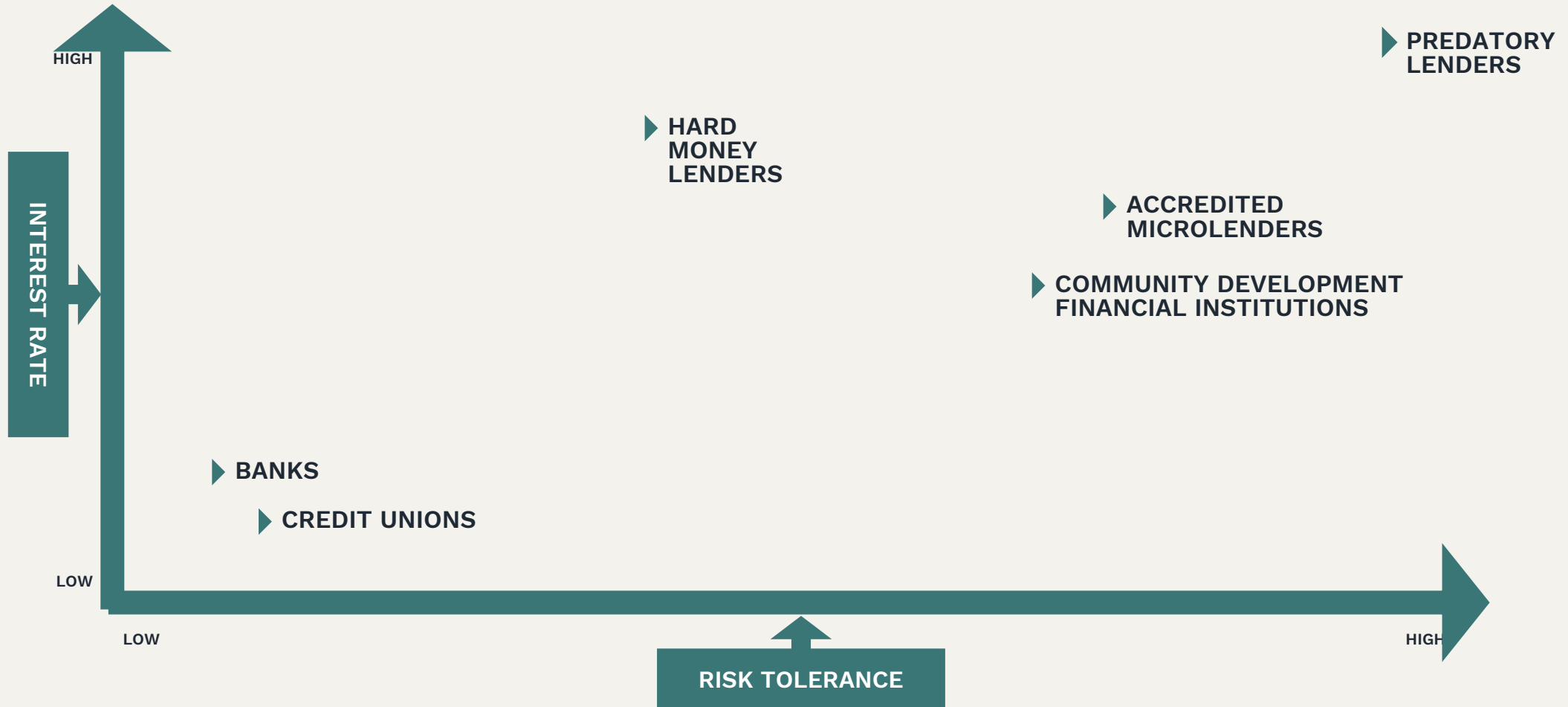
Banks, credit unions, CDFIs, alternative lenders (accredited microlenders, peer-to-peer hard money lenders, predatory lenders)

KEY CONSIDERATIONS

Regulatory requirements, loan eligibility criteria, additional services, interest rates



Debt Financing Options



Planning Your Next Steps



How To Tell You Might Be Looking At A Predatory Loan

- Fast cash
- Simple online application
- Terms and interest rates are hard to find
- Total cost of the loan is unclear
- No evaluation of your ability to repay



Reputable Lenders Will Review Documents

They want to evaluate whether debt is likely to help your business succeed. They'll also want to see how you will repay the debt. They may want to review the following:

- Business and personal tax returns
- Personal financial statements
- Business financial statements (profit and loss and balance sheet)
- Financial projections and business plan



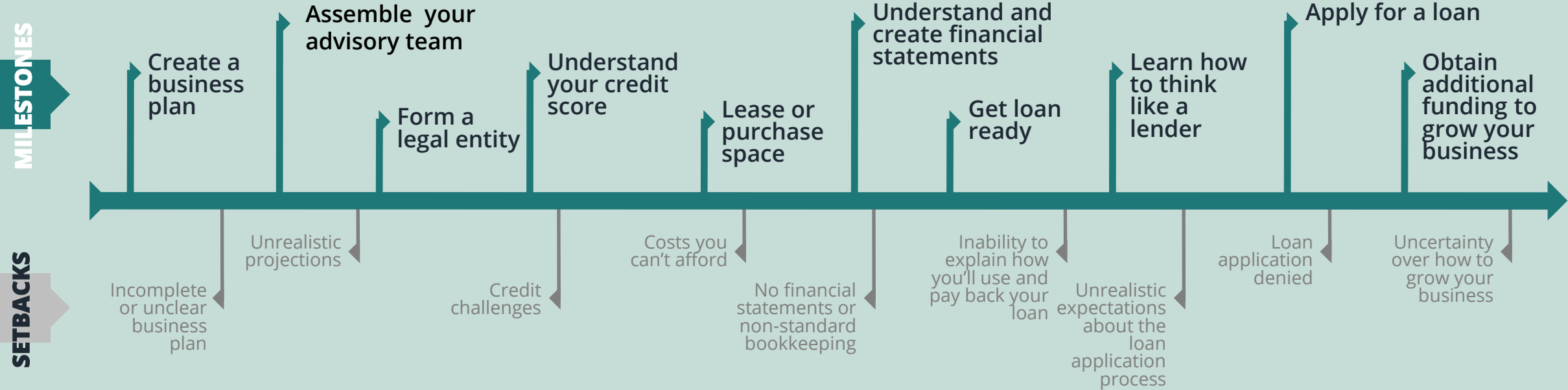


Empowering Entrepreneurs

We get to know you, listen to your story and build long-term relationship. We can offer:

- Trusted, unpressured advice and objective counsel about your projections and use of funds
- Connections to professional services such as legal counsel and accountants
- Free access to an online learning platform with articles, videos and templates

Reflecting on Your Journey





Reflecting On Your Journey

- What questions do you have about these milestones and potential setbacks?
- What would you like to know or like help with?
- What three things do you hope to focus on in the next few months?



Questions & Discussion



Thank you!



Steven Phan
Business Lender, VP
SPhan@Craft3.org

01.02.2023



Upcoming Workshops: Preparing for Public Projects w/The Interstate Bridge



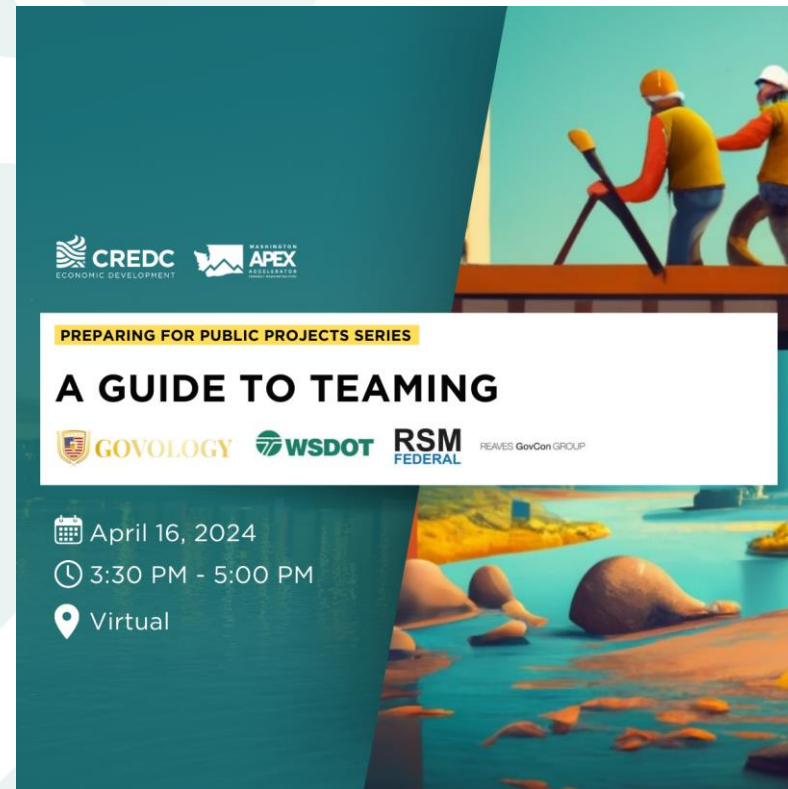
CREDC ECONOMIC DEVELOPMENT WASHINGTON APEX ACCELERATOR Department of Revenue Washington State

PREPARING FOR PUBLIC PROJECTS SERIES

TAXES: GOVERNMENT CONTRACT CLOSEOUT PROCEDURES

📅 April 2, 2024
🕒 3:30 PM - 5:00 PM
📍 Virtual

The poster features a background illustration of two construction workers in orange and yellow gear standing on a wooden bridge structure. Below them is a stylized landscape with a blue river, brown rocks, and green hills under a light blue sky.



CREDC ECONOMIC DEVELOPMENT WASHINGTON APEX ACCELERATOR

PREPARING FOR PUBLIC PROJECTS SERIES

A GUIDE TO TEAMING

GOVOLOGY WSDOT RSM FEDERAL REAVES GovCon GROUP

📅 April 16, 2024
🕒 3:30 PM - 5:00 PM
📍 Virtual

The poster features a background illustration of two construction workers in orange and yellow gear standing on a wooden bridge structure. Below them is a stylized landscape with a blue river, brown rocks, and green hills under a light blue sky.

Save the date: May 9th 1-4pm

SW Washington's

MEET THE AGENCIES

PUBLIC WORKS PANEL



Hear from & meet Agencies: City of Vancouver, Clark County, C-Tran, Port of Vancouver, IBR, MRSC, and more!

Thank you for attending!



WASHINGTON

APEX

ACCELERATOR

WashingtonApex.org