



General Lending Parameters

Great Lakes Business Credit offers Asset Based Lines of Credit and Factoring Facilities ranging from \$100,000 to \$1,500,000. Lendable collateral consists of Accounts Receivable, Inventory, and Machinery and Equipment. Amounts greater than \$1,500,000 may be considered subject to approval by a participant. The following information is a general guideline; advance rates, ineligibles, and caps may be subject to changes when considering individual requests.

General Parameters

- First Security interest in all assets of subject company
- Personal guaranty of principal owner(s)
- Notes payable to related parties must be subordinated to line of credit
- Weekly borrowing base reporting
- Yearly facilities, no termination fee with 60 day notice of cancellation by borrower
- Full dominion of funds, with lockbox
- Quarterly field exams

Accounts Receivable

- Advance rates of 75% to 85% determined by historical dilution
- Ineligible accounts receivable include:
 - Over 90 days past invoice date
 - Credits over 90 days past invoice date
 - Account where more than 25% of receivables due are more than 90 days old
 - Accounts due from related entities or from the United States Government
 - Foreign accounts not covered by credit insurance acceptable to GLBC

Inventory

- Capped at 50% of AR advances.
- Advance rate is 50% of eligible inventory
- Value will be based on the lower of cost or market
- Ineligible Inventory
 - Work In Process
 - Supplies / Packaging
 - Items on hand in excess of 12 month's sales or usage
 - Damaged goods
 - Items held at outside processors
 - Items held in rented space where landlord waiver is not present

Machinery and Equipment

- Capped at 25% of the total credit facility
- Advanced rate of 70% of forced liquidation value
- Value determined by a recent appraisal acceptable to lender
- Amortization is 60 months
- Must show sufficient cash-flow to cover monthly amortization.

Factoring

- Recourse Factoring
- Notification sent to account debtor
- Verifications performed on invoices > \$1,000

Our Story

Great Lakes Business Credit was formed in 2002. We are staffed with an experienced team dedicated to providing financing that allows companies to regain financial stability and return to conventional financing.

We focus on companies with potential that are currently unable to obtain bank financing. By working to understand those businesses, we are able to structure financing packages that meet their needs.

Borrowers should call Great Lakes Business Credit when they:

- Are a start up or relatively new business
- Have experienced operating losses.
- Have little or no equity
- Have stretched payments to vendors
- Are in the process of restructuring their business

These are situations where Great Lakes can be a valuable resource.

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