

US CAPITAL PARTNERS

LENDING AND INVESTMENT BANKING FOR SMALL & MIDDLE MARKET COMPANIES

Protecting Your Small Business Financing: Is Your Company At Risk of Losing Its Bank Loans?

More businesses owners than ever are at risk of having their small-business loans pulled and need to know how to protect their companies if they are in danger of losing their financing.

SAN FRANCISCO, December 2009 — While Washington is buzzing about the difficulty small businesses are facing to obtain credit, many companies may also be in danger of losing their current bank loans as a result of the recent “Great Recession.”

According to small business investment banker Jeffrey Sweeney, small business financing can be pulled for a number of reasons but the most common are either poor financial performance by your business or credit problems experienced by your bank. Additionally, a bank’s financial problems can also lead to its desire to take less risk and reduce your loan balances.

“Unfortunately, your bank will generally not tell you your loan will be ‘called’ or not renewed until right before it takes action,” said Sweeney, CEO and Managing Director at US Capital Partners, a financial services firm based in San Francisco. “It’s a little like when a bank fails and is taken over by the FDIC: We never hear about it until the Monday after the weekend when the takeover happened.”

Therefore it’s important to know how to assess the risk of losing your business financing. Small business owners need to know the risks associated with the type of loans their company has and their company’s financial performance. And what do you do if you are at moderate or great risk of having your small business loan pulled or not renewed?

“You now know that it’s time to shop your loan or have a professional shop it for you – if you want to continue to have working capital for your business,” Sweeney said. “Most commercial banks are essentially the same when it comes to credit assessment and the types of loans they can make, so it’s important to work with an experienced recapitalization advisor or small business investment banker to assist you with the financial restructuring including alternative lending options like asset-based loans to achieve optimal results for your company.”

If you would like to know more about how your business can secure the funding it needs, visit <http://www.uscapitalpartners.net> or call (415) 882-7160.