



Northern Initiatives serving 46 rural Michigan  
Counties, based in Marquette, Michigan

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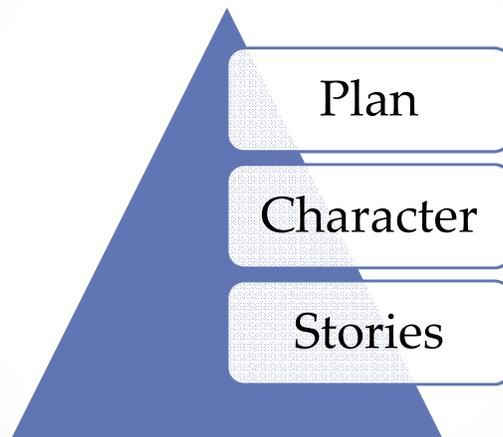
## Purpose of Today's Presentation

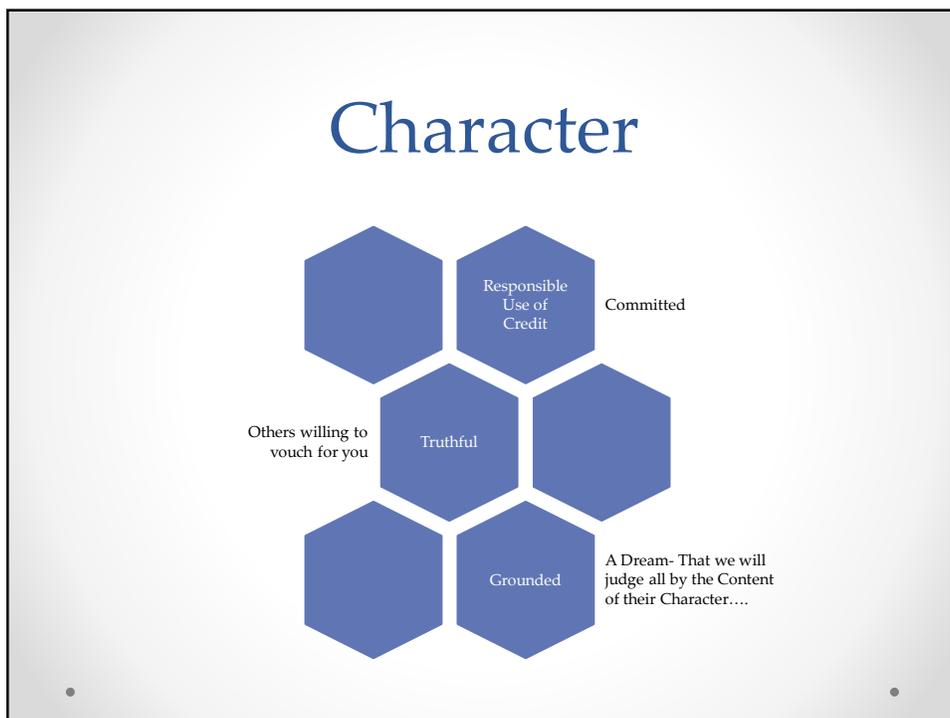
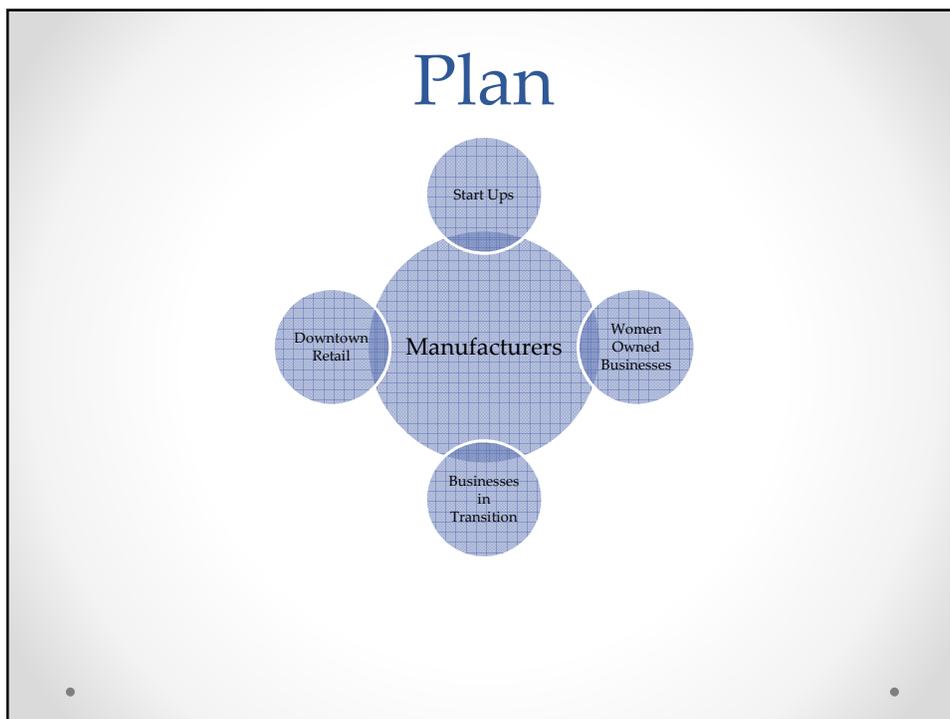
- The Role of an alternative lender
- Contributing to building an entrepreneurial community
- Products and Services of Northern Initiatives

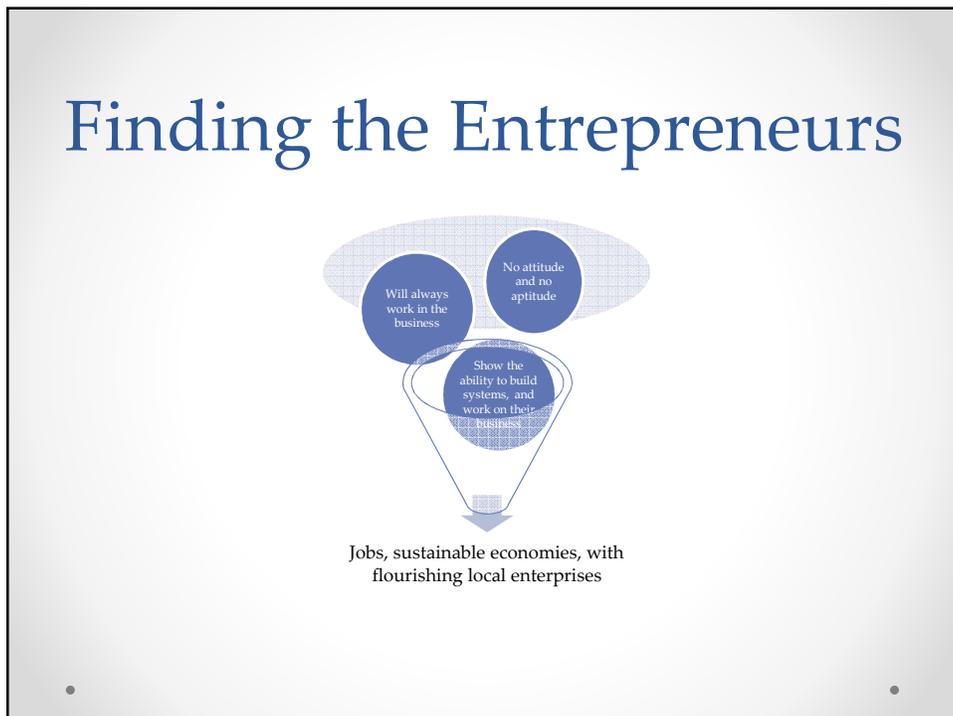
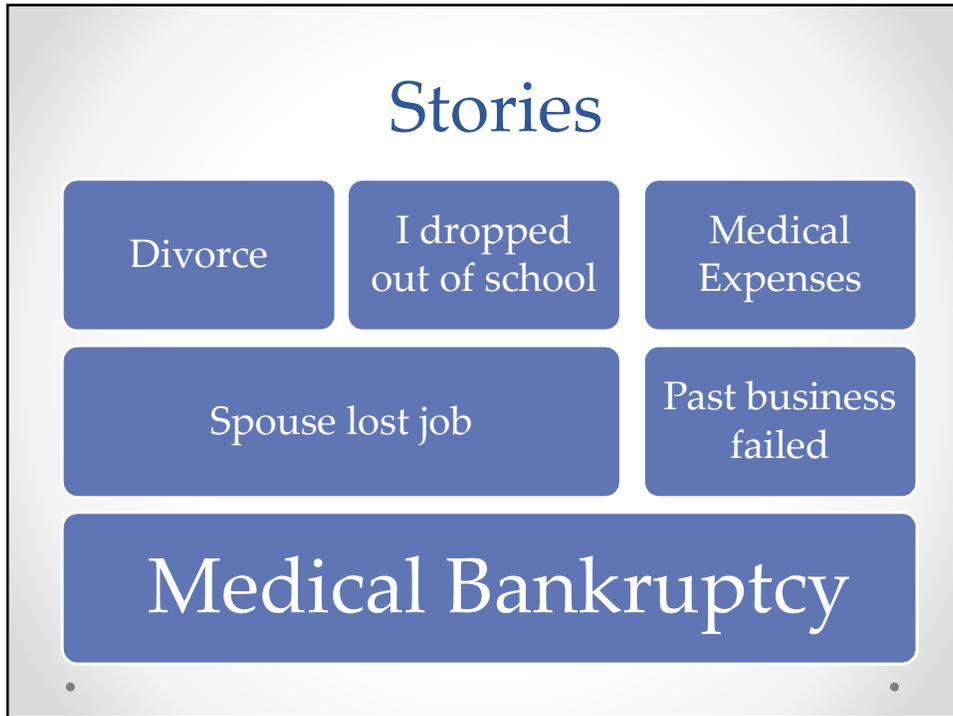
## Finding the Entrepreneurs

- “But only three of 1,000 people may be true natural entrepreneurs, and America needs to do a better job of identifying them” – Jim Clifton CEO, the Gallup Organization, Governor Snyder’s Economic Summit

## Alternative Lending







## Things We Require From All Applicants

- A Business Plan for a new business
- A Signed Application
- Equity (hopefully)
- Willingness to offer Personal Guarantees
- Income and Expense Report and Balance Sheet (may be done with our lenders)
- Cash Flow Projections (may be done with out lenders)
- Tax Returns
- Personal Financial Statements

## The Loan Analysis that Is Shared with Loan Committee

- Overview
- Loan Request
- Purpose of the Request
- Sources and Uses of the Loan and other capital involved
- Source of Repayment
- Background on the Borrower(s)
- Mission Relevance
- Collateral
- Financial Analysis
- Schedule of Debt
- Balance Sheet
- Personal Financial Statement(s)
- Industry and Management Analysis
- Risk Mitigation Issues
- Risk Rating
- Strengths and Weaknesses
- Lender's Recommendation

## Loan Products and Services

- Microloans- <\$50,000, 6 year term, start up capital, expansion capital or permanent working capital, free technical assistance
- Small Business loans- \$50,000 to \$500,000, typically longer term with a balloon, could include sub debt; typically equipment, expansion capital or permanent working capital
- Guaranteed Loans- SBA 7A Community Advantage <\$250,000, terms of 10-25 years allowing for real estate loans
- USDA Business And Industry Guaranteed Loans- 80% guarantee through USDA, likely maximum \$2,000,000

## NI's Portfolio

- Nearly 700 loans made totaling over \$39,000,000
- Loans in 41 of 46 northern rural Michigan counties
- Current portfolio 160 loans, totaling \$7,000,000
- 40 % of loans to women owned businesses
- 33% of loans to start up businesses

Examples of Customers Featuring Value Added Production  
and/or Use of Locally Grown Products

- Seasons of the North Winery
- River Valley Poultry
- Black Rocks Brewery
- Cherry Republic
- Northern Latitudes Distillery
- The Redheads
- The Marquette Food Coop
- The Border Grill

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