**B**usiness Plan **E**valuation & **A**ssessment **M**emorandum

**Business Plan Evaluation & Assessment Memorandum Overview:**

*This section should provide an overview of the borrower’s business plan and provide a synthesis of the merit and rationale for the lender’s consideration of the loan. This section should provide the lender with the context of the borrower’s vision and how they intend to accomplish it and why it is relevant, and therefore how the lenders financing is important to their achieving this plan.*

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| **Investment Summary**  |

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| --- | --- | --- | --- |
| **Investment / Loan Description:** | Credit Facility sought  | **Amount:** | $ Amount of facility |
| **Use of Proceeds:** | and use of proceeds and collateral | **LTV or Borrowing Base:** | Ratio or % |
| **Collateral Description:** | Describe the primary collateral, its value, and method of valuation | **Term:** | years |
| **Deal Source (JV Partner):** | Referral agent or bank branch | **Fees to be Paid to Referral:** | Amount |
| **Construction Period:** | Months / Period | **Lender Funding Fee:**  | 3% |
| **Proposed Initial Draw Date:** | Date | **Other:** | - |
| **Proposed initial Draw Amount:** | $ Amount | **Other:** | - |
| **Originator / Banker:** | Credit Analyst preparing CAM | **AMMR and O&M fees:** | % p.a. or $ Amount |

**Introduction / Background:**

*This section should expand on the Introduction provided in the CAM, providing substantially more granularity, evidencing the Credit Analysts intimate knowledge of the borrower.*

**Product / Business Unit / Brand / Facility (or Plant) Description:**

*This section should explain each of the borrower’s business units, brands, products or manufacturing plants or projects or significant assets relevant to the credit request. The detail should include valuation analysis and detailed financial historical analysis along with a forecast analysis, which should show the relevant debt service coverage ratios and other credit metrics relevant to the structure being considered.*

**Competitive Analysis:**

*This section should describe the major competitors that are impediments to the successful execution of the company’s plan. Their size, products and market share and capitalization should be discussed in a rational way describing the competitive advantages and disadvantages of each, enabling the lender to understand the relative strengths and weaknesses of the borrower versus their competition, enabling an honest assessment of the viability of their business plan.*

**Unit Economics:**

*This section is specific to each borrower and circumstance, but a suggested topic is to provide a “unit Economics” analysis, to frame the economics of one sale to better enable the lender to understand the dynamics of the borrower.*

**Pricing Model:**

*This section provides the lenders cash flow projections for the loan, with outstanding balances and principal repayments and interest payments, showing the lender the yield on the loan or investment, throughout the lifecycle of the loan as contemplated.*

**Financial Forecast Forecast**

*This section is intended to be the detailed financial forecast model for the borrower providing a forecast of the financial statements and detailed assumptions and ratio analysis debt service and capitalization and debt tables for the duration of the loan requested plus some period beyond in case the lender mighty consider a longer term.*