

General Checklist for Lender Interview

Planning checklist

- Use past information and experience.
- Develop methods for documenting past activity.
- Document predictions with past activity in mind.
- Design your plan as a working document — be prepared to amend it frequently.
- Use the business plan to monitor and control income, costs and expenses.
- Use the plan to convince lenders that:
 - A. You are a worthwhile risk.
 - B. You have thought through the problems.
 - C. You are aware of what a lender needs to see.
 - D. You know how to use numbers to make your case.
 - E. You are well-organized.
- Make sure the plan shows — specifically — what you intend to achieve.
- Make sure your plan is tied together with goals.
- Follow your plan and use it as a control document.
- Revise the plan regularly.

Lender presentation checklist

- Make sure your plan works — the lender will want to know this.
- Describe your project clearly, simply, honestly.
- Include a discussion of the risks, not just potential profits. (Fill out the risk analysis worksheet to prepare for this discussion.)
- Map out your profit plan.
- Prepare cash flow summaries to show that you can afford repayments.
- Demonstrate your management skill in the presentation.
- Anticipate the lender's questions and answer them in your proposal.
- Show a track record of using your plan to ensure success.

Market checklist

- Identify the specific demand and need for your project.
- Document your claims with marketing statistics.
- Demonstrate how recent past trends add to your arguments.
- Talk about the potential resistance to your ideas and how you will deal with it.
- Tie together your marketing assumptions with dollars and sense:
 - A. What will it cost per unit of construction?
 - B. What is the likely sales price per unit?
 - C. Identify the timing differences between construction and sale.
 - D. Show how you have allowed for delay in the project.
 - E. Identify likely problems and your contingency plan.

General Checklist for Lender Interview *(continued)*

- Who is your target buyer? How will you reach that individual?
- What demographic information supports your project?
- What are the current market statistics and competition?
- Where does your project fit in the local scheme of things?
- What local benefits will be derived from your project?
 - A. New employment.
 - B. Community benefits.
 - C. Environmental protection.
 - D. Dedication of property as part of your project.
 - E. New housing, workspace, or commercial benefits.

Project site checklist

- Show how and why the particular site was selected.
- What benefits does your site offer over others?
 - A. Strategic location.
 - B. Proximity to other services and facilities.
 - C. Appropriate zoning.
 - D. Community plan coordination with your project.
 - E. Plans for development of roads and utilities to your site.
- What physical features make your site attractive for the project?
- What physical features are problematical, and how will you mitigate?
- What impacts of development might be seen by other property owners?
- How do you plan to mitigate those impacts?
- Have you budgeted for environmental review and process?
- Have you budgeted well enough for the cost of environmental mitigation?
- What extra costs will be involved to prepare the land before actual project construction will be possible (environmental buffers, grading, paving, utilities, etc.)?

Goals checklist

- Have you listed a series of goals?
- Are those goals specific and realistic and are they project-related?
- Do your goals have deadlines?
- Do goals address essentials such as:
 - A. Financing
 - B. Facilities and equipment
 - C. Personnel
 - D. Subcontractors and suppliers
- Are goals based on specific assumptions?
- What is the documented basis for your assumptions?
- Can you demonstrate that goals can be reached based on information at hand?
- Do goals and assumptions address risk and propose contingency plans?

General Checklist for Lender Interview *(continued)*

Forecast and budget checklist

- Are all of the numbers in the forecast and budget documented?
- Do your columns add up?
- Are your forecasts realistic and based on logical assumptions?
- Will your forecast and budget support your cash flow requirements?
- Is the forecast and budget easy to understand?
- Is the presentation cross-referenced and neat?
- Is the summary supported with all the necessary detail?
- Are you prepared to answer any financial question a lender might ask?
- If you're not comfortable talking about the numbers, are you prepared to visit your lender with your accountant?

Cash flow projection checklist

- Have you mapped out your cash flow requirements through the project period?
- Have you demonstrated a realistic use of cash?
- Does your plan include repayment of borrowed money, with interest?
- Are there shortfall periods?
- How will you deal with shortfalls? Does your plan include contingency plans?
- Have you mapped out the in-and-out and the timing of cash flow?
- Is the presentation format adequate to demonstrate your planning?