



COMPANY NEEDS NEW LENDER WHEN BANK EXITS EQUIPMENT FINANCING

When their bank exited the equipment financing market, leaving them high and dry, CCG refinanced existing equipment, paid off bank notes, and provided working capital to pay off tax liabilities.

Overview

Slow work season combined with an outstanding tax lien left them needing cash.

Operating in a seasonal business is difficult, but when this company needed to refinance some equipment to bridge an income gap and payoff a tax lien, their bank informed the company they were exiting the equipment financing business and limiting their existing line of credit. The bank's decision was a change in corporate strategy, and the company needed a new lender to provide them with working capital to see them through their challenges.

They needed a lender that would:

- Understand their IRS situation and structure a loan to pay off the tax lien
- Offer flexibility and options to adjust to their changing needs
- Respond quickly and make rapid decisions
- Understand their seasonal business and equipment needs

COMPANY BACKGROUND

Founded in the early 1980's, this company focuses on large, complex site work, utility, sidewalks and footings, paving and landscaping work for commercial and municipal projects. With a projected revenue of \$40.0M they were profitable but experiencing seasonal income declines and facing a large tax lien.

Solution

Refinance and consolidation pays off existing tax lien, provides working capital to improve cash flow, and allows bank to exit.

CCG structured a loan that accomplished the following:

- Refinanced existing equipment, allowing bank to exit the equipment financing market without disrupting operations
- Allowed the company to maintain their real estate and line of credit relationship with the bank
- Paid off the total amount of the tax lien, allowing them to take advantage of growth opportunities
- Reduced the total number of equipment lenders and reduced their monthly debt service, simplifying debt service and improving their cash position
- Provided \$1.2M in working capital to help ease cash flow pressure as their season began

Industry: Construction - Paving and Landscaping
Location: Northeast

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