

RURAL NEVADA  
DEVELOPMENT  
CORPORATION

Small Business Lending  
Underwriting Practices



- Private non-profit in operation since 1992
- Providing Small Business Lending and Housing programs to Nevada's 14 rural counties
- Multiple government and private funding sources including EDA, USDA, SBA, Wells Fargo, Charles Schwab
- \$20,819,957 total dollars lent in Rural Nevada
- \$5,412,373 EDA dollars lent in Rural Nevada (includes revolved dollars lent back out)
- Funding start-ups, acquisitions, and expansions



# UNDERWRITING PRACTICES

## Credit Analysis



The logo for RNJDC is displayed in a stylized, 3D font. The letters are light blue with a darker blue outline and a white highlight on the top edge, giving them a metallic or glossy appearance. The letters are set against a white rectangular background.

- Alternative lender/lender-of-last-resort
- No minimum credit score
- Perfect credit not necessary
- Must see recent credit trending in a positive direction
- Accurate credit disclosure
- Written explanation of any derogatory reportings

The logo for RNJDC is displayed in a stylized, 3D font with a blue-to-white gradient and a drop shadow. The letters are 'R', 'N', 'J', 'D', and 'C'. The 'N' is significantly larger and more prominent than the other letters.

RNJDC

UNDERWRITING PRACTICES


Collateral Analysis

Several white lines of varying lengths and thicknesses are drawn diagonally across the bottom right corner of the slide, pointing towards the top right.

The logo for RNJDC is displayed in a stylized, 3D font with a blue-to-white gradient and a drop shadow. The letters are bold and blocky, with the 'N' being particularly large and prominent. The logo is set against a white rectangular background.

RNJDC

- What is the collateral being offered?
- What kind of term/payment is being requested?
- What is the value of the collateral?
- How was the value of the collateral determined?

The logo for RNJDC is displayed in a stylized, 3D font with a light blue-to-white gradient and a dark blue outline. The letters are bold and blocky, with a slight shadow effect. The 'R' and 'N' are connected, and the 'J' is a large, vertical character. The 'D' and 'C' are also bold and blocky.

RNJDC

UNDERWRITING PRACTICES

Business Sense

Several white, parallel diagonal lines are positioned in the bottom right corner of the slide, extending from the right edge towards the center.

The logo for RNJDC is displayed in a stylized, 3D font with a blue-to-white gradient and a drop shadow. The letters are 'R', 'N', 'J', 'D', and 'C'. The 'N' and 'J' are connected, and the 'D' and 'C' are also connected. The logo is set against a white rectangular background with a subtle drop shadow.

- How much experience does the borrower have in the field?
- How much managerial experience does the borrower have?
- If the borrower does not have experience in both of these areas, do they have the proper staff in place who do?



The logo for RNJDC is displayed in a stylized, 3D font with a blue-to-white gradient and a drop shadow. The letters are 'R', 'N', 'J', 'D', and 'C'. The 'N' and 'J' are connected at the bottom. The logo is set against a white rectangular background.

RNJDC

UNDERWRITING PRACTICES

Financials

Three parallel white lines of varying lengths are positioned in the bottom right corner of the slide, slanting upwards from left to right.

The logo for RNJDC is displayed in a stylized, 3D font with a blue-to-white gradient and a drop shadow. The letters are bold and blocky, with the 'N' being particularly large and prominent. The logo is set against a white rectangular background.

RNJDC

- Personal Financial Statement
- 3 years of personal taxes
- 3 years of business taxes, profit and loss statements, and balance statements (if applicable)



# THINGS TO WATCH FOR

- Nonpayment that can't be explained
- Discrepancies in reported income
- Overvaluation of collateral
- Liabilities omitted from Personal Financial Statement