

SBA 7(A)

Repeat borrower for mental health practice financing

LOAN AMOUNT

\$1,148,300

LOAN PURPOSE

SBA 7(a) for a mental health practice expansion

THE SMALL BUSINESS

Wellness Grove | Canton, OH

THE FINANCING CHALLENGE

A young mental health and wellness services center sold Ready Capital on their vision, and it paid off. Just two years into business, operating under an existing SBA 7(a) loan from Ready Capital, the center was full to the gills. It was a true measure of their ability to build trust in their community and deliver results. There was just one problem: growth this rapid could make it harder for the borrowers to get the financing they'd need.

Here's what our borrower brought to Ready Capital:

- Since they'd reached capacity at seven office spaces, the borrower had to limit their marketing to certain zip codes despite the opportunity to expand.
- They estimated they would need to onboard between 100-200 new counselors to meet current demand in their area.
- The business was green. A track record so short could make them a risky bet.
- The loan would be unsecured. The existing loan had tapped the borrower out of available collateral.



CREATIVE SOLUTION

The Business Development Officer and Ready Capital Team leveraged the borrower's success and trajectory, recommending that existing cash flow be applied toward the renovation of a second location plus financing to serve the sizeable demand for both in-person counseling and telehealth care.

Reliable results

- Locked in \$1,148,300 of SBA 7(a) practice financing, covering the cost of a second location's renovation and equipment.
- Included in the financing total was \$548,423 for working capital to help the borrower hit the ground running with new staff salaries, expanded marketing efforts, and other operating costs.
- The borrower's closing costs including the SBA guaranty fee were also rolled into the total.