

## SBA 7(A)

# Husband and wife team up to revive a historic inn and restaurant back to its full potential

## LOAN AMOUNT

\$992,000

## LOAN PURPOSE

SBA 7(a) loan for a restaurant acquisition

## THE SMALL BUSINESS

Barncastle Inn | Blue Hill, ME

## THE FINANCING CHALLENGE

Owen Royce-Nagel and Elizabeth Szczepaniak, seasoned restaurateurs, were set to become owners of the historic Barncastle Inn in Blue Hill, ME. But, despite their collective experience, their business entity was brand new. The use of proceeds that their project required, along with the start-up nature of the business, did not make it a conventional fit for a bridge or SBA 504 loan.

### Here's what our borrowers brought to Ready Capital:

- Over 20 years of experience in the restaurant industry and a passion for reviving a historic inn and restaurant to its full potential after Covid-19.
- A lack of historical cash flow or balance sheet operations.
- Rejections from multiple local, regional, and national banks due to the industry and change of ownership.



## CREATIVE SOLUTION

After a bridge lender referred the deal to Ready Capital, the team was able to get to work applying a true SBA 7(a) "credit elsewhere" analysis and solution. They structured the loan with a combination of low money down from the borrowers, a seller note, and a full standby agreement from a friend. Working capital structured into the loan ensured a healthy runway for success.

## Reliable results

- Locked in \$992,000 of SBA 7(a) financing for the restaurant acquisition.
- The Ready Capital experts effectively navigated SBA's historic property conditions and environmental obstacles.
- After prior lenders delayed our borrowers, Ready Capital was able to close the deal on time, affording the new owners the opportunity to take advantage of Maine's busy tourist season.