

SBA 7(A)

Daycare Owner Successfully Secures Financing to Grow

LOAN AMOUNT

\$1,290,000

LOAN PURPOSE

SBA 7(a) Business Acquisition

THE SMALL BUSINESS

Daycare Facility | LaPlace, LA

THE FINANCING CHALLENGE

A daycare facility in LaPlace, Louisiana, was experiencing significant growth, operating at full capacity with a waiting list of families eager to enroll their children. To meet this growing demand, the daycare owner sought to expand operations by purchasing a larger facility located just two miles from the original location. However, securing the necessary financing to fund the expansion was critical for moving forward.

The primary challenge was securing a comprehensive financing solution that would cover all aspects of the expansion—real estate acquisition, furniture, fixtures, equipment (FF&E), and working capital. Additionally, the loan needed to be structured in a way that addressed potential financial gaps, such as the inclusion of seller financing and secondary collateral.

Here's what our borrower brought to Ready Capital:

- The existing daycare's strong financial track record demonstrated the viability and profitability of the business, bolstering the loan application.
- The owner's extensive experience in operating a successful daycare played a critical role in securing the loan, as it reflected a deep understanding of the industry.
- Detailed financial projections and a well-structured business plan provided a clear roadmap for the expansion's success, helping to further convince lenders of the project's potential.



CREATIVE SOLUTION

Our team was approached through a referral partner and tasked with structuring an SBA 7(a) loan to meet the unique needs of the business. With Ready Capital's assistance, the daycare was able to successfully expand, securing a new facility to accommodate its growing demand. The expansion has allowed the business to double its capacity and continue serving the community, with the added benefit of a stronger financial foundation to support future growth. The financing was structured to ensure that the expansion would be fully funded with minimal risk. Seller financing was utilized to cover the goodwill component, while secondary collateral was included to mitigate any potential shortfall. Our team's expertise in structuring complex loans ensured that all elements of the expansion were supported, from real estate acquisition to operational growth.

Reliable results

- **The business was able to successfully expand, securing a new facility to accommodate its growing demand.**
- **The business doubled the capacity in order to continue serving the community, with the added benefit of a stronger financial foundation to support future growth.**
- **The owner was able to secure financing and get the deal done to reach his end goal.**