The Bank of Holland/The Bank of Northern Michigan Help Businesses Gain Capital through SBA and USDA Programs

As published in Michigan Banker September, 2011 by Bill Perry

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GRAND RAPIDS - The Bank of Holland and The Bank of Northern Michigan, subsidiaries of Lake Michigan Financial Corp. are showing how community banks can have a big impact on the economic future of Michigan.

"The bank's Business Resource Lending team understands how and where to apply for loans to help creditworthy small businesses grow; whether through our full line of SBA services, or the little known USDA Rural Development program. Our team takes pride in knowing that each time a business gets the needed revenue to expand or innovate, it strengthens our communities by providing jobs," said Brad Dyksterhouse, SVP-Business Resource Lending.

Both banks have a proven track record of knowing how to assist qualified businesses in obtaining loans to help them grow. Their results have been recognized since they have been at the receiving end of awards from the USDA Rural Development program, and the U.S. Small Business Administration for their efforts in securing business loans. Earlier this year, The USDA Business and Industry Program awarded The Bank of Holland and The Bank of Northern Michigan with the 2010 Lender of the Year for topping \$25 million in loans.

Why use USDA and SBA Loans?

As the challenges of the economy became increasingly apparent, Dyksterhouse explained that both banks realized that the best way to continue delivering much needed capital to local businesses was through available government lending programs, which are primarily SBA and USDA.

He said in response to these needs, the banks made a conscious decision to go out and recruit the critical expertise needed to be efficient, effective and successful with these complex governmental programs. "We were able to bring on that expertise. As a result, our SBA and USDA loan activity has boomed," he said.

Success Story

According to Dyksterhouse, last year The Bank of Holland was approached by an automotive supplier located in nearby Muskegon looking to refinance their existing real estate, equipment and working capital debt. He said that although this multi-generational, 500-employee parts manufacturer had performed well over its 30-year history and had always paid within terms on their debt, their existing bank was pushing them to find financing elsewhere, largely due to concerns with

their industry in general - not a good position to have to find another bank.

"With the help of USDA's Rural Business Loan Program, The Bank of Holland was able to provide them with the needed funding and we did so at very attractive terms," Dyksterhouse explained. He noted that while Muskegon is an urban center, the entire county is considered rural under USDA lending guideline definitions, as is much of the state. "By using our key contacts and extensive experience with this product, we were able to efficiently structure and gain approval for a combination conventional and governmental loan program package that allowed this company to overcome their challenge."

Dyksterhouse is pleased to report that the company has flourished and, in 2010, well exceeded projections by posting their highest revenue and profit year since before the nation's economic downturn. "This is a great example of how a bank can use government loan programs, such as those offered through the USDA, to offset a portion of the lending risk. This then allows companies, such as this Muskegon firm to remain in business, return to prosperity and save jobs - in this case, more than 500 jobs."