ASSET-BASED LENDING
CREATIVE LENDING SOLUTIONS
FOR YOUR SUCCESS
THE VALUE OF ASSET-BASED LENDING

Bankers traditionally look at available operating cash flow of a company when considering the creditworthiness of a loan. While this view is important, some healthy businesses don’t fit nicely into that approach.

Cash-flow based financing may not be easy to get for companies with variable earnings, seasonal fluctuations, or a limited operating history. When conventional lending options are not the best solution, our Asset-Based Lending (ABL) team may provide much-needed liquidity to help your business meet seasonal challenges or fulfill growth plans. An Asset-Based Lending approach can be a better way to secure capital for businesses with those specific needs, as well as any business with an abundance of accounts receivable or inventory. Asset-Based Lending typically focuses on working capital loans based on the value of accounts receivables and inventory or term loans based on the value of equipment.

“The relationship that we have with Cambridge Savings Bank is the reason why we were able to get the additional financing to support our growth. It’s our goal at Purity Services to provide our customers with the resources that support smooth and seamless daily operations, and we are pleased to receive that same human-centric quality service with CSB. Yvonne Kizner and the CSB team not only recognize our growth trajectory, but also understand the unique needs of our business.”

CHRIS DENEAULT, OPERATIONS MANAGER OF PURITY SERVICES, INC.
HOW YOUR BUSINESS COULD USE ASSET-BASED LENDING

Asset-Based Lending works well for asset-rich companies who may be transitioning due to acquisitions, growth periods during restructuring, or recapitalization processes. These companies have lendable assets, which include accounts receivable, inventory, machinery and equipment, and commercial real estate. Many of these companies find traditional funding too restrictive for their needs due to a limited operating history, negative cash flow (either pre-profit or stressed), or some cyclicality and seasonality in their income.

“As a family-owned business that’s been around for over 65 years, we understand the importance of working with the right partners to grow our business. When we met Cambridge Savings Bank, their relationship-centric approach was apparent right away. We knew their Asset-Based Lending team was the right fit for our needs. They asked the right questions, and it was clear that they genuinely cared about our success.”

JIM KLEIN, PRESIDENT OF EASTLAND SHOE CORP.

Asset-Based Lending can be less expensive than other forms of growth financing, and as the company grows, the credit facility can grow along with it. The credit facility may also shrink, providing a built-in set of checks and balances, which helps manage risk.
HOW BUSINESSES USE ABL

REFINANCE EXISTING DEBT, BETTER MANAGE CASH FLOW, OR INCREASE LIQUIDITY

The Ockers Company - In May 2021, CSB ABL provided The Ockers Company with an $8,000,000 credit facility that included a $6,000,000 revolving line of credit. Compared to the revolver provided by its prior bank, the CSB ABL revolver structure immediately unlocked significant liquidity that allowed the Company to accelerate growth driven by a new product offering. In 2022, due to continued robust growth of the Company’s product offerings, CSB ABL increased the revolver to $9,000,000 and added a provision that allowed the Company to leverage in-transit inventory. The steps taken by CSB ABL and the shareholders combined to drive significant revenue and bottom-line growth.

FACILITATE GROWTH

Medical Record Associates, LLC - In August 2021, CSB ABL provided Medical Record Associates with a new revolving line of credit that immediately unlocked additional liquidity for the Company to support multiple growth initiatives the Company had underway. In October 2021, the Company approached CSB with an acquisition opportunity and CSB ABL provided additional financing in the form of a term loan that helped the Company complete the acquisition which will double its revenues in 2022, as well as drive significant bottom-line growth.

SUPPLY CHAIN CUSTOMIZATION

Noreast Outdoorz, LLC - In August 2021, CSB ABL provided Noreast Outdoorz with a $6,000,000 revolving line of credit to support the unique import and seasonality aspects of the company. The standard approach to ABL borrowing base formulas is to advance against Eligible Accounts Receivable and Eligible Inventory. After listening to CEO Dan Roy’s commentary regarding order lead times and supply chain challenges, CSB ABL enhanced a traditional borrowing base formula with additional components for both in-transit inventory and guaranteed annual orders from key customers. Upon closing the loan, this customized approach immediately unlocked liquidity that allowed the Company to roll out more product offerings and to significantly grow both its top line and bottom line in 2021.

PARTNER WITH AN ENTREPRENEUR TO DRIVE GROWTH

Auto Advance, LLC - In December 2021, CSB ABL provided Auto Advance with a $9,000,000 revolving line of credit. Prior to this funding, the Company had been primarily funded by its shareholders. CSB ABL’s approach immediately unlocked liquidity that allowed the Company to quickly expand its business, increasing revenues and bottom-line results. The revolving line of credit will allow for planned rapid growth as CSB again demonstrates its ability to partner with its customers to drive growth and profitability.
Asset-Based financing is traditionally structured as a revolving line of credit, and may include a term loan depending on the borrower’s needs. Our loans range in size from $2 million to $20 million for businesses and strategic partners located in the Northeast.

**REVOLVING LOANS**

- Secured by accounts receivable and inventory
- Advance rates on eligible inventory up to 85% of appraised value
- Advance rates on eligible accounts receivable up to 90%
- Seasonal stretch facilities where appropriate
- Competitive interest rates

**TERM LOANS**

- Secured by equipment, real estate, and as appropriate, intellectual property
- Amortizing and non-amortizing, depending on the situation
- Flexible amortization schedule, including moratorium and varying terms relative to cash flow

**A SUITE OF SOLUTIONS TO COMPLEMENT YOUR GOALS**

- We offer a full complement of Corporate Banking, Lending, Treasury Management, and Trade Services solutions that are customized to meet your unique business needs—today and in the future.

“Our solutions are never cookie-cutter. Each relationship is different, and each company has a different structure. Our team is empowered to find creative solutions and make quick decisions to do whatever it takes to help you succeed.”

KEITH BROYLES, SVP | HEAD OF ASSET BASED LENDING, CSB
Choosing a partner you can trust will be the most important decision you make in this process. The Asset-Based Lending team at Cambridge Savings Bank has more than 75 years of combined experience. Our lenders are empowered to find creative solutions and make quick decisions to do whatever it takes to help your business succeed.

Our ABL team performs detailed analyses of a broad range of collateral options, enabling them to optimize valuations and advance rates against this collateral. Many businesses find their collateral-driven borrowing capacity to be less restrictive than traditional loan limits.

Our expert team listens to understand your unique business needs. We take a creative approach to a tailored solution that positions your business for success. Whether you’re looking to borrow funds for growth, recapitalization, working capital, an acquisition, merger, or buyout, we have the financing you need to help meet your business goals. We can help you understand if Asset-Based Lending is the right solution for you and your business.

A. Keith Broyles  
SVP | Head of Asset-Based Lending  
617.441.4235  
kbroyles@cambridgesavings.com

Yvonne Kizner  
SVP | Asset-Based Lending  
617.234.7232  
ykizner@cambridgesavings.com

John Bobbin  
FVP | Asset-Based Lending  
617.575.8590  
jbobbin@cambridgesavings.com

Cambridge Savings Bank is a full-service banking institution with over $5 billion in assets. As a mutual bank, CSB is committed to improving the quality of life of our employees, customers and the communities we serve. One of the oldest and largest community banks in Massachusetts, Cambridge Savings Bank offers a full line of individual and business banking services across a robust Massachusetts-based branch network and through digital banking solutions for commercial, small business and consumer customers. In 2022, CSB received an investment-grade rating from Kroll Bond Rating Agency reinforcing the bank’s position as a reliable business lender. To learn more about how we can meet your needs, visit us at cambridgesavings.com, or better yet, stop by one of our branches.