

October 19, 2026

Speedy Pre-Screen Workshop

**Presented by Mary Louk,
Director of Credit for Grow
America**



Agenda

- ✓ Benefits of a Pre-screen Process
- ✓ What Does an Effective RLF Pre-screen Process Look Like?
- ✓ Using AI in the Pre-screen Process
- ✓ Documentation – Why is it Important?
- ✓ Common Reasons to get a Yes or No
- ✓ Case Studies

Benefits of a Pre- screen Process

The Challenge

- As RLF programs increase lending activity and add new referral sources, lenders, or staff, it becomes increasingly difficult to evaluate every inquiry with the same level of consistency.
- Time is a scarce resource, and we need to utilize what little time we have.

Without a Pre-Screen Process

- Staff spend significant time on requests that are not eligible or not credit-ready
- Applicants receive inconsistent feedback
- Underwriting resources are consumed by deals that have little chance of approval
- Decision-making becomes dependent on individual experience rather than program standards

Benefits of a Pre- screen Process

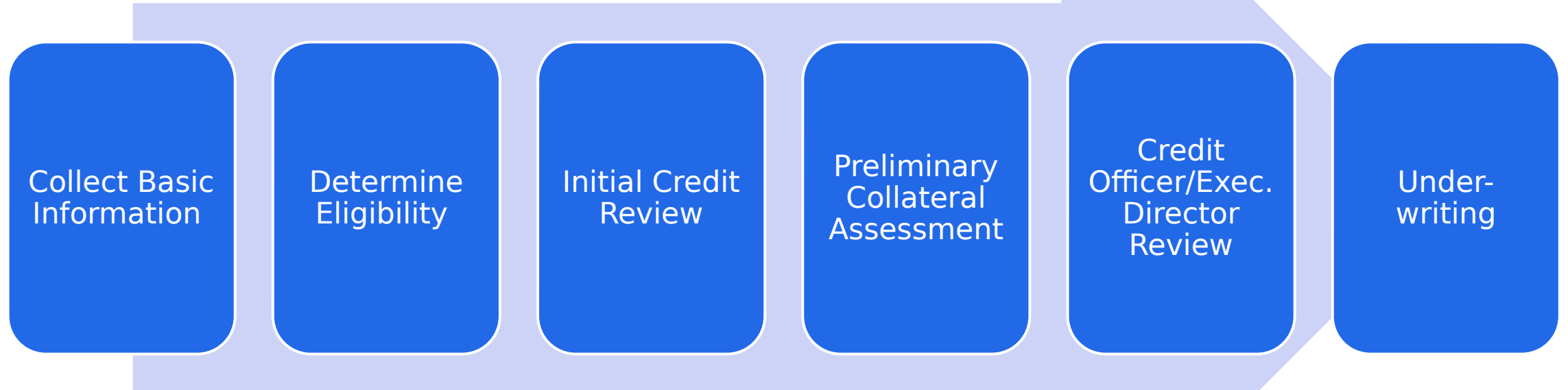
With a Structured Pre-screen Process, you can:

- ✓ Quickly identify viable opportunities
- ✓ Create a consistent experience for applicants
- ✓ Improve staff efficiency
- ✓ Focus underwriting resources on the strongest opportunities
- ✓ Provide clear documentation for approvals and declines

Key Takeaways:

- ✓ The goal is not to decline more businesses.
- ✓ The goal is to spend more time on the right businesses.

What does an effective RLF Pre-screen Process look like?



What does an effective RLF Pre- screen Process look like?

Step 1: Collect Basic Information

Obtain:

- Application or intake form
- 2-3 years business financials
- Interim financial statements (typically no older than 60 days)
- Personal Financial Statement
- Current Debt Schedule
- Project description and funding request

Step 2: Determine Eligibility

Questions:

- Is the business located in an eligible area?
- Is the use of funds eligible?
- Does the project align with program objectives?
- Is the requested amount within lending guidelines?

What does an effective RLF Pre- screen Process look like?

Step 3: Initial Credit Review

Review:

- Revenue trends
- Cash flow
- Existing debt obligations
- Net worth
- Liquidity
- Basic DSCR

Step 4: Preliminary Collateral Assessment

Ask:

- What collateral is available?
- What is the estimated value?
- Are liens already present?

What does an effective RLF Pre- screen Process look like?

Step 5: Credit Officer/Executive Director Review

They Determine:

- Move forward
- Request additional information
- Decline / Not Credit Ready

Step 6: Underwriting

Only AFTER passing pre-screen, then:

- Full credit analysis
- Detailed financial spreads
- Tax return analysis
- Collateral verification
- Risk assessment

What financial information should we analyze?

Revenue Trends

Profitability

Liquidity

Leverage

Debt Service
Capacity

Then ask: does this opportunity have enough financial strength to justify a full underwriting review?

Using AI in the Pre-screen Process

Where AI can Help You:

Financial Statement Review

Credit Memo Drafting

Application Review

Staff Consistency

Using AI in the Pre-screen Process

Financial Review Example Prompt:

Review the attached business financial statements and identify:

- Revenue trends
- Profitability trends
- Debt service concerns
- Liquidity concerns
- Questions that should be addressed before underwriting

Eligibility Review Example Prompt:

Review this application and determine whether the business appears eligible for our revolving loan fund based on the attached eligibility criteria. List any potential concerns or missing information.

Documentation

Why Documentation Matters:

Documentation...

- ✓ Demonstrates consistency
- ✓ Creates transparency
- ✓ Supports future audits and reviews
- ✓ Helps explain decisions to applicants
- ✓ Creates institutional knowledge

Every File Should Answer:

1. What was requested?
2. Was the request eligible?
3. What information was reviewed?
4. What concerns were identified?
5. What decision was made?
6. What was communicated to the applicant?

Yes or No?

How do we get to a “Yes”?

Financial Indicators:

- Positive cash flow
- Adequate DSCR

Program Indicators:

- Meets RLF eligibility
- Complete loan package?

Management Indicators:

- Responsive borrower
- Demonstrated industry experience

This list is NOT exhaustive. **What else would get you to say yes?**

Yes or No?

Common Reasons to Decline:

Eligibility Issues:

- Ineligible activity
- Ineligible use of funds

Credit Issues:

- Negative cash flow
- Excessive leverage

Documentation Issues:

- Incomplete application
- Unverifiable information

This list is NOT exhaustive. **What else would get you to decline or pause a request?**

Case Study 1

Bella Napoli Italian Restaurant

Bella Napoli is a family-owned Italian restaurant that has served the Youngstown community for four years. While the business experienced strong sales during its first two years, rising food costs, labor shortages, and increased competition from chain restaurants and delivery services have put pressure on profitability.

The owners are requesting a \$150,000 loan to replace aging kitchen equipment and provide additional working capital.



Case Study 1

Bella Napoli Italian Restaurant

The owners are requesting a \$150,000 loan to replace aging kitchen equipment and provide additional working capital.

A review of the company's recent financial performance shows declining revenue, weak cash flow, high leverage, and a negative net worth position, raising concerns about its ability to support additional debt.

Decision?

Decline

Case Study 2

Emerald City Pilates

Emerald City Pilates is a boutique fitness studio that has operated successfully in Seattle for six years, offering private instruction, group classes, and wellness programming. The business has demonstrated consistent year-over-year revenue growth, driven by strong membership retention and increasing demand for specialty fitness services.

The owner is seeking a \$150,000 loan to expand into adjacent space, purchase new studio equipment, and add additional instructors to meet demand.



Case Study 2

Emerald City Pilates

The owner is seeking a \$150,000 loan to expand into adjacent space, purchase new studio equipment, and add additional instructors to meet demand.

Financial statements indicate strong cash flow, healthy liquidity, positive net worth, and sufficient repayment capacity to support the proposed financing.

Decision?

Approve

Thank you! Questions?

Mary Louk | mlouk@growamerica.org

