

2014 Management Plan



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Introduction

History

Heartland Business Capital (HBC) has been assisting small businesses in accessing expansion capital in the Kansas City area since 1987.

The 501(c)(4) corporation began as a one-person, quasi-county operation providing services in one governmental county in Kansas, and has since grown to five HBC team members and several administrative contract support personnel serving the entire Kansas City metro area in both the States of Missouri and Kansas.

Mission

The HBC has remained committed to its basic mission of assisting expanding small business by providing efficient access to the Small Business Administration's most successful loan product, the SBA 504 loan product.

Formula for Success

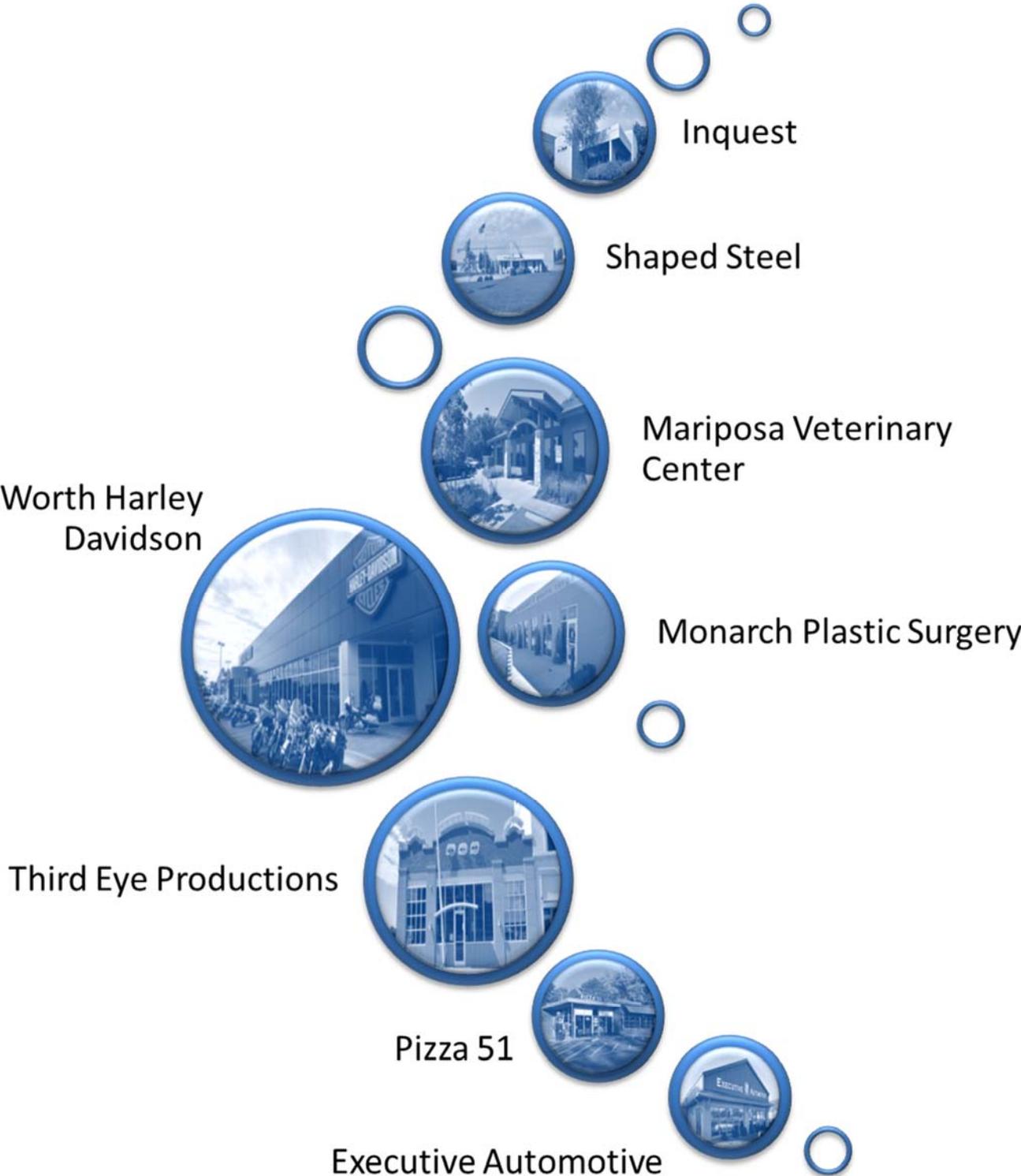
The HBC formula for success is:

- Effective dissemination of information and education to referral sources
- Obtaining appropriate SBA designations to ensure processing is controlled internally by HBC
- Employing energetic and customer-oriented team members that are eager to assist the local small business client
- Educating team members on the product and expanding on other professional skills
- Communicating promptly and consistently to businesses and referral sources
- Designing processes to emulate other efficient financing delivery systems
- Using technology to employ all of the above

Purpose

The purpose of the 2014 plan is to review the immediate past successes and to set forth a blueprint for success and progress in the next 12 months.

Our Clients



Servicing Loans

Goal	Results
Systematically gather servicing information from existing 504 loan borrowers. Follow up with evaluation of information received.	74% of loans in portfolio have required update servicing info in file – the other 26% of loans have been contacted multiple times and the servicing file has been noted appropriately.
Prepare for anticipated SBA audit in 1st or 2nd quarter 2013.	SBA did not perform a risk-based review (a.k.a. audit) of HBC in 2013.
Work on reducing screen-out rate at Sacramento.	Screen-out rate varied throughout the year, with HBC ranking at the low end #158 and #1 on the high end in the two months of May and June (trailing 90 days – out of ~ 220 CDCs). Lesser-volume periods had fewer screen-outs. Is being addressed nationally, as NADCO trade organization and SBA processing center has formed a discussion group to formulate ideas. SBA altered their definition of a screen-out in 2013; minor omissions corrected within 48 hours are not deemed a screen-out.

Other Servicing Loan Actions

- Processed 2 deferments (1 borrower)
- Processed 12 prepayments (thru Oct 2013)
- Outlined 1 liquidation plan
- Processed 2 change of ownership requests
- Processed 6 subordinations
- Processed 6 substitution of life insurance requests
- Processed other routine servicing requests, such as: ACH changes, prepayment inquiries, ACH reject notification, notification of SBA regarding legal actions on borrowers