Loan Application Triage

Lender:	**Cypress Lane Bank (sample)**	Received:	**Nov 13, 2026, 4:18 AM**
Loan officer:	**Dana Whitfield (sample)**	Delivered:	**Nov 18, 2026, 11:18 PM**
Applicant:	**Coastal HVAC Services, Inc.**		

Recommendation
PURSUE

Worth an officer's time. Move to full underwriting.

The request

Loan requested	$1,850,000
Program	SBA 7(a) - business acquisition
Rate and term	10.25%, 10 years
Purpose	Buy Coastal HVAC from its founder
Purchase price	$2,200,000
Project cost and injection	$2,350,000; $500,000 injected
Business	HVAC contractor - 14 years in business

Cash flow and coverage

Year	Revenue	Adjusted EBITDA	Cash flow	Coverage
FY2023	$4,120,000	$486,000	$446,000	**1.50x**
FY2024	$4,480,000	$541,000	$499,000	**1.68x**
FY2025	$4,710,000	$571,000	$526,000	**1.77x**

Annual debt service, proposed loan	**$296,457**
Existing debt service kept	**$0**
Total debt service	**$296,457**
Coverage on the latest year (minimum 1.25x, for this SBA loan type)	**1.77x**
Global coverage with guarantors	**1.29x**
Largest loan the latest year supports at 1.25x	**$2,625,949**

Required before the credit decision

> A business valuation is required on a change of ownership; independent if the loan or relationship calls for it.

What checks out

+ Passes the basic SBA eligibility screen (for-profit, U.S., size, business type, federal debt).
+ Debt service coverage 1.77x on the most recent year, above the 1.25x minimum.
+ Global coverage 1.29x with the guarantors.
+ Equity injection $500,000, 21% of the project.

Documents to request

- SBA Form 1919
- IRS tax transcripts (Form 4506-C signed)
- Receivables and payables agings
- Projections and business plan (acquisition or startup)

Reviewed by Philip A. Baratelli, CPA