

PRESS RELEASE
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FRANdata Product Helps Franchises Get Bank Loans

July 24, 2009 - (ARLINGTON, Va.) -- In response to the crisis in the credit markets, more and more franchise systems are turning to FRANdata and the Bank Credit Reports it produces to help their prospective franchisees get bank loans.

Industry insiders are noticing a shift in response to the longest recession on record since the Great Depression. "In the past, the financing process was handled by the franchise prospect," explained FRANdata CEO and former bank executive Darrell Johnson. "Now the franchisors are having to get involved in order to educate the community and regional lenders about franchising as a business model and the brand."

The main franchise loan activity has increasingly been limited to the community and regional banks that did not have the extensive mortgage exposure that led to the downfall of the larger national institutions. The staff resources at these smaller lenders needed to research and vet the loan application packages are limited. The Bank Credit Report bridges the gap.

Franchise system CiCi's Pizza "sends a FRANdata Bank Credit Report to every lender we work with," said Vice President of Franchise Sales Jim Sheahan. "Not only does it allow the loan officer to understand our brand in banking terms, but it shows the high level of support that we provide to our people. Bottom line: the Bank Credit Report helps our franchisees get financing."

FRANdata has drawn on 20 years of experience to craft a product that provides the information the loan departments need--but don't necessarily have time or resources to gather--to approve a loan. Bank Credit Reports follow the standard underwriting topics and use established banking terminology to provide objective analysis and information about an individual franchise system. Report topics include information on the financial and operational risks of the franchisor, franchisor financial performance, brand growth, system and franchise unit performance, SBA lending outcomes, and comparative sector performance by competing brands to provide context.

Siegel Financial Group also advocates using a Bank Credit Report to help obtain loans. "We recently used a Bank Credit Report to help a restaurant franchisee get a loan without any real estate collateral, which is typically one of the most difficult in this market," explained Ronald Feldman, CEO of Siegel Financial Group.

Those interested in learning more about the risk reports can contact FRANdata at 800.485.9570 or Christine Harris-Friedberg at cfriedberg@frandata.com. More information is also available at www.frandata.com/products/risk.asp.

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