

PRESS RELEASE
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For Immediate Release

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Bank Credit Reports Have Helped Franchisees Receive More Than \$60 Million in Loans

(ARLINGTON, Va.) -- Franchisees have a greater chance at getting bank loans if they include a Bank Credit Report in their application package, a new survey has found.

A Bank Credit Report provides an independent analysis of the performance of franchise brands in order to introduce and validate the brand to a regional or community lender who may not be familiar with franchising.

Each Bank Credit Report is tailored to compare one franchise system within the context of its peers, and follows standard bank underwriting topics and uses established banking terminology to provide detailed analysis of the brand. Report topics include brand strength, financial and operational risks of the franchisor, franchise system and unit performance, SBA lending outcomes and comparative sector performance to provide context.

According to the survey, Bank Credit Reports are considered nearly essential to get a lender to even consider a loan application, and are instrumental in securing the deal. **Over 80% of the loan packages that include the FRANdata Bank Credit Report are successful, according to the franchise systems and executives who reported their results.**

“With the main franchise loan activity increasingly coming from the community and regional banks, franchise brands are having to do all they can to assist franchisees in finding financing,” explained FRANdata CEO and former bank executive Darrell Johnson. “The successful loan applicant recognizes that credit departments at these lenders have less experience with franchises and at a time when banks are more risk averse. The Bank Credit Report puts the information they need to consider a loan at their fingertips. It is one of the best things a franchise system can do for its franchisees.”

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.”

The Bank Credit Report is prepared by FRANdata (www.frandata.com), an independent research company whose professional team has more than 30 years of collective experience in the banking industry. Headquartered in Arlington, Va., the company has been providing independent insight and analysis on the franchising sector since 1989.

Those interested in learning more about the risk reports can contact FRANdata at **800.485.9570** or Edith Wiseman at ewiseman@frandata.com. More information is also available at www.frandata.com/products/risk.asp.

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