FIRST BANK OF THE LAKE

VETERINARY

STARTUP · REAL ESTATE · CONSTRUCTION · EQUIPMENT

# Opening a veterinary practice from the ground up

How a single SBA 7(a) loan funded the building, the build-out, the equipment, and the cash to operate — with a 10% borrower injection.

| LOAN AMOUNT | PROGRAM | PROJECT TYPE |
|---|---|---|
| **$3,615,000** | **SBA 7(a)** | **Startup + CRE** |

## THE SITUATION

An experienced veterinarian was ready to stop practicing for someone else and open a practice of their own — buying a commercial building, renovating it into a purpose-built animal hospital, and equipping it for surgery, imaging, and boarding.

## THE FINANCING CHALLENGE

The building was $1.6 million; the finished project was more than $4 million. A startup with no operating history, a construction period before the first patient, and no revenue to cover payments during the build is a combination conventional lenders rarely underwrite as one deal.

### THE SBA FINANCING STRUCTURE

One SBA 7(a) loan of $3,615,000 covered the real estate purchase, the full construction budget with contingency, equipment, closing costs, and $150,000 of post-opening working capital — plus a $275,700 interest reserve so payments were carried through construction. The borrower injected $401,750, or 10% of the $4,016,750 project.

## WHAT THIS HELPED THE BUSINESS DO

- ✓ Own the building instead of leasing — and build it to fit the practice
- ✓ Carry loan payments through construction with a funded interest reserve
- ✓ Open fully equipped, with $150,000 of working capital on hand
- ✓ Keep the cash injection to 10% of total project cost

## WHERE THE FINANCING WENT

Every eligible project cost, itemized — nothing hidden.

| | |
|---|---|
| Commercial real estate | $1,600,000 |
| Construction & renovations | $1,100,000 |
| Architecture, engineering & permits | $120,000 |
| Contingency & construction soft costs | $124,350 |
| Equipment | $500,000 |
| Interest reserve (construction period) | $275,700 |
| Post-opening working capital | $150,000 |
| Opening inventory | $10,000 |
| Appraisal, environmental, title, survey & legal | $35,000 |
| SBA guaranty fee & packaging fee | $101,700 |
| **TOTAL PROJECT COST** | **$4,016,750** |

## HOW IT WAS FINANCED

| | |
|---|---|
| FBOL SBA 7(a) loan — 90% | $3,615,000 |
| Borrower injection — 10% | $401,750 |
| Injection applied to | Real estate |

SBA loan ($3,615,000) + borrower injection ($401,750) = total project cost ($4,016,750). Structure shown is illustrative and subject to credit approval.

## THE TAKEAWAY

**A startup practice is more than a building. When eligible, SBA 7(a) financing may fund the real estate, the build-out, the equipment, and the cash to open — with as little as 10% down from the borrower.**