

Appendix A. Source evidence and checks

Source Evidence and References | Harborview Precision Fabrication LLC

Prepared October 28, 2026 (Central). Companion to the lender brief; use the same request reference and saved revision.

Automated extraction and label-based financial cross-checks. Source text, image transcription and source authenticity remain unverified. Unrecognized layouts, missing fields and conflicting amounts require review.

D001 | 01_Borrower_and_Lender.docx

Extraction: read; 1/1 pages or sheets; office-xml. Synthetic demonstration file.

No numeric financial fields were mapped. Any available narrative follows.

borrower name: Harborview Precision Fabrication LLC

Document paragraphs and tables, line 6

business address: 1200 Example Industrial Way, Springfield, IL 62701 (fictional)

Document paragraphs and tables, line 7

contact name: Maya Chen, Managing Member and 100 percent owner

Document paragraphs and tables, line 8

contact email: maya.chen@example.invalid

Document paragraphs and tables, line 9

contact phone: +1 202-555-0142

Document paragraphs and tables, line 10

business overview: Founded in 2018, this fictional company fabricates metal assemblies for regional packaging-equipment manufacturers. It has 14 employees, leases a 12000 square foot shop and invoices commercial customers on 30 to 60 day terms. Its largest customer represents 28 percent of sales.

Document paragraphs and tables, line 11

management experience: Maya Chen has 15 years of fabrication operations experience and supervises production and sales. A contracted bookkeeper closes monthly accounts. Maya owns 100 percent of the company and is the expected guarantor.

Document paragraphs and tables, line 12

lender name: Prairie Harbor Commercial Bank (fictional)

Document paragraphs and tables, line 13

lender contact: Alex Morgan, Commercial Relationship Manager (fictional)

Document paragraphs and tables, line 14

lender email: alex.morgan@example.invalid

Document paragraphs and tables, line 15

lender phone: +1 202-555-0147

Document paragraphs and tables, line 16

lender address: 400 Example Finance Avenue, Springfield, IL 62701 (fictional)

Document paragraphs and tables, line 17

D002 | 02_Profit_and_Loss_2024.pdf

Extraction: read; 1/1 pages or sheets; pdf-text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
revenue	\$1,600,000	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 7
net income	\$120,000	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 8
depreciation	\$30,000	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 9
amortization	\$0	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 10
interest	\$18,000	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 11
tax expense	\$20,000	Harborview Precision Fabrication LLC January 1, 2024 - December 31, 2024 Page 1, line 12

D003 | 03_Profit_and_Loss_2025.pdf

Extraction: read; 1/1 pages or sheets; pdf-text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
revenue	\$1,920,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 7
net income	\$160,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 8
depreciation	\$36,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 9
amortization	\$0	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 10
interest	\$24,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 11
tax expense	\$30,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 12

D004 | 04_YTD_Profit_and_Loss.xlsx

Extraction: read; 1/1 pages or sheets; office-xml. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
revenue	\$1,580,000	Harborview Precision Fabrication LLC January 1, 2026 - September 30, 2026 Sheet: Source data, line 7
net income	\$138,000	Harborview Precision Fabrication LLC January 1, 2026 - September 30, 2026 Sheet: Source data, line 8
depreciation	\$27,000	Harborview Precision Fabrication LLC January 1, 2026 - September 30, 2026 Sheet: Source data, line 9
interest	\$18,000	Harborview Precision Fabrication LLC January 1, 2026 - September 30, 2026 Sheet: Source data, line 10

Spreadsheet displayed values were read. Saved formula results were not independently recalculated.

D005 | 05_Balance_Sheet.xlsx

Extraction: read; 1/1 pages or sheets; office-xml. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
cash	\$78,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 6
ar	\$180,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 7
ap	\$96,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 8
assets	\$690,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 9
liabilities	\$310,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 10
equity	\$380,000	Harborview Precision Fabrication LLC September 30, 2026 Sheet: Source data, line 11

Spreadsheet displayed values were read. Saved formula results were not independently recalculated.

D006 | 06_AR_Aging.csv

Extraction: read; 1/1 pages or sheets; text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
over90	\$35,000	Harborview Precision Fabrication LLC September 30, 2026 Delimited rows, line 9
aging total	\$185,000	Harborview Precision Fabrication LLC September 30, 2026 Delimited rows, line 10

explanation: Deliberate test exception: a 5000 credit appears in the ledger but not this aging export. Reconciliation remains open.

Delimited rows, line 11

D007 | 07_AP_Aging.csv

Extraction: read; 1/1 pages or sheets; text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
over90	\$0	Harborview Precision Fabrication LLC September 30, 2026 Delimited rows, line 8
aging total	\$96,000	Harborview Precision Fabrication LLC September 30, 2026 Delimited rows, line 9

D008 | 08_Debt_Schedule.xlsx

Extraction: read; 1/1 pages or sheets; office-xml. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
existing payments	\$36,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Sheet: Source data, line 7
distributions	\$24,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Sheet: Source data, line 8

debt changes: Existing equipment debt of 150000 remains outstanding. Annual principal and interest payments are 36000. Proposed financing does not refinance this debt.

Sheet: Source data, line 9

Spreadsheet displayed values were read. Saved formula results were not independently recalculated.

D009 | 09_Personal_Cash_Flow.pdf

Extraction: read; 1/1 pages or sheets; pdf-text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
income	\$72,000	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 8
personal taxes	\$12,000	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 9
living	\$36,000	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 10
commitments	\$0	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 11
personal payments	\$6,000	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 12
guarantees	\$150,000	Maya Chen January 1, 2025 - December 31, 2025 Page 1, line 13

explanation: Nonbusiness income is spouse employment income available to the household in this fictional scenario. Company distributions are excluded to prevent duplication. No bank account or tax identifier is included.

Page 1, line 14

D010 | 10_Tax_Information_Summary.pdf

Extraction: read; 1/1 pages or sheets; pdf-text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
tax revenue	\$1,900,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 7
tax income	\$150,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Page 1, line 8

explanation: Synthetic summary only, not a filed tax return. Deliberate differences: book revenue exceeds tax receipts by 20000 and book income exceeds tax ordinary income by 10000. Obtain a reconciliation and actual filing support for a real application.

Page 1, line 9

D011 | 11_Annual_Cash_Flow.csv

Extraction: read; 1/1 pages or sheets; text. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
business cash	\$180,000	Harborview Precision Fabrication LLC January 1, 2025 - December 31, 2025 Delimited rows, line 7

source notes: 2025 illustrative EBITDA is 250000 from net income 160000 plus depreciation 36000 plus interest 24000 plus income tax 30000. Less cash taxes 30000, maintenance capital expenditures 20000 and working capital increase 20000 leaves 180000 before debt payments. This is a synthetic preparation convention, not lender-approved cash flow.

Delimited rows, line 8

D012 | 12_Funding_Request.docx

Extraction: read; 1/1 pages or sheets; office-xml. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
loan amount	\$300,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 6
equity contribution	\$60,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 7
other funding	\$0	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 8
project cost	\$360,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 9
use of funds	\$280,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 10
use of funds	\$40,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 11
use of funds	\$40,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 12
proposed payments	\$42,000	Harborview Precision Fabrication LLC Date not mapped Document paragraphs and tables, line 13

requested structure: Requested seven year equipment term loan; lender pricing and amortization remain unconfirmed

Document paragraphs and tables, line 14

requested timing: November 2026 after lender review and vendor confirmation

Document paragraphs and tables, line 15

repayment plan: Recurring operating receipts from fabrication contracts are the primary repayment source. The business expects the new machine to reduce subcontracting needs; no forecast savings are included in historical repayment calculations.

Document paragraphs and tables, line 16

D013 | 13_August_Bank_Statement.png

Extraction: read; 1/1 pages or sheets; ocr. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
cash	\$92,000	Harborview Precision Fabrication LLC August 31, 2026 Image 1, line 11 unconfirmed image text

explanation: Synthetic operating account statement. No real account number.

Image 1, line 13 | unconfirmed image transcription

D014 | 14_September_Bank_Statement.jpg

Extraction: read; 1/1 pages or sheets; ocr. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
cash	\$78,000	Harborview Precision Fabrication LLC September 30, 2026 Image 1, line 11 unconfirmed image text

explanation: Synthetic operating account statement. Closing balance matches the

Image 1, line 13 | unconfirmed image transcription

D015 | 15_Collateral.txt

Extraction: read; 1/1 pages or sheets; text. Synthetic demonstration file.

No numeric financial fields were mapped. Any available narrative follows.

collateral: Proposed security is the newly purchased fabrication machine with vendor price 280000 before installation. Existing equipment is subject to a fictional first lien securing the continuing 150000 debt. Vendor price is not appraised liquidation value. Lien searches, serial numbers, insurance and lender advance rates remain outstanding.

Text lines, line 5

D016 | 16_Risks_and_Management.txt

Extraction: read; 1/1 pages or sheets; text. Synthetic demonstration file.

No numeric financial fields were mapped. Any available narrative follows.

risks and mitigants: Largest customer concentration is 28 percent of annual sales. Accounts receivable includes 35000 over 90 days and an unresolved 5000 book-to-aging difference. Management proposes weekly collections calls and credit-limit reviews; these plans do not establish collectability. Two book-to-tax differences require accountant reconciliation. Machine delivery and installation could be delayed.

Text lines, line 5

D017 | 17_Scanned_Bank_Copy.pdf

Extraction: read; 1/1 pages or sheets; mixed. Synthetic demonstration file.

Mapped financial field	Amount	Party / period / source
cash	\$92,000	Harborview Precision Fabrication LLC August 31, 2026 Page 1, line 11 unconfirmed image text

explanation: Synthetic operating account statement. No real account number.

Page 1, line 13 | unconfirmed image transcription

Cross-check record

Check	Result / implication	Sources
Confirm text recognized from an image	D013: check names, decimal points, dates and amounts against the original. Image text recognition is an unverified transcription.	D013
Confirm text recognized from an image	D014: check names, decimal points, dates and amounts against the original. Image text recognition is an unverified transcription.	D014
Confirm text recognized from an image	D017: check names, decimal points, dates and amounts against the original. Image text recognition is an unverified transcription.	D017
AR aging does not reconcile	Harborview Precision Fabrication LLC, September 30, 2026: aging 185000.00; balance sheet 180000.00; difference 5000.00.	D006, D005
AP aging reconciles	Harborview Precision Fabrication LLC, September 30, 2026: aging 96000.00; balance sheet 96000.00; difference 0.00.	D007, D005
Explain the book-to-tax difference	revenue for January 1, 2025 to December 31, 2025: books 1920000.00, tax summary 1900000.00; book less tax 20000.00. A tax-return summary is not independent verification of filing.	D003, D010
Explain the book-to-tax difference	net income for January 1, 2025 to December 31, 2025: books 160000.00, tax summary 150000.00; book less tax 10000.00. A tax-return summary is not independent verification of filing.	D003, D010
Historical revenue trend	Harborview Precision Fabrication LLC: 1600000.00 (December 31, 2024) to 1920000.00 (December 31, 2025), change 20.00%. YTD figures are excluded from the annual comparison.	D002, D003
Explain past-due balances	Harborview Precision Fabrication LLC, September 30, 2026: 35000.00 reported over 90 days. Identify collections, disputes, credits and any uncollectible amounts.	D006
Synthetic information is included	This request includes synthetic or fictional content. Treat this entire output as a demonstration; remove synthetic files before preparing a real lender package.	D001, D002, D003, D004, D005, D006, D007, D008, D009, D010, D011, D012, D013, D014, D015, D016, D017

Document values used where saved fields were blank

Field / party	Populated value	Source reference
business cash Harborview Precision Fabrication LLC	180000.00	D011, Delimited rows, line 7
existing payments Harborview Precision Fabrication LLC	36000.00	D008, Sheet: Source data, line 7

Field / party	Populated value	Source reference
distributions Harborview Precision Fabrication LLC	24000.00	D008, Sheet: Source data, line 8
income Maya Chen	72000.00	D009, Page 1, line 8
personal taxes Maya Chen	12000.00	D009, Page 1, line 9
living Maya Chen	36000.00	D009, Page 1, line 10
commitments Maya Chen	0.00	D009, Page 1, line 11
personal payments Maya Chen	6000.00	D009, Page 1, line 12
guarantees Maya Chen	150000.00	D009, Page 1, line 13
proposed payments	42000.00	D012, Document paragraphs and tables, line 13
borrower name	Harborview Precision Fabrication LLC	D001, Document paragraphs and tables, line 6
business address	1200 Example Industrial Way, Springfield, IL 62701 (fictional)	D001, Document paragraphs and tables, line 7
contact name	Maya Chen, Managing Member and 100 percent owner	D001, Document paragraphs and tables, line 8
contact email	maya.chen@example.invalid	D001, Document paragraphs and tables, line 9
contact phone	+1 202-555-0142	D001, Document paragraphs and tables, line 10
business overview	See source narrative above	D001, Document paragraphs and tables, line 11
management experience	See source narrative above	D001, Document paragraphs and tables, line 12
requested structure	See source narrative above	D012, Document paragraphs and tables, line 14
requested timing	November 2026 after lender review and vendor confirmation	D012, Document paragraphs and tables, line 15
repayment plan	See source narrative above	D012, Document paragraphs and tables, line 16
collateral	See source narrative above	D015, Text lines, line 5
debt changes	See source narrative above	D008, Sheet: Source data, line 9
risks and mitigants	See source narrative above	D016, Text lines, line 5
source notes	See source narrative above	D011, Delimited rows, line 8

Appendix B. Basis and report record

A borrower-prepared financing brief compiled from saved statements, provided amounts and mapped file content where available. Financial calculations are mechanical illustrations, not verified financial statements, lender underwriting, approved terms or a credit recommendation.

CLR's role and independent lender responsibility

CLR provides preparation and informational analysis. CLR does not make lending decisions, approve or decline credit, issue loan offers, or guarantee financing. Each lender independently verifies information, applies its policies and applicable requirements, and makes all credit decisions and sets terms.

Lenders receive borrower-authorized introductions and information to support their own review. A prepared brief, positive cash illustration, directory listing or criteria alignment is not prequalification, approval, a credit recommendation or proof of creditworthiness. The lender remains responsible for independent underwriting, verification, compliance, decisions and communications.

SBA program requirements, applicable laws and regulations, supervisory guidance and lender credit policies have different roles. A source citation does not establish that a rule applies to a particular lender or loan, or certify eligibility or regulatory compliance. The lender confirms applicability, current requirements and any permitted exceptions.

Borrower preparation is \$0. Lender participation supports access to borrower-authorized introductions and packages; payment does not purchase a favorable assessment or guarantee prospect quality, introductions, approval or funding.

CLR information and calculations may be incomplete or incorrect and require review against original records. CLR does not replace a lender's underwriting or professional legal, tax or accounting advice. CLR is not affiliated with or endorsed by the SBA, OCC or FDIC.

<https://commercialloanready.com/help/#clr-role>

Saved figures take precedence. Missing fields may be populated only from one unambiguous supported document value. Unconfirmed image figures are excluded from automatic annual cash flow. Conflicting amounts, entities, dates, historical periods and forecasts remain separate. Unknown amounts remain unknown; a known zero is retained.

Business distributions are not added again as household income. Contingent guarantee balances are not annual payments. Household income does not establish a legal guarantee or unrestricted availability to the business. No interest rate, amortization, collateral value or lender approval is inferred.

This preparation view uses only supplied cash-flow and debt-service inputs. It does not automatically treat K-1 taxable income as cash available, does not double-count supplied distributions as separate cash flow, and does not assume contingent guarantees are funded obligations.

Borrower financial sources and adjustments

2025 illustrative EBITDA is \$250,000 from net income \$160,000 plus depreciation \$36,000 plus interest \$24,000 plus income tax \$30,000. Less cash taxes 30000, maintenance capital expenditures \$20,000 and working capital increase \$20,000 leaves 180000 before debt payments. This is a synthetic preparation convention, not lender-approved cash flow.

Request reference: f1000000-0000-4000-8000-000000000001 | Saved input revision: 0

Report format: CLR-LENDER-HANDOFF-v3 | Generated at (UTC): 2026-10-28T12:56:25.710Z

Annual input basis: Historical | January 1, 2025 - December 31, 2025 | Tax filing statement: Borrower states returns are filed

Appendix C. Full preparation findings and references

The lender brief consolidates overlapping checks. This register retains each preparation finding and its reasoning, including general discussion prompts. Suggested preparers are roles to coordinate with, not assigned tasks or lender conditions.

Match repayment structure to the financed use

\$42,000 per year for 7 years totals \$294,000, below the \$300,000 requested principal before interest. Explain any balloon, varying payments or different amortization; no fully amortizing schedule has been established.

Why: Useful asset life, installation or ramp-up timing, amortization and contractual maturity need to fit the funded purpose. A low regular payment may leave a large future principal obligation.

Next: Support proposed rate, payment frequency, amortization, maturity and any balloon with the actual schedule. For equipment or property, support useful life and repayment during installation or construction; document the source for any maturity balance.

Reference: FDIC, Commercial and Industrial Loans, Core Analysis

References: <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>

Confirm which sources are included

The source list has not been marked complete.

Why: Missing businesses, guarantors or obligations can change the combined cash-flow result.

Next: Check the listed sources against ownership and guarantor information, add any known missing sources and obligations, then confirm coverage.

Reconcile the financial evidence for matching entities and periods

3 mapped reconciliation items need explanation. AR aging does not reconcile: Harborview Precision Fabrication LLC, 2026-09-30: aging \$185,000; balance sheet \$180,000; difference \$5,000. [D006, D005] Explain the book-to-tax difference: revenue for 2025-01-01 to 2025-12-31: books \$1,920,000.00, tax summary \$1,900,000; book less tax \$20,000. A tax-return summary is not independent verification of filing. [D003, D010]

Why: Financial statements, filed returns and bank activity can cover different entities, periods or accounting bases. A saved or extracted document does not verify authenticity or show that book income became cash.

Next: Provide matching statements, filed returns and relevant bank activity. Explain book-to-tax differences, nonoperating deposits and unusual transfers with a reconciliation; retain unresolved amounts as unknown.

Reference: FDIC, Loan Portfolio Review, Core Analysis, item 46

References: <https://www.fdic.gov/resources/supervision-and-examinations/examination-policies-manual/section22-1/pc-loan-port-rev.pdf>

Explain the disclosed customer concentration

Borrower-stated customer concentration: 28%.

Why: Dependence on a customer can affect cash timing and recurring receipts; a percentage alone does not establish a lending outcome.

Next: Identify the customer and reporting period, supporting sales or receivables schedule, contract terms, collection history and the effect of losing or delaying that customer.

References:

<https://www.occ.treas.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/index-commercial-loans.html>

Show how expected growth becomes available cash

Borrower forecast or explanation: Recurring operating receipts from fabrication contracts are the primary repayment source. The business expects the new machine to reduce subcontracting needs; no forecast savings are included in historical repayment calculations. Largest customer concentration is 28 percent of annual sales. Accounts receivable includes \$35,000 over 90 days and an unresolved \$5,000 book-to-aging difference. Management proposes weekly collections calls and credit-limit reviews; these plans do not establish collectability. Two book-to-tax differences require accountant reconciliation. Machine delivery and installation could be delayed.

Why: Higher sales can also require inventory, receivables, labor and other cash outlays before collections.

Next: Provide volume, pricing, margin and collection assumptions, the incremental operating costs and funding need, and a downside case. Distinguish signed commitments from estimates.

References:

<https://www.occ.treas.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/index-commercial-loans.html>

Connect forecast improvements to operating evidence

Borrower expectation: no forecast savings are included in historical repayment calculations.

Why: Sales growth or expense savings can require inventory, receivables, payroll and installation cash before collections improve. A forecast surplus depends on the assumptions, timing and ability to fund that interim need.

Next: Support volume, pricing, margins, customer commitments, collection days and cost reductions. Compare with available actual results for matching periods; explain funding during ramp-up and a slower-sales or delayed-collections case.

Reference: OCC, Small Business Lending

References: <https://www.occ.treas.gov/topics/supervision-and-examination/credit/commercial-credit/small-business-lending.html>

Connect the repayment explanation to source evidence

Borrower-stated repayment: Recurring operating receipts from fabrication contracts are the primary repayment source. The business expects the new machine to reduce subcontracting needs; no forecast savings are included in historical repayment calculations.. Mapped figure references: D011, Delimited rows, line 7; D008, Sheet: Source data, line 7; D012, Document paragraphs and tables, line 13

Why: A stated repayment plan needs a traceable connection to the relevant entity, period and actual cash receipts. A source reference alone does not verify the explanation.

Next: Identify the statements and page or sheet locations supporting repayment. Reconcile recurring cash, existing payments and proposed payments; explain timing and availability of the cash.

References:

<https://www.occ.treas.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/index-commercial-loans.html>

Match the financing structure to its purpose

Saved financing purpose: Equipment purchase. Facility: Term loan (from borrower description). Equipment useful life: not supplied; maturity: not supplied; amortization: not supplied.

Why: Repayment timing should be explained in relation to collections, asset use and any maturity payment. These checks do not prescribe a facility or approve terms.

Next: Confirm the facility and primary repayment cycle. For equipment, supply its useful life; support the requested maturity and amortization with a proposed schedule.

Reference: ABA, Loan Structuring, Documentation, Pricing and Problem Loans

References: <https://www.aba.com/training-events/online-training/loan-structuring-documentation-pricing-and-problem-loans>

Maya Chen: distinguish liquidity from net worth

A dated liquidity and income-scope schedule is not supplied.

Why: Stated net worth is not annual income or unrestricted cash.

Next: Add a dated personal financial statement, liquid and unavailable assets, and confirm that nonbusiness income excludes amounts already represented in business cash.

Reference: ABA, Analyzing Personal Financial Statements and Tax Returns

References: <https://www.aba.com/training-events/online-training/analyzing-personal-financial-statements-and-tax-returns>

Separate business repayment from household support

Entered business cash before debt: \$180,000.00; existing plus proposed business payments: \$78,000.00; business cash remaining: \$102,000.00. Illustrative business cash/payment ratio: withheld pending payment reconciliation.

Why: A combined surplus does not establish that the borrowing business can pay its debt. Related-entity and guarantor cash must be available, attributable and supported; distributions already represented in business cash must not be counted again.

Next: Reconcile every continuing obligation and proposed payment to the debt schedule. Identify the actual borrowing entity and any restrictions on affiliate transfers or guarantor support. Ask the lender to establish its DSCR definition and target.

Reference: OCC, Small Business Lending

References: <https://www.occ.treas.gov/topics/supervision-and-examination/credit/commercial-credit/small-business-lending.html>

Trace the contribution and other funding sources

Entered borrower contribution: \$60,000.00; other funding: \$0.00. Contribution-source verification has not been established.

Why: A balanced sources-and-uses table does not prove available equity. Borrowed cash, seller financing or repayable investor capital may create debt service, distributions, liens or conditions that affect repayment.

Next: Document the origin, availability, transfer trail and conditions of each source. Identify loan payments, investor redemption/distribution rights and seller-note terms; reconcile obligations already entered before adding anything to avoid double counting. The lender sets acceptable contribution and subordination terms.

Reference: FDIC, Loan Portfolio Review, Core Analysis, item 46

References: <https://www.fdic.gov/resources/supervision-and-examinations/examination-policies-manual/section22-1/pc-loan-port-rev.pdf>

Explain available cash, obligations and the balance sheet

Harborview Precision Fabrication LLC, 2026-09-30: cash \$78,000.00, receivables \$180,000.00, payables \$96,000.00, total assets \$690,000.00, total liabilities \$310,000.00, book equity \$380,000.00; illustrative total liabilities/book equity withheld pending payment reconciliation.

Why: Profit or total assets do not establish cash available when payments fall due. Collections, inventory, liens, distributions and other obligations can change liquidity. Book equity is not cash or tangible net worth; a descriptive leverage ratio has no lender threshold established here.

Next: Review the same-date balance sheet, current/noncurrent breakdown, debt maturities, receivable/payable aging and any inventory records. Explain negative equity, unusual distributions or changes. Do not infer current or quick ratios without their required components; ask the lender which definitions and targets it uses.

Reference: FDIC, Commercial and Industrial Loans, Core Analysis, Core Analysis, items 9-12; OCC, Commercial Loans, Examination Procedures, pp. 14-16

References: <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>;
<https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/pub-ch-commercial-loans.pdf>

Explain changes in comparable financial results

Harborview Precision Fabrication LLC: 2024 revenue \$1,600,000.00 and net income \$120,000.00; 2025 revenue \$1,920,000.00 and net income \$160,000.00. Net margins: 7.5% to 8.3%.

Why: Revenue and earnings changes need operating context. A growing business may need additional working capital; a margin decline, loss or balance-sheet change needs an explanation rather than an automatic credit conclusion. Interim figures are not a substitute for matching annual periods.

Next: Explain pricing, volumes, costs, collections, one-time items and management actions behind the changes. Support the explanation with the source records; keep forecasts separate from achieved results.

Reference: FDIC, Commercial and Industrial Loans, Core Analysis, Core Analysis, items 9-12; OCC, Lending and Loan Portfolio Risk Management, Credit Underwriting, pp. 24-26; Appendix F, pp. 108-110

References: <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>;
<https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/lending-loan-portfolio-risk-management/pub-ch-lending-loan-portfolio.pdf>

Document the other guarantees disclosed

\$150,000.00 of contingent guarantees were entered.

Why: This is a disclosed balance, not an annual payment, and is excluded from the payment total above. A call on a guarantee could change cash needs.

Next: Prepare the underlying obligation, obligor, balance, payment responsibility and conditions that could require cash support.

Review the lower-cash-flow illustrations

Business cash flow 10% lower: combined cash remaining \$102,000.00; illustrative combined cash/payment ratio withheld pending payment reconciliation | Business cash flow 20% lower: combined cash remaining \$84,000.00; illustrative combined cash/payment ratio withheld pending payment reconciliation

Why: These scenarios reduce entered business cash by 10% and 20% while other inputs stay fixed. They are planning illustrations, not prescribed lender stresses or a forecast; household/affiliate cash may not be available to cover a business shortfall.

Next: Explain how operations and payments would be funded under weaker results. Replace the illustrations with assumptions suitable to the business and the lender's review, including collection delays, margin changes and any refinancing need.

Reference: OCC, Small Business Lending

References: <https://www.occ.treas.gov/topics/supervision-and-examination/credit/commercial-credit/small-business-lending.html>

Describe proposed collateral and existing claims

Borrower description: Proposed security is the newly purchased fabrication machine with vendor price \$280,000 before installation. Existing equipment is subject to a fictional first lien securing the continuing \$150,000 debt. Vendor price is not appraised liquidation value. Lien searches, serial numbers, insurance and lender advance rates remain outstanding.

Why: Asset book value or a borrower estimate does not establish lender-accepted collateral value, available security, lien priority or borrowing-base eligibility. Some facilities may be unsecured; collateral does not substitute for analysis of repayment.

Next: Identify assets offered, ownership, existing liens and supporting value records where relevant. For a line, describe receivable/inventory eligibility and reporting; for equipment or property, discuss the valuation the lender requires. Let the lender determine security, advance rates, guarantees and exceptions.

Reference: OCC, Lending and Loan Portfolio Risk Management, Credit Underwriting, pp. 24-26; Appendix F, pp. 108-110; FDIC, Commercial and Industrial Loans, Core Analysis, Core Analysis, items 9-12

References:

<https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/lending-loan-portfolio-risk-management/pub-ch-lending-loan-portfolio.pdf>; <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>

Explain the support a guarantor could actually provide

1 guarantor cash-flow source(s) entered. Expected guarantors: Maya Chen (synthetic). Cash-flow inputs do not establish a guarantee, liquid assets or unrestricted funds.

Why: Lender review considers the support available under the actual guarantee terms, the guarantor's ability and willingness to support the loan, competing commitments and contingent obligations. A positive household illustration is not verified support.

Next: Review relevant personal financial information, available liquidity and other obligations with the lender. Identify support already included in business or household cash so it is not counted twice. The lender decides whether guarantees are required and assesses terms and enforceability.

Reference: FDIC, Commercial and Industrial Loans, Core Analysis, Core Analysis, items 9-12; OCC, Lending and Loan Portfolio Risk Management, Credit Underwriting, pp. 24-26; Appendix F, pp. 108-110

References: <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>; <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/lending-loan-portfolio-risk-management/pub-ch-lending-loan-portfolio.pdf>

Describe customer, supplier and market dependencies

Customer, supplier, tenant and industry dependency percentages have not been independently established. Borrower descriptions and source records remain subject to review.

Why: Concentrated sales, collections, tenants or suppliers can affect repayment if a key relationship changes. Bank portfolio concentration measures relate to a lender's own exposures and capital; they are not borrower customer-concentration cutoffs.

Next: Summarize major customers or tenants, important suppliers, contract/lease terms and relevant industry changes. Quantify exposure from your records when available, and describe alternatives or mitigants. The lender considers its own portfolio and appetite separately.

Reference: FDIC, Commercial and Industrial Loans, Core Analysis, Core Analysis, items 9-12; OCC, Commercial Loans, Examination Procedures, pp. 14-16

References: <https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>; <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/pub-ch-commercial-loans.pdf>

Connect equipment costs to repayment

Your stated use of funds: Purchase and install a fabrication machine and fund initial working capital.

Why: The purchase cost, useful life and timing of operating benefits need separate support.

Next: Provide the vendor quote, installation and training costs, useful-life information, and a timeline for incremental receipts and costs. Explain repayment during installation and ramp-up.

OCC and FDIC preparation context

OCC and FDIC references help identify information for the lender conversation. These are preparation prompts, not an underwriting grade, approval recommendation, compliance certification or automatic lending limit.

CLR has not established the intended lender's regulator, legal lending capacity or credit-policy thresholds. Loan amount alone does not establish an applicable regulatory maximum. No universal DSCR, leverage, liquidity, equity, collateral or loan-size cutoff is applied by this reference layer.

The issue schedule below contains the specific observations, evidence requests and references. These are information-preparation items, not credit ratings or lender decisions.

OCC and FDIC reference sources

FDIC: Commercial and Industrial Loans, Core Analysis. Core Analysis, items 9-12. October 2025; reviewed 2026-10-27.
<https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>

OCC: Commercial Loans. Examination Procedures, pp. 14-16. Narrative March 1990; procedures March 1998; reputation-risk references removed March 2025; reviewed 2026-10-27.
<https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-loans/pub-ch-commercial-loans.pdf>

OCC: Lending and Loan Portfolio Risk Management. Credit Underwriting, pp. 24-26; Appendix F, pp. 108-110. June 2026, version 1.0; reviewed 2026-10-27.
<https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/lending-loan-portfolio-risk-management/pub-ch-lending-loan-portfolio.pdf>

OCC: Role of Supervisory Guidance: Final Rule. Highlights. February 16, 2021; reviewed 2026-10-27.
<https://www.occ.gov/news-issuances/bulletins/2021/bulletin-2021-8.html>

Commercial lending readiness

Evidence-based preparation checks for cash-flow quality, financing purpose and guarantor support. Applies alongside the selected loan program. ABA educational references inform CLR's own checks; they do not establish lender thresholds or approval.

Harborview Precision Fabrication LLC: explain earnings versus available cash

Preparation status: Inputs supplied; unverified

The existing earnings bridge reconciles to the entered business cash. Distributions remain separately disclosed.

Why it matters: Positive earnings can coexist with cash absorbed by taxes, capital spending, receivables or inventory.

Next step: Retain the existing bridge and source records. Confirm the treatment of distributions and any other recurring cash uses.

Match the financing structure to its purpose

Preparation status: More information needed

Saved financing purpose: Equipment purchase. Facility: Term loan (from borrower description). Equipment useful life: not supplied; maturity: not supplied; amortization: not supplied.

Why it matters: Repayment timing should be explained in relation to collections, asset use and any maturity payment. These checks do not prescribe a facility or approve terms.

Next step: Confirm the facility and primary repayment cycle. For equipment, supply its useful life; support the requested maturity and amortization with a proposed schedule.

Maya Chen: distinguish liquidity from net worth

Preparation status: More information needed

A dated liquidity and income-scope schedule is not supplied.

Why it matters: Stated net worth is not annual income or unrestricted cash.

Next step: Add a dated personal financial statement, liquid and unavailable assets, and confirm that nonbusiness income excludes amounts already represented in business cash.

Banking education reference: ABA, Smaller Business Lending - cash-flow measures and working capital. 2023 educational presentation, slides 13-18, 57-61 and 115-122.

<https://www.aba.com/-/media/documents/training/schools/stonier/presentations/smaller-business-lending---strischek.pdf?hash=2E09FF956956BC0112C6A54A12BC79B5&rev=cf3c8c4fe5ac4d59bf659c7aec13cbec>

Banking education reference: ABA, Loan Structuring, Documentation, Pricing and Problem Loans. Public course objectives: loan structure and sources of repayment. <https://www.aba.com/training-events/online-training/loan-structuring-documentation-pricing-and-problem-loans>

Banking education reference: ABA, Analyzing Personal Financial Statements and Tax Returns. Public course objectives: liquidity, adjusted net worth and global cash flow.

<https://www.aba.com/training-events/online-training/analyzing-personal-financial-statements-and-tax-returns>

Conventional financing preparation

Preparation analysis based on saved answers, entered figures and mapped document content. Supervisory references and adapted SBA analytical methods guide evidence requests; the intended lender determines underwriting definitions, thresholds, acceptable evidence and credit decisions.

Lender criteria: The intended lender's DSCR definition/target, LTV/advance limits, contribution, collateral and guaranty requirements have not been established by this preparation analysis. Confirm the lender's documented criteria before assessing compliance.

The following issue table includes the preparation findings, specific next steps and OCC/FDIC analysis references. These references do not establish the intended lender's policy.

Supporting evidence to prepare

Debt schedule and available guarantor/affiliate support: Identify continuing debt, proposed payments, contingent obligations and which cash sources can legally and practically support this borrower.

Financial reconciliation and source locations: Use the same entity and reporting period; document adjustments and differences among statements, returns and relevant bank activity.

Contribution and external-capital evidence: Support available funds and all borrowing, seller-financing or investor

repayment terms; identify commitments and funding conditions.

Forecast assumptions and comparison with actual results: Support the operating drivers, incremental working capital, timing, ramp-up funding and downside assumptions.

Conventional analysis references

OCC, Small Business Lending:

<https://www.occ.treas.gov/topics/supervision-and-examination/credit/commercial-credit/small-business-lending.html>

FDIC, Loan Portfolio Review, Core Analysis, item 46:

<https://www.fdic.gov/resources/supervision-and-examinations/examination-policies-manual/section22-1/pc-loan-port-rev.pdf>

FDIC, Commercial and Industrial Loans, Core Analysis:

<https://www.fdic.gov/risk-management-manual-examination-policies/commercial-and-industrial-lending.pdf>

OCC Bulletin 2024-29, Commercial Lending: Refinance Risk:

<https://www.occ.treas.gov/news-issuances/bulletins/2024/bulletin-2024-29.html>