



## What drives Small Business partnerships?

Many banks lose money on small business loan and also require third-party support in multiple areas

### \$100,000 Loan Example

Loan origination	\$1,000-1,500	
Underwriting	\$1,000	
Loan review	\$100	
Operations	\$250	
Monitoring	\$500	
Compliance	\$250-500	
<b>Total</b>	<b>\$3,100-3,850</b>	
Interest Income (assume 6.25% loan)	\$6,250	
Loan cost to bank (3%)	\$3,000	
Total non-interest costs to generate loan	\$3,100-3,850	
<b>Net Income</b>	<b>(\$600) to +\$150</b>	

Note: The above does not include allocated costs or losses