

# HEALTHIER LOANS?

Dentists seeking fast cash are finding appealing alternatives to traditional lenders...

By D. Gilmore

**Florida-based Dentist, Dr. M. Smithfield, DDS, needed quick cash - and lots of it. Maxed-out credit, rising overhead and expenses threatened to shut down his practice for good...**

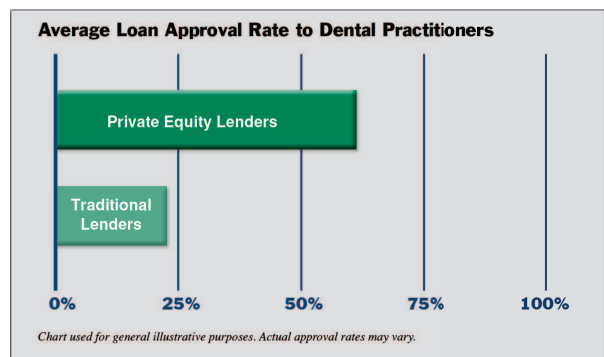
One month and four bank rejections later, Dr. M. Smithfield (name changed for privacy,) was still stuck...and frustrated.

Until he stumbled upon a private equity lender who specialized in dental funding.

Five days later, his bank account was \$85,000 richer. And he's breathing far easier.

Pick up any newspaper, from *USA Today* and *The Wall Street Journal* to your local edition: article after article reports tighter standards, tighter loans; and fading hopes of recovery as even big players like Bear Stearns crash and burn.

Dentists and other healthcare professionals are feeling the pain from all sides: the brutal credit environment, soaring expenses, taxes, credit card debt, malpractice insurance, payroll - plus rising billing defaults from their patients, as many struggle to keep their homes and heads above water.



But one bright spot is emerging: as dentists look to consolidate their debt or get a quick cash infusion, they're finding a warmer welcome from a growing funding resource: private equity firms.

## Best-Kept Secret?

Before wasting time chasing skittish banks or maxing out credit cards (which lowers your credit rating,) a private equity firm may be something for you to consider.

Dentists are often surprised to find the funds more plentiful, the process faster, and the approval rate far higher.

## Turning On the Cash Spigot?

Bankers Healthcare Group (BHG) is a prime example: this 16-year firm leads the market in unsecured funding to dentists, and unlike traditional lenders, shows no signs of turning off the cash spigot anytime soon.

According to CFO Edmund Durant, not only do most of applying dentists get approved - but they are funded \$50,000 to \$100,000 on average. (That's *without* any collateral - 100% unsecured.)

Compare that to the far stingier amounts tight-fisted banks are doling out, on top of their strict security/collateral requirements, and the first question one has to ask is *how?*

## Higher Approvals

How can private firms like BHG do what other lenders can't - or won't?

"Right now, the financials simply don't make sense for banks and traditional firms to lend," explained Durant. "But private equity firms are not as exposed to the same variables. They don't face the same pressures."

# DENTISTS FINDING HEALTHIER LOANS

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Private equity firms that cater to specialized clientele also tend to use different approval criteria than typical lenders.

BHG, for example, serves only licensed dentists and actually caters to smaller groups (less than 5 practitioners,) the ones who struggle the most for funding.

"Traditional lending formulas are not the right fit for most short-term cash flow issues dentist face," observed Durant. "With 16 years experience in healthcare, we tend to look at factors beyond just numbers. We've funded thousands of dentists in both good economies and bad. We know what's realistic for them, what questions to ask, and how to spot their potential; all details many lenders often miss. We really understand the day to day challenges they face."

## The loan no one sees

Since these loans are considered commercial loans, there's another big advantage: they do not appear on your personal credit report. So you can clear debt and strengthen your profile without jeopardizing your personal rating.

## But do your homework

Experts advise dentists to use a reputable, trusted lender and shop for a competitive package. A few things to check:

- Ask about flexibility in terms and make sure monthly payments will be comfortable.

- Make sure the loan is based on simple interest terms.

- Avoid upfront fees and application fees if possible.

It's also better to go with a direct lender that can service your loan directly, rather than dealing with a broker that will shop it to a 3rd party.

This way, you deal with the same company from start to finish. You're less likely to be shuffled around from one firm's service department to another when you have questions or need help.

## Back for more?

Apparently, once dentists get a taste of the speedier approvals and abundant cash specialized healthcare lenders like these offer, many return for more.

"Quite a few of our dentists do partner with us multiple times, maintaining an ongoing relationship," commented Durant.

"They pay down debt, shore up their cash flow, invest in new equipment, upgrade their offices - whatever they feel they need to do at that moment to breathe a bit easier or reach the next level of success."

## TIPS: what to look for

16-year firm BHG has funded thousands of practitioners and is recognized by *Inc Magazine* as one of the 500 fastest-growing companies (2005/2007). We asked president Robert Castro what dentists should ask potential lenders:

- "Do they understand your needs?"**  
Many lenders don't have a clue about the unique pressures dentists face - or what it really takes to run a practice. Try to find a lender with some healthcare lending experience: they understand the role debt plays in a practice and won't penalize you for it, as many banks/traditional lenders do.
- "Does the company answer your questions without sales pressure or hype?"**  
Reps should listen closely to your needs and explain their process. Make sure there aren't hidden "catches" like fees or add-ons. Every detail should be clear upfront with no surprises.
- "Do they do the legwork for you?"**  
There are dozens of tasks to close a loan: data research, physical inspections, document prep. Many lenders expect applicants to do the heavy lifting: which means extra time and runaround for you. Look for a lender who will handle at least some of these tasks. Just as an example, when our clients apply, they do so by phone, fax or secure website. We do all the paperwork/runaround for them and overnight the final package to them. If they approve it, the money is funded to their account 4-5 days later. They never even have to leave their office."
- "Will their service team be there for you after you sign?"**  
How long have they been in business? Do they have a team to support you from start to finish? Do they have your money ready as soon as you're approved? Many lenders are not self-funded: so you must wait while they seek funds elsewhere."

*Are you a licensed dentist that would like to explore cash flow support or debt consolidation without disrupting your personal credit?*

**BHG is extending a complimentary and confidential assessment to Practice Management Report readers. There's no obligation whatsoever. Reach a BHG specialist at: 888-600-7807.**

**BHG is also extending a one thousand dollar rebate to qualified readers who activate a loan with the firm before December 31st, 2008.**