

Seeing a franchise owner's bigger picture*

Have a client who owns a franchise and is looking to fulfill their homeownership goals? No matter your client's scenario, we're committed to finding flexible solutions that meet real-life needs.

Read how Equitable Bank delivers in the details below.

Meet "Hendrick"

Let's assume your client, Hendrick, has owned a franchise of a well-known pizza spot in Victoria, BC for the past 4 years. He and his business partner, James, purchased the restaurant just before the pandemic. Despite a small lull during the pandemic, business has taken off again.



Tip: These types of details are important to include on your application, as it helps our underwriters understand your client's business.

Hendrick and his girlfriend, Cheryl, are ready to take the step from renting to homeownership. They want to purchase a condo near Hendrick's business to reduce his commute to work.

Cheryl has been a nurse for the last 6 years and works full-time at a local hospital. Unfortunately, Cheryl has a weak FICO Score of 554, due to a messy divorce. Hendrick's FICO Score is 679 and they've both accumulated some savings over the last few years. Hendrick also has a healthy balance in his business account.

They've come to you after being declined at their local bank, due to Cheryl's low credit score and because their ratios were out of line.

Income breakdown

Cheryl earns an income of \$110k/year as a senior nurse, and works overtime.

Hendrick's business is doing well, and you collect 12 months of business bank statements and 2 years of financials to ensure you have your bases covered. After review, you calculate he grosses approx. \$307k/year. Ensure that all expenses are reasonably calculated, including rent/lease, utilities, payroll, cost of goods, royalties, etc.

Note: Unsure of how to complete our simple DOI? Check out our DOI credit scenario, so you know exactly how to complete it!

Tip: It's important to remember Hendrick co-owns the franchise with his business partner. Ensure you review this with your client and their articles of incorporation to determine the percentage your client owns.

In this case, you determine the business is owned 50/50; therefore, you can only use 50% of the income that belongs to Hendrick. This is crucial to your calculations, as it could have a significant impact on your ratios.

It's important to also note only 50% of the account balance in the business account can be considered towards the down payment, as Hendrick owns 50%. Use these figures to ensure your ratios are in line and our fulfilment team will verify the details and next steps.

With both Cheryl's and Hendrick's income, you were able to get an approval from Equitable Bank.

Now, let's fund this deal!

Select document requirements:

- Articles of incorporation or Master Business License
- 12 months business bank statements or business financials
- Signed and completed Declaration of Income form (DOI) highlighting all business expenses and business ownership
- Any additional supporting documents

Are your ratios out of line?

We have flexible options for you and your client—**reach out to your Sales Representative** to see what solutions we can offer!

Want more credit scenarios or educational resources? Check out our [Resource Library](#).

*For illustrative purposes only. Lending criteria subject to change without notice. Terms, conditions, and interest rates are subject to change without notice. Additional documentation may be requested. Additional pricing or mortgage lending criteria may apply. This information is for the intended recipient only and not for distribution without written consent. Terms, conditions, and interest rates are subject to change without notice. Additional documentation may be requested. Additional pricing or mortgage lending criteria may apply. This information is for the intended recipient only and not for distribution without written consent.

Not sure if your client's scenario will fit with us? Contact your sales representative to find out

Ready to help your clients get started?

Browse the list of resources below and get in touch with your sales representative to discuss opportunities.



[Resource Library](#)



[Approved appraisers list](#)

For more information, visit equitablebank.ca