

Manulife Business Acquisition Loan Quick Reference Card

Product	Quick Business Acquisition Loan	Standard Business Acquisition
Purpose	Borrowing to purchase an insurance/money-related book of business	Borrowing to purchase an insurance/money-related book of business
Loan type	Demand loan with fixed principal payments and amortization	Demand loan with fixed principal payments and amortization
Loan limits / Maximum loan to value	<ul style="list-style-type: none"> \$100,000 to \$250,000 Maximum 80% financing 	<ul style="list-style-type: none"> \$250,000 to \$1MM - maximum 85% financing Over \$1MM - maximum 90% financing
Interest rate	Floating Prime +2%	<ul style="list-style-type: none"> Loans between \$250,000 and \$1MM: Floating Prime +1.5% Loans \$1MM and greater: Floating Prime +1%
Amortization	Five years	<ul style="list-style-type: none"> Minimum three years Maximum ten years
Repayment terms	Monthly fixed principal plus floating interest	Monthly fixed principal plus floating interest
Prepayment	Open – no penalty	Open – no penalty
Business structure	<ul style="list-style-type: none"> Personal and corporate borrowers Applicant must hold a Manulife Securities, Managing General Agency or Manulife Independent Advisor contract Applicant and vendor business may include various insurers/companies (subject to Manulife Financial Regional VP/AVP recommendation) Applicant must be established for a minimum of five years Three years experience/history with Manulife Financial 	<ul style="list-style-type: none"> Personal and corporate borrowers Applicant must hold a Manulife Securities, Managing General Agency or Manulife Independent Advisor contract Applicant and vendor business may include various insurers/companies (subject to Manulife Financial Regional VP/AVP recommendation) Applicant must be established for a minimum of five years
Fees	<ul style="list-style-type: none"> Application: \$1,000 Annual Review: No fee Legal: Applicant is responsible for any legal costs associated with setting up the loan 	<ul style="list-style-type: none"> Application: Greater of \$1,000 or 25 bps of total loan amount Annual Review Fee: \$500 (subject to loan size) due upon each anniversary of the initial loan funding Legal/Accounting: Applicant is responsible for any legal/accounting costs associated with setting up the loan
Debt service	Not applicable (Note: Approximately \$30,000 in Manulife renewal trailer income is required for every \$100,000 in loan amount. This can be in your practice combined with the book being purchased.)	$EBITDA \div \text{All P and I payments} = \text{minimum } 120\%$
Other considerations	<ul style="list-style-type: none"> Applicant must be recommended by their Manulife Financial Regional VP/AVP for underwriting consideration Not intended for turn-around financial re-structuring purposes 	
Loan coordinators	<p>Manulife Securities & Advisory Services: Andrew Reid, Manager, Business Planning and Initiatives, Advisory Services Tel.: (519) 747-7000 x 246198 Email: andrew_reid@manulife.ca</p> <p>MGA Channel: Inside Business Development Team Tel: 1-855-518-7546 Email: banksales@manulife.ca</p>	<p>Group Retirement & Benefits Services: Inside Business Development Team Tel: 1-855-518-7546 Email: banksales@manulife.ca</p>

Application & Funding – Manulife Business Acquisition Loan

Step 1: Pre-screening and information gathering	Contact Andrew Reid (Manulife Securities / Advisory Services) or Inside Business Development Team (Group Retirement and Benefits Solutions) to discuss the proposed purchase. They will help coordinate the submission requirements to Manulife Bank. For the MGA Channel, Manulife Bank's Inside Sales Team will assist for this function. All channels will engage Manulife Bank's Business & Insurance Lending Specialists (BILS) in your area.
Step 2: Preliminary assessment	Complete the Manulife Business Acquisition Loan Application (AB0558E). Your Business Acquisition Loan coordinator can answer any questions you may have and submit your application to your BILS. Upon receipt of your application Manulife Bank will conduct a preliminary review and, if the initial information provided is acceptable, a Discussion Paper will be issued.
Step 3: Underwriting	<p>Upon receipt of the Discussion Paper, you will be asked to return the signed Discussion Paper, Arrangement Fee and the following financial information to Manulife Bank as outlined in the Discussion Paper. (Note: For the Quick Loan Program some of the items below may not be requested.)</p> <p>Personal application:</p> <ul style="list-style-type: none"> • Most recent two years T1 General income tax returns and Notice of Assessments • Details of block being purchased • Purchase and Sale Agreement • Two years and YTD Manulife Financial Producer Statements <p>Corporate application:</p> <ul style="list-style-type: none"> • Most recent two years accountant-prepared Corporate Financial Statements • Business Identification Number • Description of officers, directors and shareholders • Details of book of business being purchased • Most recent two years T1 General income tax returns and Notice of Assessments • Purchase and Sale Agreement • Two years and YTD Manulife Financial Producer Statements
Step 4: Commitment Letter	Upon approval from Manulife Bank and Manulife Financial Distribution, the Bank will issue you a Commitment Letter.
Step 5: Loan funding	When the final documents (signed Commitment Letter, required security documentation, Solicitor's Opinion Letter, necessary assignments, etc.) are in good order, your loan may be advanced.

There are many factors that can impact the time required to complete a Standard Business Acquisition Loan financing request, including the complexity of the proposed arrangement and coordination of solicitor efforts. In most cases, the loan may be advanced approximately six weeks from the date your application was submitted to Manulife Bank. The Quick Loan Program may take faster.

Rates and fees are subject to change.

For more information, please visit manulife.ca/advisors/banking.html



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