

Lending Insights

Commercial & Industrial (“C&I”) Loans

C&I Loans Are Utilized for Non-Real Estate Business Lending Purposes

Leveraging the **Creative Planning Loan Marketplace**, powered by *Community Capital*, the CP Lending Team team can help clients find C&I financing for their businesses needs

C&I LOAN TERMS	
Variable	Typical Terms
\$ Amounts	\$250,000 and up
Interest Rate Type	Floating Rate
Base Interest Rate	Prime or SOFR
Loan Type	Term Loan or Line of Credit
Collateral	All or specified corporate assets
Loan Term	12 months to 7 years+
Loan-to-Value	75% or less
Debt Service Coverage Ratio	1.25x or higher
Personal Guaranties	Typically required of owners
Loan Fees	Vary by lender, typically 1% + closing costs

A C&I loan is any type of loan made to a business or corporation and not to an individual. Commercial and Industrial loans can be made in order to provide either working capital or to finance major capital expenditures such as purchasing equipment. C&I loans are different from commercial real estate loans (“CRE”), which are mortgage loans used for commercial property finance.

Typically, C&I loans have variable interest rates and are backed by collateral. Per the Federal Reserve of St. Louis, businesses and corporations in the United States had more than \$2.48 trillion in C&I loans outstanding as of February of 2022.

If you are working with a client who has a need for a C&I Loan, the Creative Planning Lending Team can help.

[Key Questions For Clients Interested in C&I Lending](#)

- Does the client have experience with C&I Lending?
- What is the C&I loan purpose?
- What is the requested C&I loan amount?
- What is the client’s timeline for loan closing?
- Does the client have an existing bank relationship?
- Does the client need help pulling together an underwriting package to share with a potential lender?

[Typical Lender C&I Loan Underwriting Needs](#)

- 3-years of financial statements for the company
- Personal financial statement for the guarantor(s)
- 3-years of tax returns for the guarantor(s) (incl. K-1s)
- Information on assets to be financed
- Corporate Articles of Incorporate & By-laws

For more information about the **Loan Marketplace**, powered by *Community Capital*, please contact:

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