PPCLOAN™

# Banker Insight

There are two ways the cash flow for an Allstate agency is typically calculated:

A) Projected overhead expenses as well as the prospective Borrower's wage requirement (how much income they need for personal expenses) are subtracted from agency revenues which results in funds available to service the debt payment. This figure is then used to evaluate a level of debt which the agency can support.

B) Projected overhead expenses and the debt service resulting from the desired loan amount are subtracted from agency revenues which results in an income for the Borrower. The resulting income may or may not be sufficient to meet the Borrower's living needs.

PPCLOAN uses method "A" as it allows for a realistic estimation of the agent's wage requirement while method "B" can often pinch the Borrower's personal income to provide the Seller with their desired purchase price.