



Creating Effective Project Financing Documentation

The following are suggested guidelines only. They offer tips on creating highly effective project financing documentation that will grab attention, make PFA's job easier, and expedite your financing request.

Please keep in mind that you are competing for financing. PFA, as well as other sources of lending and capital, receive multiple requests. You need to be sure that your request stands out. You also need to be sure that it makes a convincing case for why your project should be financed as opposed to the other worthwhile projects whose applications are competing with yours.

The substance of your application is critical. That is what will make your application successful ... or not. But presentation is equally critical.

Presentation can make the difference between having one of PFA's reviewers (or any reviewer) want to read your application, rather than another application, and more: to be engaged by and engrossed in your application, and come away impressed, ready to make a positive decision.

Thus, you need to be sure your application excels in both substance and presentation.

1. Please: review your financial documents and presentation materials prior to submission to:

- Avoid the [40 Mistakes that Will Kill an Application](#)
- Look for ways in which you can improve the clarity, impact, ease of use, and the ways in which your information is presented
- Sharpen focus: ensure that the narratives and application elements (tables, illustration, references, quotes, etc.) are appropriate to your financing request and do not include extraneous or distracting information
- Ensure your documents will help, not impede or reduce, your chances of success.

2. Be sure to:

- Include the table from PFA's online [Financing Request](#) at the beginning of your Introductory Business Plan and Full Business Plan
- Ensure the required materials to meet [PFA's Loan Application Requirements](#) are complete and ready for submission
- Ensure as well that the documents that do not need to be submitted with your initial application, but which will be required for PFA's loan underwriting and due diligence, are readily available on request

Don't assume PFA's reviewers know your business or industry, or will understand "shop talk" or any acronyms



- Assume they are 10th graders
- Provide information in a way that a 10th grader will understand, breaking it out in easy-to-absorb, easy-to-digest chunks
- Avoid the temptation to provide masses of dense detail all in one dose
- Your request will be judged on the detail you provide
- But that information needs to be easy to absorb
- **Remember that PFA's reviewers have a stack of other loan requests to review;** if they lose their way in trying to figure yours out, get bogged down in extraneous detail, or can't figure something out, they will put your loan request aside and go to another one
- Use descriptions, tables, illustrations, and graphics to capture interest, present key details quickly and succinctly, and lead PFA's reviewers through a logical sequence of steps, with one step building on the other, to add detail, context, and amplification
- Ensure your application documents are clean and simple, well organized, tell a compelling story, and will grab – and hold – the attention of PFA's reviewers

Objectives:

1. Ensure:

- Your materials speak directly to PFA's reviewers in language they understand, providing the information they expect to see, in the order they expect to see it, and contributing to a positive decision, thus:
 - ✓ The materials should be designed to engage the reviewers and imprint key "take aways" in their memories
- The materials should follow PFA's requirements, and the points outlined below to leave a lasting, positive impression on PFA's reviewers

2. PFA's review will be greatly aided by if you ensure that:

- The materials adequately address your financing request's objectives and needs
- The materials satisfy all PFA requirements
- The materials have a consistent format and theme throughout that tie them together, that complement the information and data being relayed, and distinguish the documents from the crowd of other financing requests and documents that PFA's reviewers see day in and day out
- The theme/format uses color effectively and subtly; includes headlines, taglines, small blocks of text, text boxes, photographs, illustrations, infographics, and other subtle, tasteful typographic and graphic devices to break up text, highlight numbers, and lead the reviewers' eyes to key elements of the presentation in a logical, one-at-a-time, easy-to-understand sequence
- White space is used effectively to avoid clutter, font sizes are easy to read, and key "take away" points stand out



- Information is broken out into easy-to-absorb, easy-to-digest chunks
- The materials do not have any “stop signs” – pages or slides filled with small, dense blocks of text (with paragraphs 10 lines or more in length), hard-to-see graphics and illustrations, and columns of text competing for attention with no clear visual signals to lead the reviewer from one data point to another
- The materials stand out, pulling the reviewer in at first glance, saying “read me,” grabbing attention at the onset and holding attention throughout
- The materials are written with their audience in mind (PFA’s reviewers who are assessing your financing request in comparison to others), presented from the point of view of a borrower who understands how lenders and investors think; i.e., information and data is relayed in a “I know what you are looking for and here it is” manner, rather than as a company vision statement or flowery sales pitch
- The materials avoid the trap of overwhelming reviewers with too much information (less is more) and, instead, present information in “layers,” leading from simple to more complex, with “off ramps,” options to obtain additional details on specific points of interest, and “hooks” to make PFA’s reviewers crave more and lead them to the next step
- The materials include stories, analogies, visuals, examples, and repetition of key take-away points (but not too much repetition) to help embed your message in the reviewers’ mind
- The materials recognize that the reviewer:
 - ✓ has limited time and a short attention span and is bombarded with competing applications and demands for his or her attention
 - ✓ will, on average, only remember 50% of your message after reading your application, which will drop to 25% by the next day, and 10% a week later
 - ✓ may not make a decision immediately, but a week or several weeks after reviewing your submission
- The materials include key “take away” points that are designed to stand out in the reviewers’ memory long after your application has been reviewed
- Adequate background information and data is available to provide satisfactory answers to key questions that PFA is likely to ask

3. If requested, PFA’s Project Financing Documentation Team can assist in preparing you project financing documents

- One advantage of retaining PFA’s project financing documentation team, if only to review and adjust or suggest adjustments to the documentation you have prepared, is that PFA’s team has developed and excels at meeting all PFA requirements
- PFA’s team also prepares project financing documentation in the exact way that PFA reviewers prefer, thus greatly eliminating the risk of a rejection based on not following PFA’s guidance and requirements.
- For more information, email info@pfa.llc