



LIVE OAK BANK

Lending More than Capital

Live Oak Bank Launches New Inventory Growth Loan™ for Cemeteries

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WILMINGTON, N.C., March 06, 2018 (GLOBE NEWSWIRE) -- Live Oak Bank (Live Oak), which specializes in funeral home and cemetery lending, has launched a new conventional loan product called the Inventory Growth Loan™. This innovative product allows ceterierians nationwide to expand their mausolea and columbaria inventory faster and more securely. It's also ideal for funeral homes seeking to add a memorial garden or columbarium. The Inventory Growth Loan™ is specifically designed to function within the cash flow cycles and market demands for cemeteries while providing adequate cash flow to support existing operations.

"We believe that the Inventory Growth Loan™ is an absolute game-changer for the funeral home and cemetery profession. It provides cemetery owners with the flexible financing needed to confidently move forward with valuable inventory construction projects," said Tim Bridgers, Live Oak Bank general manager of funeral home and cemetery lending. "Our team has been deeply dedicated to helping the funeral home and cemetery profession grow for many years, and this loan product is a prime example of that level of commitment. By simply listening to our existing borrowers and collaborating with key industry partners, we were able to identify a void in the cemetery marketplace and offer a unique solution that can improve financial performance."

Typically, cemetery owners are required to leverage pre-sell plans for mausolea and columbaria construction projects to begin. While the pre-selling strategy will remain a reasonable approach to adding new inventory, it is a longer and more complex process for business owners. Crypts and other spaces that have yet to be built are harder to sell than mausolea and columbaria that are already finished and can be seen and touched by customers.

By recognizing the cyclical nature of inventory sales, the Inventory Growth Loan™ places less strain on cash flow when sales are low and encourages a more aggressive principal pay-down when sales are high. This shortens the average life of the loan because the cemetery owner is paying down the loan's principle faster. A faster loan pay-off creates higher remaining inventory value and helps increase the business's cash flow for further expansion.

With the launch of this new product, Live Oak enters into the cemetery profession for the first time. Having been a market leader in funeral home lending since 2012, this exciting growth is a pivotal moment for one of the nation's top small business banks. "This product is going to positively disrupt the cemetery marketplace, and allow business owners access to the financing they need to grow faster and more securely," said Bridgers. "While remaining committed to our existing funeral home business, we intend to continue offering innovative products, services and business education that are specialized for ceterierians and will help all funeral home and cemetery business owners reach their goals."

To learn more about the Inventory Growth Loan™ or Live Oak's expansion in the cemetery profession, visit liveoakbank.com/inventorygrowth.

About Live Oak Bank

Live Oak Bank, a subsidiary of Live Oak Bancshares, Inc. (NASDAQ:LOB), is a digitally focused, FDIC-insured bank serving customers across the country. Live Oak brings efficiency and excellence to the banking process, without branches, by using a focused approach to technology and innovation. To learn more, visit www.liveoakbank.com.

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