

The contractor wants a deposit this week. Your SBA loan chandlernews.com is still moving through underwriting, approval, or closing. That mismatch can put a restaurant owner in a tough spot: pay on time and protect the buildout schedule, or wait and risk losing a slot, a price, or the lease's opening timeline.

This is a classic **SBA timing gap**. It does not necessarily mean your loan is in trouble. It means a bill is due before the expected loan proceeds are available. The right response is to confirm exactly where the SBA loan stands, negotiate the deposit terms, and compare any **buildout deposit funding** against the cost and risk of a delay.

For Mesa, Scottsdale, and Tempe operators, the details matter: the contractor's payment schedule, landlord requirements, equipment lead times, and whether the proposed financing adds a personal guarantee or puts an asset at risk. Here is a practical way to assess your options.

First, find out what "SBA clears" actually means

"The SBA is almost done" is not a funding date. Ask your lender to identify the stage your application has reached and what remains before funds can be disbursed. Depending on the loan and lender, the remaining steps might include final underwriting conditions, SBA authorization, appraisal or insurance documents, lien searches, entity paperwork, closing documents, or satisfaction of an equity-injection requirement.

Ask for a written status update and a realistic estimate—not a promise. In particular, ask:

- What conditions remain before closing?
- Who is responsible for each condition, and when can they complete it?
- When does the lender expect to close, and when could funds actually be available?
- Can the lender fund the buildout deposit directly, or does the money have to go through a particular process?
- Would paying this deposit from another source affect the SBA loan's documented use of funds or required equity injection?

What it means for payroll: A loan that has not closed is not cash you can reliably use to make next week's payroll or contractor payment.

Do not borrow or pay the deposit assuming the SBA lender will reimburse you later. Get the lender's answer in writing first. A payment made before closing may need special documentation, and the lender may not treat it the way you expect.

Negotiate the deposit before taking expensive money

Your first financing conversation should be with the contractor. A deposit schedule is often negotiable, especially when the owner can show evidence of a pending loan and a defined payment date. Ask whether the contractor will accept a smaller initial deposit, split the deposit into milestones, or defer part of it until materials are ordered or work begins.

Consider proposing a schedule tied to verifiable events—for example, a smaller amount to reserve the start date, another payment when specified materials are ordered, and later draws after documented work. Put the revised terms in a signed change order or contract amendment. Spell out what the deposit covers, whether it is refundable, and what happens if the lender's closing date slips.

Also speak with the landlord. If the buildout is needed to meet a lease deadline, ask whether the landlord can extend the deadline, coordinate tenant-improvement funds, or approve a revised construction schedule. A short

written extension may cost less than borrowing for a deposit.

Compare the choices for buildout deposit funding

There is no universal best option. Compare the total cost and the consequence of being late—not just the advertised rate. Short-term bridge financing may preserve a contractor’s schedule, but it can be a poor fit if repayment depends on an SBA closing date that is uncertain.

Option Potential advantage Questions and risks Negotiate the contractor or landlord schedule May reduce or eliminate the immediate cash need. Will the revised dates be documented? Could the contractor charge for a delay or release the start date? Business cash reserves No new lender or collateral requirement. Will paying the deposit leave enough cash for payroll, rent, insurance, and opening costs? Vendor or equipment financing Can match financing to a particular purchase or invoice. Check fees, liens, personal guarantees, prepayment terms, and whether the vendor’s offer is more expensive than it appears. Business line of credit Can cover a temporary working-capital need if already approved and available. Confirm the draw period, rate, fees, repayment schedule, and whether the lender can restrict use or availability. Short-term bridge financing May provide a defined lump sum against an asset or other repayment source. Cost, payoff deadline, collateral exposure, and a personal guarantee can make it risky if SBA funding is delayed. Credit cards or personal borrowing May be accessible for a limited amount. Rates and fees can be high, and personal credit or household assets may be exposed.

What it means for payroll: If the deposit drains the cash you need to pay staff and cover opening expenses, the project may be funded while the business itself runs short.

How short-term bridge financing works

Short-term bridge financing is borrowing intended to cover a temporary gap until another source of cash arrives or an asset is sold. The lender may underwrite the borrower’s credit and cash flow, take a lien on business assets, lend against a financial asset, or accept another form of collateral. Some lenders use more than one repayment source.

Before signing, ask for the complete repayment amount in dollars, the due date, all origination and administrative fees, any minimum-interest charge, late fees, and the cost of paying early. Ask what happens if the SBA loan closes later than expected—or does not close. A bridge loan that is affordable for 30 days may become costly if it rolls over or requires a balloon payment.

Review the security agreement and guarantee language carefully. A **personal guarantee** generally means the lender may pursue you personally if the business does not repay, subject to the contract and applicable law. A collateral lien can give the lender rights in specified property after default. Do not assume “asset-backed” means there is no personal guarantee; ask the lender directly whether you are signing one, and request the answer in writing.



If the SBA lender has conditions about additional debt, liens, or changes in the business's financial position, disclose the proposed bridge loan before accepting it. Ask whether it affects closing, the required equity injection, or the SBA loan's terms. An undisclosed obligation can create problems precisely when you are trying to close.

Could a Rolex help cover the gap?

Some owners consider borrowing against a personally owned Rolex rather than putting a lien on restaurant equipment or taking an unsecured loan. A collateral-based watch loan can work by having a lender evaluate the watch, agree on a loan amount, document the transaction, and hold the watch as collateral. If you repay according to the contract, the lender returns it; if you default, the lender may have the right to take or sell it under the agreement and applicable law.

That option is not the same as selling the watch, and the loan amount is not simply its retail price. The lender may account for the model, condition, completeness, authenticity, current resale demand, expected selling costs, and the time needed to liquidate it. The amount offered can be lower than a seller might hope to receive in a private sale. Confirm whether the lender charges storage, insurance, appraisal, or other fees, and how it handles a missed payment or extension request.



Check secondary-market pricing, but do not treat it as a guaranteed offer

Secondary-market pricing data is tracked publicly across watch marketplaces, auction results, and industry price-tracking services. Use those records to compare recent asking prices and, where available, completed sales for the same model and reference. Check whether the examples match your watch's year, condition, dial, bracelet, box and papers, and service history. Asking prices are not the same as confirmed sale prices, and a public index may not reflect the amount a lender can recover after fees and a quick liquidation.

For an important collateral decision, request an in-person inspection and **watch authentication by a qualified specialist**. Ask what credentials or relevant experience the specialist has, what the inspection covers, and whether the lender relies on an independent specialist or its own evaluator. Authentication and valuation are different tasks: confirming that a watch is genuine does not establish its current resale value.

What it means for payroll: A watch-backed loan can turn an illiquid personal asset into temporary cash, but the repayment deadline still has to fit the restaurant's cash needs.

Before using a family or personal asset, decide what losing it would mean to you. Compare the loan's net proceeds and full payoff amount with the amount you actually need for the deposit. Avoid borrowing more than the gap just because the lender offers more.

Build a repayment plan that survives a delay

The most dangerous assumption in a bridge deal is that the SBA money will arrive on a particular date. Make a downside plan using a later date, or a scenario where the SBA lender requires more documentation. Identify what cash will repay the bridge loan if the expected proceeds do not arrive on time.

1. **Calculate the minimum gap.** Subtract cash you can safely use from the deposit due, while preserving a reserve for payroll, rent, utilities, insurance, and opening costs.
2. **Confirm the payment date.** Get the contractor's deadline and consequences for missing it in writing.
3. **Get the bridge terms in dollars.** Record net proceeds, total payoff, due date, fees, collateral, and guarantee obligations.
4. **Check the SBA impact.** Give your SBA lender the proposed financing terms and get written confirmation about any closing or use-of-funds implications.

5. **Set a fallback.** Decide what you will do if SBA proceeds are late: negotiate an extension, use another identified source, or reduce or defer the work.

Red flags to watch for

- A lender or broker promises approval or funding without a specific, documented timeline.
- The lender will not disclose the total payoff amount or explain how fees accrue.
- You are pressured to sign before you can review the collateral documents or personal-guarantee language.
- The repayment plan works only if the SBA loan closes on an assumed date.
- You would have to use payroll, sales tax, rent, or other committed operating cash to make the deposit.
- A watch valuation relies on retail price or asking prices without a qualified inspection and comparable secondary-market evidence.

A practical next step

Ask the SBA lender for a written closing-status update today. At the same time, ask the contractor for a deposit split or short extension and get the revised terms documented. If a remaining gap still threatens the buildout, compare a business line, vendor financing, and collateral-based bridge financing by net proceeds, full repayment cost, deadline, collateral, and personal guarantee—not by the headline payment alone.

Bridge financing can be useful when a real, temporary cash-flow mismatch threatens a project. It is not a substitute for a repayment plan. Before pledging a Rolex or other valuable asset, verify the watch with a qualified specialist, compare relevant public secondary-market pricing data, read the collateral agreement, and make sure the restaurant can meet its obligations even if the SBA timeline moves.