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New capital to spur growth

By Advocate Staff

Rifco Inc. has positioned itself for growth by accessing a new source of capital for its loan business.

The Red Deer-based company, which provides non-prime loans for auto purchases through its subsidiary, Repair Industry Finance Corp., announced on Tuesday that it has negotiated a \$30-million securitization facility with a Canadian chartered bank. It said in a news release that the facility will be used to fund loan receivables, and will allow the company to "pursue more robust growth objectives."

Rifco already had a securitization facility, which was also authorized for \$30 million. It said multiple funding options is a prudent business measure, and that both facilities will be used.

Securitization is the process through which loan receivables are sold into special purpose trust entities, which in turn generates cash for new loans. In Rifco's case, it continues to service the loan contracts.

Rifco provides non-traditional auto loans through a network of new and used vehicle dealers, with these located in all provinces except Saskatchewan and Quebec.

The company's annual shareholders' meeting is scheduled for next Wednesday at 3 p.m. at the Red Deer Lodge.