



Betty Hernandez: Leading SFNet with Vision and Dedication

BY EILEEN WUBBE

Betty Hernandez, executive vice president and chief credit officer, SLR Business Credit, and incoming SFNet president, shares her career journey and extensive involvement with SFNet. She discusses her priorities as SFNet president and vision for the future of the secured finance industry.

Congratulations on becoming SFNet's incoming president! Before we dive in, can you provide our readers with a background on your career?

After graduating from Rutgers University, I started my career in a credit training program in New Jersey at First Fidelity Bank, a mid-sized regional bank. After nine months of classroom training, I was rotated through various departments to support lenders as an underwriter. There I was exposed to many different types of lending facilities and borrowers including non-profits, wholesalers, distributors, real estate and leasing. In July 1990, at the end of the two-year program, I was placed in the bank's asset-based lending department. This department was headed by Ted Kompka, with Jeff Goldrich, Dan Tortoriello and Mike Coiley as team leaders. My role was account executive, but before I was given accounts to handle, Ted wanted me to get field exam experience. I was sent out with various field examiners under the tutelage of Ira Wolfe, the audit manager. I audited staffing companies as well as manufacturers and distributors prior to becoming an account executive.

In 1995, Ted and Jeff had an opportunity to leave First Fidelity (which was soon to become First Union and now Wells Fargo) to start up an independent finance company called Business Alliance Capital Corp. (BACC). I vividly remember Jeff's farewell speech, as he had just turned 40 and I was about to have my second child. He discussed turning 40, leaving a stable bank job to start up a new independent finance company with no borrowers day 1. I, too, had no idea what the future would hold as everything had been changing so rapidly.

After working briefly at PNC Business Credit, I re-joined my former colleagues at BACC as an underwriter. In 2005 BACC was sold to Sovereign Bank (later to become Santander Bank). Eventually Santander decided to exit the BACC portfolio, and I became a team leader in their workout department working for Tony Cortese and later Mike Maiorino. In 2010 Jeff and Dan had successfully raised equity and had obtained a leverage facility to re-start on their own again. I joined them, and a few others, to co-found North Mill Capital LLC and serve as the firm's chief credit officer.

In 2017, we were acquired by SLR Investment Corp. (Nasdaq: SLRC). We were later re-branded to SLR Business Corp., and thanks to the support provided by our parent company, we've been able to grow our portfolio exponentially. In 2010, when we started, we had 16 loans with \$19 million outstanding. Today, as a result of six acquisitions and organic growth, we have over 150 borrowers and \$1 billion in credit facilities under management. I am responsible for credit quality and the performance of the portfolio. I oversee all new fundings. I enjoy meeting with customers face to face and touring their facilities. I really enjoy the team and culture we have built. I am very fortunate to have been working with my mentors and friends for over 35 years.

How have you been involved with SFNet over the years?

Ted Kompka first introduced me to SFNet, then known as CFA, in 1990. He and Jeff encouraged me to join the SFNet New Jersey Chapter board. There I became treasurer and moved up the ranks

to become the president of the SFNet New Jersey Chapter in 2004. Ted had asked me to participate in a first ever pilot program called Earning the Right to Lead in Roseville, IL. It was one of the first times I had traveled for work. There I met other up-and-coming leaders.

Next, Ted asked me to join the Needs and Analysis Committee. That was my first real exposure to other SFNet directors besides Ted. In 2015 I was asked to be on the search committee to replace the outgoing SFNet CEO. I was also asked to be on the Executive Committee and served one year before the committee was restructured into the 14- committee member structure we have today. The years I was not on the Executive Committee I still remained active volunteering in various capacities.

Through the World Bank Project, I was asked to travel to Bogota, Colombia, Mexico City, Mexico and Lagos, Nigeria where I was part of a group that taught local lenders the basics of asset-based lending. The lessons in Colombia and Mexico were especially challenging as I had to brush up on my Spanish business terms. Although I'm a native speaker, words like "yield" and "advance rates" were not something I used in my familial conversations. I was vice chair and then chaired the Chapters Committee.

In 2020 I received a call from SFNet CEO Rich Gumbrecht to become the first ever chair of the Diversity, Equity and Inclusion Committee on the SFNet Executive Committee. This was a new challenge as it was different than the other committees that comprise the Executive Committee. As chair, I was committed to educating members on what DEI means. We held various webinars, started a library of related articles for reference, and conducted our first DEI survey. After chairing this Committee for two years, I was asked to join the Management Committee. I'm a member of the Women in Secured Finance Committee, was a judge and chair of the 40 Under 40 Awards, and have been a judge and am this year's chair of the Impact Awards Committee. I've been a mentor in the SFNet Mentoring program and a guest lecturer at various colleges introducing the secured lending industry as a career to college students.

What are some memorable experiences you have had through your involvement with SFNet?

One of my most memorable experiences was when I traveled on behalf of the SFNet for the World Bank program. When I was in Lagos, Nigeria with Rob Katz, teaching the fundamentals of asset-based lending, we discussed our lending "war stories." We were not from the same backgrounds, but at the end of the day, we are all lenders facing similar risks.

What does the role of SFNet president mean to you personally and professionally?

Personally, I am a first-generation college graduate and youngest daughter of Cuban immigrants. When I became involved in our industry association, I never thought that one day I could become its president. I simply gave back to an industry that gave me many career opportunities and mentors. My becoming president is proof, both to myself and my team members, that anything can be

achieved through hard work and dedication.

What are your top priorities as SFNet president?

There are so many areas to focus on, it is difficult to pinpoint just one. However, since my interaction with SFNet began at the chapter level, I think it's important to continue to strengthen the chapters and their relevance to our industry. Without the chapters our reach would be somewhat limited. The 18 chapters are the "boots on the ground" who do the networking and convening needed for SFNet to be the thought leader of the secured finance industry, which is what we strive to be. Additionally, we need to continue to be at the forefront of the daily market challenges we are all facing. Those range from the ever-changing government regulations and loan recovery rates that directly affect us to tariffs that can impact our borrowers and indirectly us.

We need to expand our reach to include previously untapped allies in our ecosystem to fulfill our vision of continued business and economic growth for our members. For example, with the expanding presence of private credit managers in our marketplace, SFNet has identified private credit providers' role and we are trying to engage these players to help them see the value SFNet can bring to them. At our Annual Convention this year we will be holding a Capital Connections session on November 12th focused on private credit, private capital, and the evolution of private credit.

Finally, I would be remiss if I didn't mention "AI" and how it could impact our industry. For the last few years, we have been hearing different examples of how AI technology has improved scalability. Our Data Committee's Tech Taskforce will continue to focus on AI and automation efforts in our industry.

How do you hope to build on the initiatives of past SFNet presidents?

I hope to continue the efforts started by previous presidents like Jennifer Palmer, who began relationships with trade associations such as the International Housewares Association. These efforts have continued under Barry Bobrow and Rob Meyers through an Alliance Partner Program with such industries as distilled spirits, bakeries and packaging. I hope to continue these efforts and expand them to other relevant industries as this will directly benefit our members and those of our partners.



Through the World Bank Project, Betty Hernandez (pictured, front row) traveled to Lagos, Nigeria, where she was part of a group that taught local lenders the basics of ABL.

What challenges and opportunities do you see for the industry and SFNet in 2026?

I think our industry is faced with many challenges. The cost of handling accounts and closing deals has increased. Professional fees have also increased, and we've had to pass those costs along to our borrowers. The future of interest rates has always been difficult to discern, but seems even more unpredictable currently. At first our borrowers were shocked by the increased tariffs, then there were delays in implementation, and then once again the tariffs were on the table. I would say that most borrowers at this point have found a way to manage the potential for tariffs by either absorbing a portion of the increase, passing the higher costs onto their customers or a combination thereof. Nonetheless, the certainty of these tariffs sticking is yet to be seen and it seems as if nothing is certain. However, we have always been an all-weather industry that finds opportunities where others don't. SFNet has resources to help us grow and thrive in any environment and that's what excites me most about this role.

When you're not busy at SLR Business Credit or volunteering with SFNet, what can you be found doing?

When I'm not working, I like to travel with my husband. I have two children and two stepchildren. We have four grandchildren and two upcoming nuptials for our youngest children. I enjoy going to the beach, spending time with the family, cooking, and being with my Maltese dog, Star. 🐕

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