

## The story behind the \$3.6M loan that helped Yankee Trails survive the pandemic



Stephen Tobin, president of Yankee Trails, at the company's Rensselaer headquarters.

DONNA ABBOTT-VLAHOS | ALBANY BUSINESS REVIEW



By [Chelsea Diana](#) - Reporter, Albany Business Review

Nov 18, 2021, 2:16pm EST

Stephen Tobin is feeling some relief for the first time in nearly 20 months.

Yankee Trails — the business, started by his father, that Tobin runs and owns with six siblings — is chartering bus tours and booking cruises again after a grueling and uncertain time during the worst of the Covid-19 pandemic.

The business is expecting revenues in 2021 to be about 75% of 2019 revenues, up from significantly from 2020 when much of the business disappeared overnight due to pandemic shutdowns. He's expecting revenues to match 2019 — the company's best year ever — in 2022. Tobin said they couldn't have done it without refinancing a loan with Pioneer Bank through the Main Street Lending Program.

"I was actually standing in a room of about 75 drive bus drivers in March of 2020, and we had just given them a 15% raise. Our insurance company was there. We're giving away flat-screen TVs, we're giving away free cruises," Tobin said. "Within 24 hours, it was over. I mean the phone stopped ringing."

Days later, much of Yankee Trails business was shut down and the company had to furlough about 80 employees for what they thought was going to be two weeks.

"And then two weeks became three weeks and three weeks became four weeks. And then it just got uglier and uglier," Tobin said. "It was a scary time. We only sell two products, basically buses and cruises, and it was illegal to ride on both of them."

The company talked with its banker, Carlo Fusco, who was previously at JPMorgan Chase, every week to check in. Loans were deferred, they were able to limit cash burn and Yankee Trails received Paycheck Protection Program money. But Tobin said it was a struggle to convince a larger bank to make a bet on the 60-year-old company with more money going out than in.

"We became a cancellation company. That's all we did was just give back millions of dollars of customer deposits that we had on our budget for future travel," Tobin said. "We just needed to find a partner that understood who we were, you know, for 60 years prior to the moment we are now."

When Fusco took a job at Pioneer Bank last fall, it opened up an opportunity for Yankee Trails because of their years-long relationship. The company was able to take advantage of the Main Street Lending Program, which allowed it to refinance its debt with Pioneer on better terms. The loan needed to be refinanced through a new banking relationship to be eligible for the program.

Yankee Trails closed on the \$3.6 million loan with Pioneer Bank on Dec. 20, 2020, days before the program was set to expire.

Fusco said in the first year, all payments, principal and interest, are deferred. The second year, you only have to pay interest.

The Federal Reserve's Main Street Lending Program was designed to provide emergency support to mid-sized businesses during the pandemic. It did so by allowing banks to sell the government 95% of every credit extended. But the program wasn't as popular as some of the other government support programs created to help businesses get through the worst of the pandemic.

Pioneer Bank's chief banking officer, Jesse Tomczak said Pioneer Bank completed six Main Street loans for \$12.7 million.

"What I'm proud of is the ability for us to turn around a loan for a new customer during a pandemic in 30 days. It doesn't happen," Tomczak said. "But we were able to pull that together because of the confidence we had in Yankee Trails and understanding where they are because of Carlos' relationship with them for many years."

Tobin said it was a turning point for the company.

"It was as if the government gods put together [the Main Street Lending Program] for me. We were the exact company that needed it," Tobin said. "Heavy on capital, and we just needed time to help us out. Pioneer was quick and nimble enough to say, 'Yup, we know you guys, we trust you guys. This is a perfect fit for all of us.'"

Then it became a waiting game for Yankee Trails until the vaccine got out to a larger part of the population. The company has shifted in the last year to require vaccinations for all trips, and most cruises require PCR tests too. It's installed new air filtration systems in its 55 buses and bought fogging machines to clean buses between trips.

Tobin said Yankee Trails made other adjustments as well, including sending 12 buses to Florida where there were fewer Covid-19 restrictions.

The company has expanded its marketing team too, including hiring Haley Moffatt, who started as a social media specialist and will be in an influencer-type role for the company going on tours and cruises and posting to the company's social channels. The goal is to attract a younger clientele and younger families.

The biggest obstacle to matching 2019 revenue in 2022, Tobin said, is lingering fear of the pandemic.

"It's fear to travel. That's what we're facing," Tobin said. "Overcoming that fear is a big thing that we all have to go through, but we need that to happen for us to be successful. And I think it's just educating the public about things we're doing on the bus and the venues that we're taking you to about the protocols that they're going through to make it a safe and enjoyable experience."