



CREDIT SUITE FUNDING GUIDE

Unsecured Credit Lines/Cards

Description:

A true EIN driven credit lines from A rated banks. Establishes instant business credit by using any officer of a company's personal credit history to expand worthiness directly to the company. This is not a working capital line of credit through an existing partnered bank. This program is designed to divorce a company owner's personal credit risk from his or hers company's. Credit lines that belong to the company's EIN not the owner's SSN.

Submission:

Requires Credit Monitoring Service that has ALL 3 bureaus (creditchecktotal.com, Equifax.com etc.)

Completed 3 page application to include the URL, username, and password (on page 3)

Once received and reviewed a consult call will be scheduled directly with the processor

If your client is a Direct Funding Client:

Build your client in the portal as a DF client and attach files and/or email documents to funding@businessfinancesuite.com

Once legible and completed documents are received the file is reviewed by a Finance officer and you will be contacted within 24 hours to discuss findings and all options available to client.

Minimum Requirements for submission:

Minimum credit score of 700

No more than one (1) delinquency in previous six (6) months, no more than two (2)

Unsecured Credit Lines

in previous twelve(12) months

No paid collections in previous three (3) months, no more than one (1) in previous six (6) months

No bankruptcies on the credit report whatsoever

No open (unpaid) collections, liens, or judgments

No more than five (5) new accounts opened in previous twelve (12) months

Preferably no closed accounts with unpaid balances

No more than four (4) inquiries per bureau (preferably no more than two (2) inq. per bureau)

Must have minimum of 5 years history in credit bureau

Must have minimum of two (2) open revolving accounts of \$5,000 or higher, or one (1) of \$10,000 or higher –guarantor cannot be the authorized user on these minimum qualifications

Utilization cannot exceed 45% in total—individual lines that exceed 45% can/will also impact funding

Additional notes:

This program has a 9% success fee on all established credit lines. The fee will be billed upon issuance of the credit line and paid by that credit line.

Although each bank has different guidelines, generally credit lines come with a 0% APR for the first 6-12 months

Business Revenue & Merchant Cash Advance

Description:

Low Doc, short term(3-18 month) loan designed to inject needed revenue into a company while leaving as much revenue in the business cycle as possible with daily ACH payments on business days. (No weekends or Holidays) Loan amounts generally are 10-14% of annual gross revenue that flows through the business bank account. Term and rate is determined by business credit profile, time in business, industry, and owners FICO.

Submission:

Business Revenue Application 3 pages (COMPLETELY FILLED OUT)

Last 6 months of ALL company bank accounts

Last 6 months of Merchant Statements (if MCA loan)

To expedite the process we request these documents are separated and in PDF format.

Example: Dex Small Pony INC June Bank.pdf Dex Small Pony INC Application.pdf
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Minimum Requirements for submission:

Time in business 6+ months

Business Revenue & Merchant Cash Advance

Deposits: 8+ (revenue deposits not transferred or discretionary credits)

Non-sufficient funds <3 per month (certain exceptions allowed)

Negative balance days <3 per month (certain exceptions allowed)

Monthly gross deposits 10K+ (consecutive last 6 months)

Owners FICO 500+

Sweet Spot:

TIB 3+ years

Monthly Gross 50K

Owner FICO 600-690

Account Receivable/ Purchase Order Financing

Description:

A type of asset-financing arrangement in which a company uses its receivables - which is money owed by customers - as collateral in a financing agreement. The company receives an amount that is equal to a reduced value of the receivables pledged. The age of the receivables have a large effect on the amount a company will receive. The older the receivables, the less the company can expect. Also referred to as "factoring". This type of financing helps companies free up capital that is stuck in accounts receivables. Accounts receivable financing transfers the default risk associated with the accounts receivables to the financing company; this transfer of risk can help the company using the financing to shift focus from trying to collect receivables to current business activities.

Situational Awareness:

Business to Business transactions

We focus on customer creditworthiness more than the strength of our clients.

Selling on terms, Net-15, Net-30, Net-45, and Net-60.

Issues with invoice terms >90 days

Size can range from \$10k to \$12.5m

Facility size based on AR turnover i.e. 30 day terms, \$100k per month - \$100k facility
Start-ups, companies experiencing growth / opportunity financing, and companies experiencing financial difficulties

Example one – Line of credit tapped out, has an opportunity to grow but cannot due to bank's limit, etc.

Example two – Was with ABL lender, broke covenants and was asked to leave, etc.

Account Receivable / Purchase Order Financing

We can take out incumbent lenders or carve out certain assets (so long as we obtain a UCC-1 on AR)

Work well with staffing, trucking, apparel, manufacturing, service-based and distribution companies

Submission:

Accounts Receivable Aging Summary

Customer List with Addresses

Sample Invoice Trails (copy of a recent invoice with the accompanying purchase order, bill of lading, signed time sheet, packing ticket, etc.)

Signed Application

Contracts with customers

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Sweet Spot:

30 to 60 day terms

Credit worthy customers

Account Receivable / Purchase Order Financing

Clear invoice trail (easily can determine if work or product was approved by customer)

Decent spread of customer base (10-20 customers / no major concentrations)

Contracts / terms and conditions of arrangement are simple with little to no hindrances after invoice submission (i.e. no liquidated damages, stage / progression / milestone billing, retainage, extended warranties, rights to off-set)

Customers can be contacted / know of BFS and prospect's relationship

Prospect utilizes factoring program to cover payroll and obtain new contracts to grow

Equipment Financing/Leasing

Description:

Equipment leasing program is for revenue generating asset of a company. Lease/ Loan request for equipment that is specific for the company's industry. Start-up programs (<2 years TIB) up to 30K and 24-48 month term leases from 5K- 10M for 3+ years TIB. Deal structures: EFA (equipment Finance Agreement), 10% PUT (end of lease 10% balloon), FMV (fair market value), and \$1 buy-out (residual)

Submission:

Completed application

Proof of ownership (tax return, Secretary of State filing minutes, Business Lic etc)

Proof of TIB (Tax returns, bank rating etc.)

Detailed Invoice of equipment (cost breakdown, VIN #, Serial #, Vendor info and contact, billed and ship to client's business etc.)

If Private seller, will also need pictures of equipment to include data plate.

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Example: Dex Small Pony INC truck pic1.pdf Dex Small Pony INC Application.pdf

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Minimum Requirements (non start-ups) for submission:

Time in business 3+ years

620 FICO

NO BKs

Homeowner preferred

Additional Notes:

NO Long-Haul trucking (unless it is a fleet 5 or more)

Equipment must match business industry (no pizza-ovens for a trucking company)

Asset and vendor goes through a separate approval than client. Example: Client is qualified but the asset he wants is too old, over-priced, etc.

Companies that have titled equipment owned outright can use as collateral to mitigate risk. Must be less than 10 years old and less than 600K miles (trucking).

Value of collateral is calculated 80% of auction value based on national auction pricing.

401K and Securities

Description:

Two different services BFS provides. Both require movement/change of custodian. We do not loan against or use a 401K or Stock as collateral. 401K funding is for rolling over a non-contributing, qualifying account that allows for cash out not to exceed half or 50K whichever is lower. Part 2 of the 401K platform (if client chooses to) structures a self-directing IRA for the remaining funds.

Securities financing requires movement of stock portfolio to a new custodian which in turn will structure a very low interest rate Line of Credit not to exceed 90% of portfolio balance. (300K minimum)

Submission:

After you have discussed the above with your client and they want to move forward, email a small summary of use of funds (the why) and attach the latest FULL statement of the 401K or Portfolio to funding@businessfinancesuite.com
To be reviewed for eligibility.

Once reviewed a consult call will be scheduled between the client and the direct processor.

To expedite the process we request these documents are separated and in PDF format.

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401K and Securities

Additional Notes:

These products are more of a service for our BFS clients that we have extended to our Direct Funding clients.

Most if not all specific questions will be discussed in the scheduled consult.

Book of Business Financing

Description:

1-10 year amortized loans specifically tailored for Insurance agencies. The insurance industry is usually restricted in most funding platforms due to the unique nature of premium ownership to assignable policies. Book of Business funding uses policy ownership as a tangible asset to borrow against. Loans range from 20K to 25M. Asset values generally are 10% of book value, example 3M book would yield 300K of tangible asset to lend against. Each deal is and will be treated as unique and tailored to the needs of the client. Typical use of funds are: Acquisitions, Working Capital, Expansion, and debt consolidation.

Submission:

Completed application

Personal Financial Statement

Insurance annual reports (TPP, CSRP, or reports that have policy renewals, commission, and age)

Once received and reviewed a consult call will be scheduled directly with loan processor

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Additional Notes:

As mentioned above, each deal is treated unique. Owner's industry experience is heavily weighed.

Must be a non-captive agent

Policies must be owned by Agent or assignable

Cannot still be in vested period

Owner's FICO >620

No BKs

Prefer: Allstate, Independent, and Nationwide agents

Alternative SBA Loans

Description:

Full doc 2, 3, and 4 year amortized loan. Two programs, Working Capital loans from 50K-150K, 1-2 years and Expansion loans from 50K to 500K, 2-4 years. True simple interest loans from 7.99%-24.99% (Risk-based pricing). Fixed payments ACH bi-monthly.

Submission:

Completed and signed 2 page application

Last 2 years Financials (balance sheet and P&L)

Last 2 year Corp Tax Filing

Last 3 months bank statements (business account)

Debt Schedule (current loans: amount, balance, and term)

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Minimum Requirements for submission:

Time in business 3+ years

Alternative SBA Loans

Owners FICO 660+

More than 2 employees

>500K annual gross revenue

Additional Notes:

Profit margins are key to this product

Should show growth in positive revenue past 36 months

No BKs

Liens, Judgments, and excessive derogs on owner's credit will effect approval

Finance Acronyms

TIB= Time in Business

SOS= Secretary of State

ABL= Asset based lending

COGS= Cost of goods sold

P&L= Profit and Loss

ROR= Rate of return

ROI= Return on investment

YTD= Year to date

MTD= Month to date