

# Small Business Loan Programs

## General Funding Programs Summary & Guidelines

Below is a basic summary to the funding programs:

### **High-Limit 0% Interest Business Credit Cards**

700 fico, stated income of \$60,000 or higher per year, 45% balance to limit max, at least one revolving account of \$5,000 or higher, debt to income 40% max. No time in business, no income verification.

### **Low-interest Traditional Business LOC**

680 fico, stated income of \$60,000 or higher per year, 45% balance to limit max, at least one revolving account of \$5,000 or higher, debt to income 40% max. No time in business, with income verification.

### **Low-interest SBA Loans**

640 fico of all owning 20% or more, in business for 2 years, gross revenue of \$180,000 a year or higher (\$15,000 a month).

### **Business Acquisition & Franchise Purchase Loans**

680 fico with at least 25% down based on valid business appraisal, new owner income verification of \$60,000 or higher with a current debt to income of less than 40% and balance to limit of 45% or less.

### **Equipment Financing & Leasing**

640 fico, 1 year in business, with a high 4 or low 5 bank rating. Startup equipment financing with a 680 fico or higher plus \$60,000 or higher business owner verified income via bank statements.

### **Merchant Cash-Advance**

550 fico, at least \$10,000 gross revenue for last 6 months, funding 1.5 to 2X gross revenue.

### **Purchase Order**

Purchase order of \$20,000 or higher with a client of good credit rating and for finished goods only.

### **Invoice Factoring**

Invoices that total \$10,000 or more with a business client of good credit and bank rating.

### **Unsecured Working Capital**

Details on the pages that follow

### **Real Estate Investor Funding**

Details on the pages that follow

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## Unsecured Working Capital Program

The unsecured startup funding program is designed to help get your clients as much working capital as possible by utilizing the best low-interest loans and credit lines available in today's marketplace. Our expertise and lending relationships allow us to customize a plan based on specific needs. This program funds from \$25,000 to \$250,000 to start, build or grow a business.

## Unsecured Startup Credit Line Program

- \$25,000 - \$150,000 or more in Total Funding
- 0% interest for 6 - 18 months
- 700+ FICO personal credit score requirement
- No income verification required
- Funds can be used multiple times for ANY purpose

## Unsecured Startup Loan Program

- \$25,000 - \$150,000 or more in Total Funding
- 7.99% - 17.99% Interest | 3 - 7-year Term
- Example \$25,000 Loan | 9.99% Interest | 5-year Term |\$532 Monthly Payment
- 700+ FICO personal credit score requirement
- Must have verifiable W2 income of at least \$60,000 annual
- Direct access to CASH

## Here's what your clients will get:

- Access to a designated FICO Pro-Certified Underwriter
- Customized strategic plan and lending matrix with hands-on support
- Pre-application lender compliance and info verification to ensure accuracy on applications
- Complete application processing, submission, and follow-up support for the best approvals
- Business credit evaluation & recommendations – separate your personal and business credit
- Capital management strategies – get the most out of your working capital
- Phase II application assistance – get additional capital for your business in 6-12 months

We will encourage clients to utilize a combination of personal loans and credit cards to maximize their total funding amount. We will also guide clients to enter your business success program.

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## Real Estate Investor Funding Programs

### **\$25,000 - \$250,000 Unsecured Loans & Credit Lines**

- Working capital for down payments, rehab costs, property taxes, maintenance, utilities, property management services, homeowner's insurance, etc.
- Low-Interest unsecured loans & 0% interest business credit lines
- Get access to \$25,000 - \$250,000 for down-payments, rehabs,
- Use the funds for ANY purpose.
- Direct access to CASH.

### **FixNFlip**

- To purchase and renovate an investment property to sell it.
- 90% of purchase and rehab costs
- Loan to ARV: Up to 75%
- Term length: 13 months

### **Construction**

- An investment property or fully platted lot free-and-clear and needs capital for construction.
- Loan to ARV: 70%
- Term length: 13 months

### **Cash Out**

- An investment property owned free-and-clear and to leverage that property for any reason.
- Down payment: 0% (if property is owned outright)
- Loan to As-Is Value: 50%
- Term length: 13 months

### **Fix2Rent**

- A single-close loan product to cover a single property for both rehab and rental.
- Property types: SFR 1-4
- Term length: 13 Months for Construction Loan; 30 years for permanent loan.

### **Build2Rent**

- An investment property free-and-clear and wants a loan to cover both construction costs and permanent rental financing.
- Property types: SFR 1-4
- Loan type: Construction-only refinance
- Term length: 13 months for construction loan; 30 years for permanent loan

# Small Business Loan Programs

**Below Is A Quick Look At All 20 Business Funding Programs Inside The Success System:**

## **I. Business Credit Cards**

Provide your clients with a combination of business and personal credit cards where the funding can typically range from \$25,000 to \$150,000. The program is described in detail in the UBF Playbook and in the \$15,000 per client earning strategy plan. Be sure to learn both.

## **II. Business Lending Credit Unions**

Personal unsecured signature loans from \$10,000 to \$75,000 with the average being \$50,000. These are installment loans with fixed rate and term where the funds can be available for use within 48 hours and in the \$15,000 per client earning strategy plan we detail turning it into a business loan.

## **III. SBA Loans**

The SBA does not make loans but rather guarantees a repayment of a percentage of the loan in the event of default. Details of their loan programs are here <https://www.sba.gov/funding-programs/loans>

## **IV. Equipment Leasing & Financing**

Most any type of equipment can be leased or financed on fixed rates and terms. Equipment leases can also include service agreements or other add-ons such as software for computers. Leasing allows for smaller monthly payments over a multiyear period. Equipment can be purchased or returned at the end of the lease.

## **V. Revenue Based Loans**

These loans are based upon the past revenue generated by the business based on the last 4 to 6 months depending on the lender. The amount loaned is normally in the one to two times the gross monthly revenue. These loans are usually short term back pays of 7 to 9 months with interest rates in the 35% to 70% range. If your clients can turn a profit from the loan it may not be a bad deal. Payments are from daily M-F ACH deductions from the clients business bank account.

## **VI. Merchant Cash Advance**

Very much the same as revenue based loans except the loans are based upon the monthly credit card receipts instead of gross revenue and payment are taken from each new credit card process.

## **VII. 401K Rollovers**

These are not loans but rather a redirection of the clients 401K into a self investment into their own companies. This requires some detailed legal work to comply with all IRS regulations with the setup fees normally being in the \$5,000 range. Easy working capital if your client has at least \$50,000.

## **VIII. Account Receivable Factoring**

When your clients have open invoices with other businesses (not consumers) those invoices can be factored (sold) to a third party. The third party will typically pay around 97% of the invoice value and then become responsible for the collection of that invoice. This is not a loan but is selling an invoice.

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## **IX. Purchase Order Financing**

When your client has an open purchase order for finished goods that purchase order can be used as collateral for a loan of up to 90% of the value of the purchase order. The goods must be finished goods and not require manufacturing or be a service with the purchase order client needing to be of excellent credit such as fortune 1,000 or a government agency.

## **X. Equipment Sale Leaseback**

If your clients own existing equipment outright and if that equipment is fairly new, depending on the type, then that equipment can be sold and leased back. Here your client sells their equipment to the lessor for typically 50% of its current market value and gets those funds in cash. Then they execute a fixed rate and term lease agreement for the equipment with the equipment never leaving their site.

## **XI. Private Lender Credit Lines**

These are credit lines provided by non-bank lenders who are private companies that may take higher risks than banks or SBA programs are willing to take. These loans range from \$10,000 to \$500,000 with the average probably being around \$50,000. The terms will normally be higher rates than from banks with them being in the 8% to 15% range depending on your clients qualifications. Normally these loans require 1 to 2 years in business and generating revenue to qualify.

## **XII. Real Estate Fix, Flip, & Invest**

These lenders are what have been called hard money lenders however their rates tend to be reasonable given the risk versus reward of house flipping. These lenders understand the house flipping market and are typically looking for borrowers where the loan will not be for their very first house fix and flip deal. Experience and having some skin in the game goes a long way here.

## **XIII. Commercial Real Estate Finance**

This lending market is vast and lenders tend to be highly specialized into the niches that they understand well. That is why in the direct lenders data you are provided with an online directory of commercial real estate lenders that lets you sort them by real estate, location, and investment range.

## **XIV. Inventory Loans**

Just as it sounds, flooring credit lines and loans for those businesses that need to stock inventory. The inventory becomes part of the collateral. Lenders here vary by type of inventory they will finance and how much of a down payment the borrower will need to secure the market. Market conditions for the type of inventory will also play a factor.

## **XV. Peer to Peer Business Lending**

These are sites that allow private individuals to invest their money into specific loan requests. A bit of a wild wild west play but can be a great alternative for businesses who have a good story to tell that will excite the service users to take a risk on their loan requests. FICO score requirements are typically low at 600 with interest rates that can be 35%+ funding averaging around \$25,000

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## **XVI. Hard Asset Based Lending**

If your client has almost any kind of hard assets; stock, bonds, real estate, gold, silver, gems, etc. there are lenders who will use those assets as collateral for loans. The amount of the loans vary but are typically in the range of 50% of the value of the hard asset. FICO scores can go down into the 500 range due to security with loan percentage of asset value going up with higher scores. Interest rates tend to be in the 9% to 12% range with funding in the \$50,000 to \$500,000 range.

## **XVII. Recurring Payment Loans**

When you have a client with recurring structure payments for a settlement, judgment, annuity, winnings, seller carry back note, real estate note, etc. Those recurring payments can be sold at a discount to stream payment buyers and note buyers. These buyers will purchase all or a portion of the structured stream of payments. Discount rates vary greatly with the type of payment stream and the underlying security if there is any.

## **XVIII. Contract Based Financing**

If your client has a contract that is generally with a Fortune 1,000 company or a government agency (school, city, state, federal) then that contract can be used to secure completion financing much like a building construction loan. With these types of loans the funds are typically advanced based on completion stages so that not all the money's at risk if the project fails to be completed. These lenders are usually niche specific so that they will have others they can turn to in order to complete a project if the original contractor fails to do so.

## **XIX. Private Bridge Financing**

Bridge financing is normally niche specific short term loans that are just as they sound. They bridge the gap between one loan and another. For example you already have a take-out loan in place once a project or build is completed but your client needs the funds to complete the project or the build. The bridge loan lender steps in to provide short term financing (months not years) to fill the gap. Not uncommon for the rate on these to be 10% or 20% of the loan amount with a term of 6 months or less.

## **XX. Loan Note Buyers**

Loan note buyers are typically specific to real estate or business sale notes where real estate is part of the business purchase. Much like recurring payment loans the holder of the note can elect to sell a stream of the payments or discount the note and sell the whole thing for cash now. Many times the buyer will want to see the credit profile of the party owing on the note and an appraisal on the property securing the note before a final discount value for the stream is offered.