

ALTERNATIVE FINANCING

WHAT DO YOU DO IF YOU NEED MONEY RIGHT AWAY?

You need to know where to go but there are lenders out there that can fund a business in as fast as 24-48 hours.

I get calls all of the time from business owners that need funding fast. Maybe they can qualify with their bank but something's come up and they don't have time to wait. Often times, they need to:

- Fund a payroll
- Pay insurance
- Pay taxes
- Cover other immediate working capital expenses

Ideally, you would want to:

FINANCE PROJECTS THAT WILL HAVE AN IMMEDIATE RETURN ON INVESTMENT

- Inventory deals with a quick turnaround
- Updating or refreshing locations
- Marketing campaigns
- Seasonal hiring or inventory

KEY FEATURES

- 3 to 12-month terms
- Funding from \$10,000-\$500,000
- Automated daily or weekly payments
- Approval based on overall business performance, not just credit score
- Renewal opportunity when 50% paid down

LET'S LOOK AT "XYZ" COURIER COMPANY

A banker called me on a Wednesday and gave me the owner's information for a courier company. He told me the owner was in a bind and needed a small bridge loan fast. The business does over 5 million a year in annual sales. At the end of the year, they got really busy, they had a lot of additional expenses due to the holidays and year end and they took on some new slower paying accounts. The owner realized that he may not be able to cover his payroll on Friday and he had not gotten around to applying for a line of

credit at the bank. So, now he was requesting a \$100k short term loan. I sent him a one-page application and asked him to send it back to me with his last 3 months business bank statements. Within a couple of hours, he had an offer.

- 105k loan
- 12-month term
- 135,450 payback
- 2605 weekly ACH payment
- No origination fee
- No pre-pay penalty
- 25% discount on remaining unpaid interest if early repayment

The employees got paid on time and the banker planned to get to work right away on a longer-term financing option for this company.

BUT IT'S EXPENSIVE!

The cost of capital is primarily that way for 2 reasons:

1. Convenience
You can have the money in your account within 24 hours with minimal paperwork
2. Risk
The lender underwrites the deal based off of a one-page application and 3 months business bank statements.
The lender is OK being in a junior UCC position-coming in behind a bank or another creditor.

UNDERWRITING BASIC GUIDELINES

- Minimum Annual Revenue: \$200k
- Minimum FICO: 550
- Minimum Time in Business: 1 year
- Minimum Monthly Deposits: 5
- Negative Days/Overdrafts: 5 in one month

Over the last decade, Heritage Commercial Funding has established a network of the industry's most aggressive small business funding sources. If a short-term business loan is right for your business, we will work to get you a competitive offer from a lender that specializes in your industry. No cost to apply and only a soft pull on your credit.



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