



This document and the information in it are provided in confidence for the sole purpose of exploring business opportunities between the disclosing party and the receiving party.

Understanding the Products

Lending Products

1. Merchant Cash Advance
2. Unsecuritized Line of Credit/Credit Card Stacking
3. SBA Loan
4. Equipment Financing/Leasing
5. Business Line of Credit
6. Business Term Loan
7. Collateralized Business Loan
8. Real Estate
9. Invoice Factoring (coming soon)
10. Supply Chain Financing (coming soon)

Ancillary Products

1. Credit Building (coming soon)
2. Tax Credits (Q3/Q4)

Merchant Cash Advance 🤪

Overview: Merchant Cash Advance

Product Overview

A Merchant Cash Advance is an alternative financing to traditional small business loan. It's defined as a lump sum payment to a business in exchange for an agreed upon percentage of future sales. Payments are debited from your bank via ACH clearing house on a daily or weekly basis until the obligation is met. A Merchant Cash Advance is most often used by retail businesses that do not qualify for regular bank loans. For this reason it is often times more expensive. To calculate total repayment you multiply the factor rate x the cash advance ex. $\$20k \times 1.25$ factor rate = \$25,000 total repayment.

Pros

- Payments fluctuate depending on merchants sales. Helps cash flow during off-season or period of slow sales.
- Ease, simplicity & speed. Often times businesses are pre-approved in < 24 hours & receive funds in 2-3 business days.
- Attractive for merchants who do not qualify for bank loan
- No physical collateral needed
- Soft credit pull or no pull at all

Cons

- Rates are generally more expensive
- Daily/weekly repayment schedule

Amount, Rates, Terms, Time to Funding & Commission

- Amount: 10% of annual revenue
- Rates: 1.15-1.5 factor rate which depends on merchants creditworthiness
- Terms: daily or weekly payments until paid off. 6-12 monthly.
- Average time to funding: 48 hours
- Commission: 3-15 points on the total amount funded. Ex. $\$50k @ 7 \text{ points} = \$3,500$. This is built into the rate, merchant isn't aware of commission you are making. This commission is shared between you & Richie.

Other

- 3-12 months is average repayment period
- [MCA Calculator](#)
- Can have prepayment discounts

Information & Documents Required for Underwriting

Qualification:

- 500+ credit score
- \$5k+ minimum monthly revenue

Information Required:

- Richie Ai Application

Additional Documents Required:

- 3 months bank statements + month-to-date statement or connect bank account via Plaid.

Unsecuritized Line of Credit/Credit Card Stacking

Overview: Unsecuritized Line of Credit/Credit Card Stacking

Product Overview

Credit card stacking is the strategy of applying for multiple smaller lines of credit/credit cards in a specific order to access a larger unsecured line of credit than any one business credit card could offer.

Pros

- Cheapest capital available
- Pre-approval in < 24 hours
- Monthly payments
- Great for startups. No revenue required.
- No collateral required

Cons

- Requires multiple hard credit pulls which will result in your credit score dropping for the next 6 months
- Personal guarantee required

Amount, Rates, Terms, Time to Funding & Commission

- Amount: \$10k-\$100k
- Rates: **0% APR** for introductory period which typically lasts 12-18 months. After introductory period, expect standard credit card rates 11-25% which adjusts with prime rate.
- Terms: Minimum payments due monthly when a balance is owed
- Average Time to funding: Average time to funding: 7-10 business days
- Commission: 9% of total amount funded capped @ \$2,997 shared between you, lender & Richie. This is paid by the merchant during funding call with lender.

Other

- 7-10 business days to receive funding.
- 680 credit score required.
- Revolving limit.
- Accrue interest on unpaid balance
- Majority of companies charge anywhere from **8-15%** for this service! We only charge 9% capped at \$2,997.

Information & Documents Required for Underwriting

Qualification:

- 680 minimum credit score

Information Required:

- Richie Ai Application

Additional Documents Required:

- **None required. No bank statements required as you can be a pre-revenue startup & still qualify**

SBA Loan



Overview: SBA

Product Overview

SBA Express loan is the quickest of the SBA loans. It is backed by the government which typically makes it more appealing to lenders. With that said, it is easier to obtain than traditional bank loan. It can be used for working capital, line of credit or commercial real estate loan. Takes 1-3 months & requires a lot of paperwork.

Pros

- Interest rates can't exceed the SBA's guidelines
- Long repayment terms
- Builds your business credit
- Quick approval relative to other SBA loans

Cons

- Lender may require collateral
- High credit score requirement
- Extensive paperwork & documents required.
- Some restrictions on how the money is spent
- Prepayment penalty for loans with maturities of 15 years or more.

Amount, Rates, Terms, Time to Funding & Commission

- Amount: up to \$5mm
- Rates: Prime + 2.25% to 4.75%
- Terms: 5-25 years
- Average Time to funding: reviewed within a week & funded on average in 60 days.
- Commission: 1-2 points

Information & Documents Required for Underwriting

Qualification:

Varies depending on which SBA product is selected but generally the following is required:

- 680+ credit score
- Must be for-profit business
- Meet SBA size standards
- Show good character, credit management and ability to repay
- Must be an eligible type of business

Information Required:

- Richie Ai Application

Additional Documents Required:

- 2-3 years of business tax returns
- 2-3 years of personal tax returns
- YTD P&L statement
- YTD balance sheet
- Debt schedule

Other SBA Information

U.S. Small Business Administration



Quick Overview of SBA Loan Guaranty Programs

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
7(a) Loans	\$5 million	85% guaranty for loans of \$150,000 or less; 75% guaranty for loans greater than \$150,000 (up to \$3.75 million maximum guaranty)	Term Loan. Expansion/renovation; new construction; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinancing debt for compelling reasons; seasonal line of credit; inventory or starting a business	Depends on ability to repay. Generally, working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Loans less than 7 years: \$0 - \$25,000 Prime + 4.25% \$25,001 - \$50,000 P + 3.25% Over \$50,000 Prime + 2.25% Loans 7 years or longer: 0 - \$25,000 Prime + 4.75% \$25,001 - \$50,000 P + 3.75% Over \$50,000 Prime + 2.75% Fixed Rate: www.colsonservices.com Click: News & Rates	Fees charged on guaranteed portion of loan only. Multiple loans within 90 days may trigger additional fees. Maturity 1 year or less: 0.25% guaranty fee Maturity more than 1 year: \$150,000 or less = 2.0% (Lender retains 25% of fee) \$150,001 - \$700,000 = 3.0% \$700,001 - \$1 Million = 3.5% Guaranteed portion over \$1 million = 3.75% Annual servicing fee = 0.55% Loans to small businesses in SBA-defined Rural or HUBZone Maturity more than 1 year: \$150,000 or less = 6.667% (Lender retains 25% of fee) Annual servicing fee = 0%	Must be a for profit business & meet SBA size standards; show good character, credit, management, and ability to repay. Must be an eligible type of business. Prepayment penalty for loans with maturities of 15 years or more if prepaid during first 3 years. (5% year 1, 3% year 2, and 1% year 3) 7(a) Small Loans \$350,000 and less - all loan applications will be credit scored by SBA prior to loan approval or loan number. If score below 140 the loan can be submitted via SBAExpress	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
SBAExpress	\$350,000	50%	May be used for revolving lines of credit, must have term out period not less than 60 days, or for a term loan [same as 7(a)].	Revolving plus term out can only have a maturity of 10 years. Otherwise, same as 7(a).	Loans \$50,000 or less; prime + 6.5% Loans over \$50,000; prime + 4.5%	Same as 7(a) Loans	Same as 7(a) Loans	Fast turnaround; Streamlined process; Easy-to-use line of credit
SBA Veterans Advantage	Processed under SBAExpress \$350,000	Same as SBAExpress	Same as SBAExpress	Same as SBAExpress	Same as SBAExpress	No guaranty fee. Annual servicing fee of 0.55%	Same as 7(a) plus business must be 51% owned and controlled by individual(s) in following groups: Veterans or Service-Disabled Veterans; Active Duty Military participating in TAP; Reservist and National Guard Members; Current spouse; Widowed spouse of service member who died during service or of a service-connected disability	Same as SBAExpress No guaranty fee
CAPLines: 1. Working Capital; 2. Contract; 3. Seasonal; and 4. Builders	\$5 million	Same as 7(a) Loans	Finance seasonal and/or short-term working capital needs; cost to perform, construction costs; advances against existing inventory and receivables; consolidation of short-term debts. May be revolving.	Up to 10 years, except Builder's CAPLine, which is 5 years	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans Plus, all lenders must execute Form 750 & 750B (short-term loans)	1. Working Capital - (LOC) 2. Contract - can finance all costs (excluding profit). 3. Seasonal - Seasonal working capital needs. 4. Builder - Finances direct costs in building a commercial or residential structure
Community Advantage	\$250,000	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans	Prime plus 6%	Same as 7(a) Loans Expires 03/31/2020	Same as 7(a) Loans Small Loans	Same as 7(a) Plus lenders must be CDFIs, CDCs, micro-lender or SBA Intermediary Lenders targeting underserved market.

This is an overview and does not include full policy and procedures. See the current Lender and Development Company Loan Programs SOP 50 10 5 for more details.

Other SBA Information

U.S. Small Business Administration



Quick Overview of SBA Loan Guaranty Programs

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
International Trade	\$5 million	90% guaranty (up to \$4.5 million maximum guaranty) (Up to \$4 million maximum guaranty for working capital)	Term loan for permanent working capital, equipment, facilities, land and buildings and debt refinancing related to international trade	Up to 25 years.	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans Plus, engaged or preparing to engage in international trade or adversely affected by competition from imports.	Long term financing to allow small business to compete more effectively in the international marketplace
Export Working Capital Program	\$5 million	90% guaranty (up to \$4.5 million maximum guaranty)	Short-term, working-capital loans for exporters. May be transaction based or asset-based. Can also support standby letters of credit	Generally one year or less, may go up to 3 years	No SBA maximum interest rate cap, but SBA monitors for reasonableness	Same as 7(a) Loans	Same as 7(a) Loans Plus, need short-term working capital for direct or indirect exporting	Additional working capital to increase export sales without disrupting domestic financing and business plan
Export Express	\$500,000	90% guaranty for loans of \$350,000 or less; 75% guaranty for loans greater than \$350,000	Same as SBAExpress plus standby letters of credit	Same as SBAExpress, Except LOC: Revolving plus term loan can only have a maturity up to 7 years.	Same as SBAExpress	Same as 7(a) Loans	Applicant must demonstrate that loan will enable them to enter a new, or expand in an existing export market. Business must have been in operation for at least 12 months (though not necessarily in exporting).	Fast turnaround; Streamlined process; Easy-to-use line of credit Loan can be for direct or indirect exporting.
504 Loans	504 CDC maximum amount ranges from \$5 million to \$5.5 million, depending on type of business or project.	Project costs financed as follows: CDC: up to 40% Lender: 50% (Non-guaranteed) Equity: 10% plus additional 5% if new business and/or 5% if special use property.	Long-term, fixed-asset loans. Lender (non-guaranteed) financing secured by first lien on project assets. CDC loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien.	CDC Loan: 10-, 20- or 25-year term fixed interest rate. Lender Loan: Unguaranteed financing may have a shorter term. May be fixed or adjustable interest rate	Fixed rate on SBA 504 Loan established when the debenture backing loan is sold. Declining prepayment penalty for 1/2 of term.	A participation fee of 0.5% is on lender share, plus CDC may charge up to 1.5% on their share. CDC charges a monthly servicing fee of 0.625%-2.0% on unpaid balance. Ongoing guaranty fee is 0.368% of principal outstanding. Ongoing fee % doesn't change during term.	Alternative Size Standard: For-profit businesses that do not exceed \$15 million in tangible net worth, and do not have an average two full fiscal year net income over \$5 million. Owner Occupied 51% for existing or 60% for new construction.	Low down payment - equity (10, 15 or 20 percent) (The equity contribution may be borrowed as long as it is not from an SBA loan) Fees can be financed; SBA/CDC Portion: Long-term fixed rate Full amortization and No balloons
504 Loan Refinancing Program Same as 504 Loan	Same as 504	Loan to Value (LTV) Qualified and Secured Debt 50%. For projects that include "Business Operating Expenses (BOE)" the LTV is 85%. BOE may not exceed 15% of the fixed asset.	At least 85% of the proceeds of the loan(s) to be refinanced had to be originally used for eligible fixed assets. May include the financing of eligible business expenses as part of the refinancing.	Same as 504	Same as 504	Same as 504 except, ongoing guaranty fee is 0.395% of principal outstanding.	Loan(s) to be refinanced can't be subject to a guaranty by a Federal agency, can't be a Third Party Loan which is part of an existing SBA 504 project and must have been current on all payments for the past 12 months. Both the business and loan(s) to be refinanced must be at least 2 years old.	Business can access equity in its commercial real estate for business operating expenses or refinance property on reasonable terms. Fees can be financed; SBA/CDC Portion: Long-term fixed rate Full amortization and No balloons
Microloans	\$50,000	Not applicable	Working capital, supplies, machinery & equipment, fixtures, etc. Intermediary may choose to refinance debt. Cannot be used for real estate.	Shortest term possible, not to exceed 5 years	Negotiable with intermediary. Subject to either 7.75 or 8.5% above intermediary cost of funds.	No guaranty fee	Same as 7(a)	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available

South Dakota District Office
Sioux Falls 605-330-4243, Rapid City 605-341-5962
<https://www.sba.gov/offices/district/sd>

U.S. Small Business Administration
Information effective as of October 2018 (Fiscal Year 2019)
SBA programs and services are provided on a nondiscriminatory basis.

Equipment Financing



Overview: Equipment Financing

Product Overview

Equipment financing/leasing is a great option when buying, repairing, or leasing equipment/software. Making such purchase can put you in pinch on your cash flow. Thanks to equipment financing, you can get what you need without significantly impacting your short term cash flow.

Pros

- You can finance any business equipment: tractors, software, ovens, office furniture, company cars, solar panels, manufacturing equipment, & more.
- Quick application process
- Equipment can act as collateral for the loan
- Easy approval process
- Spread the cost of your purchase
- Increase future sales of your business

Cons

- Rates can vary.
- Lender may place a blanket lien to claim your business assets if your default.

Amount, Rates, Terms, Time to Funding & Commission

- Amount: \$5,000 - \$5,000,000
- Rates: 7.5%-30% APR
- Terms: 3-10 years
- Average Time to funding: as quick as 1-2 business days
- Commission: 1-10 points

Other

- Loan payments vary widely depending on industry & equipment being purchased. They are determined by the following 4 factors: loan amount, interest rate, term & collateral.
- Important to consider the additional cash flow brought in by purchasing new equipment. For instance, if you are renting a second pizza oven for \$500/mo but are producing an additional \$5k+/mo it's a no brainer.

Information & Documents Required for Underwriting

Qualification:

- 12 months time in business
- \$50k+ annual revenue
- 650+ credit score recommended. If you have strong cash-flow you may be able to qualify with a lower credit score.
-

Information Required:

- Richie Ai Application

Additional Documents Required:

- Invoice for equipment/software being purchased

Business Line of Credit

Overview: Business Line of Credit

Product Overview

Flexible & revolving form of financing. Once you pay down, you can use the funds again. Similar to a credit card in the sense that you can use it whenever needed as long as you don't exceed the limit. Great for purchasing inventory.

Pros

- Only pay interest on funds you use.
- Can withdrawal cash
- Improve cash flow during slow seasons.
- Builds business credit.

Cons

- May require personal guarantee(house, car, etc) in the event of default.
- Can be difficult to qualify for & requires several additional documents
-

Amount, Rates, Terms, Time to Funding & Commission

- Amount: up to \$1,000,000
- Rates: 8-24%
- Terms: 6 months - 5 years
- Average Time to funding: Generally 1 week
- Commission: Average 3 points

Other

- You may be required to undergo a yearly review to maintain credit line.

Information & Documents Required for Underwriting

Qualification:

- Minimum 560 credit score
- 6 months time in business
- \$50k+ annual revenue
-

Information Required:

- Richie Ai Application

Additional Documents Required:

- Business & personal tax returns
- Bank account information
- Checking account information
- Business planning documents

Business Term Loan



Overview: Business Term Loan

Product Overview

Lump sum that is repaid at regular intervals over a period of time. This is similar to a loan you would apply for at your local bank. The primary difference is, the traditional banking process takes weeks & roughly 30 hours of work. Our process is quick & simple.

Pros

- Low rates & fixed term
- Speed
- You can use the \$ for just about any business related activity.

Cons

- Requires guarantee
- Requires a higher credit score
- May include fees for the duration of the loan e.g. prepayment, late penalties
-
-

Amount, Rates, Terms, Time to Funding & Commission

- Amount: \$5,000 - \$2,000,000
- Rates: 6%-25%
- Terms: 1-5 years
- Average Time to funding: 2-3 business days
- Commission: 1-8%

Information & Documents Required for Underwriting


Qualification:

- Minimum 600 credit score
- 1 year time in business

Information Required:

- Richie Ai Application

Additional Documents Required:

- Business tax returns
 - Personal tax returns
 - YTD P&L statement
 - YTD balance sheet
 - Debt schedule
- 
- A decorative purple wavy bar at the bottom of the slide.

Collateralized Business Loan



Overview: Collateralized Business Loan

Product Overview

Great option if you have an asset to collateralize. Will help bring down rate of the loan considering lenders are more generous when their risk is lowered.

Pros

- Higher chance of qualifying when you use collateral
- Better payment terms
- Lower interest rates

Cons

- Cumbersome application
- Personally liable for money borrowed
- Longer application and funding process.

Amount, Rates, Terms, Time to Funding & Commission

- Very situational.

Other

- You can use home equity, 401k, commercial properties, equipment, inventory, stocks, automobiles, accounts receivable/purchase orders, or credit card transactions/deposits as collateral.
- Collateral will usually be = to the amount of \$ you're borrowing. In some cases lenders will want the collateral to be > than the amount being borrowed to account for costs associated with liquidating collateral.
- Bonus if you obtain an accurate estimate for the asset's value before talking with the lender. It's with noting, the lender will generally undervalue it because they will need to liquidate the asset expeditiously in the event of default.
- Generally doesn't exceed 80% Loan-to-Value

Information & Documents Required for Underwriting

Qualification:

- Collateral required

Information Required:

- Richie Ai Application

Additional Documents Required:

- Title/proof of collateral

Real Estate



Overview: Real Estate

Product Overview

Need a private money lender? We've got you covered.

- Rates starting at 7.5%
- \$75k-\$5mm
- 1-4 unit non-owner occupied
- up to 90% LTV
- 12 month interest only loans
- 9 months of payments rolled into loan
- **100% advance on rehab**
- 7-10 days to fund loan on average
- Simply 1 page application

Requirements

- 600+ credit score
- Must have an EIN
- Non-owner occupied
- Have a property sourced & ready to purchase.

Partner Network

Advisor Network



Integrations



Lenders

