Small Business Alternative Lending

FRB Conference
May 4, 2011
Underwriting Process

- Submit Application
- Conventional Loan
- SBA (Small Business Administration) Loan
- Alternative Lending Options
  - Communication of loan decline includes Alternative Lending options
  - Bank Partners, not all compensated
Partner #1

- Accounts Receivable Factoring
- Business to Business
- Converts accounts receivable to cash
- Based on creditworthiness of receivable
Partner #2

• Alternative Lender
• Requires 2 years in business, minimum 540 owner/personal credit score
• Loan $5,000 - $100,000
• 6-12 month loan terms
Partner #3

• Merchant Cash Advance
• Process at least $2,500 in credit card transactions per month (retail)
• Up to $150,000
Partner #4

• Alternative Lender
• Start Up to 6 month = up to $30,000
• > 6 months = up to $50,000
• Loan terms vary
Partners #5 +

- Referrals to non-market lenders