



# Alternative Business Financing when the Bank has to Say NO

“ Many business owners are frustrated with the lack of funding from their bank. Most banks are declining approximately 80% of the funding requests that they receive from their small to medium size business clients. This includes established businesses and particularly start-up ventures.

Businesses with less than two years of operational history will not qualify regardless of the credit profile of the owners. Reason: Banks must be conservative as they are lending their depositor's money and must make their funding decision based on the historical track record (success) of the business. Banks expect that the loan will be serviced from the proceeds of the business. Typically, the financial strength of a business with less than two years of solid profits will not meet the bank's minimum funding parameters... even if the business owners personal credit profile is strong. Established businesses with weak cash flow and financial statements are also being declined by their bank. Besides Time in Business (TIB) and owner credit history, other elements such as debt load, aging receivables and weak collateral, etc., enter into the risk analysis and funding decision of the bank.

However, there are legitimate alternative funding solutions for small to medium size business owners. These alternative funding solutions are little known and little used. While not all inclusive, these are the typical reasons they are underutilized: First, their banker does not educate the business owner about the alternatives for funding for fear of losing their business client. Second, bank compliance policies often preclude referring their clients to 3rd party funding sources for fear of liability issues. Third: Small business owners wear many hats and simply do not have the time or knowledge to search out legitimate alternative funding solutions and perform the necessary due-diligence so that they are making an informed decision about their prospective funding partner.

## Little Known Alternative Funding Solutions for the Small to Medium Size Business Owner

These are a few of funding solutions that are available that are much faster and do not require the business owner to give up equity in the business or pledge additional collateral and will consider challenge credit situations...

### 1. Unsecured Business Financing.

Available for start-up as well as established businesses. No collateral required, no financials, no tax returns. Business owner need only have strong personal FICO credit scores of 680+, with no derogatories, at least one-credit card with a 3 year history of no late payments that has at least a \$5,000 upper limit and a 50% utilization rate. Revolving line of business credit. Typical

funding is in the range of \$25k to \$50K. Approval decisions in 24-48 hours. Funding in 10-14 days. No upfront fees. Business Credit Partners can double the amount of funding when the business owner has challenged credit. Spouses, relatives, business associates can be the credit partner and they do not have to be active in the day to day operations of the business.

### 2. Business Revenue Loans.

Good for established businesses with owners who have challenged credit situations. FICO Scores as low as 500 acceptable. Funding decision based on the cash flow and business bank balances... not the credit profile of the business owner. Short-term loan... 6, 9, 12, & 18 months. Funds available from \$10K to \$100K+. Approval decisions in 24-48 hours. No upfront fees. Funding in 7-10 days.

### 3. Retirement Account Funding.

Good for start-ups as well as established businesses if the business owner has an intact retirement account, such as a 401K, 403B, IRA that has at least \$35K in the account. This is an IRS approved funding model where the roll-over of the retirement account does not have early withdrawal penalties or tax burdens. Funds can be used to start a business, expand an existing business, buy equipment, remodel, working capital, etc. Credit profiles are not a factor for approval. Funding available from \$35K to \$200K+ depending on funds that are in the retirement account. Multiple retirement accounts can be roll-over. All or part of the retirement account can be rolled over as needed. Approvals in 48 hours. Not a loan, so there is no interest charges. Fees paid from proceeds of the funding. Funding in 10-14 days.

Visit The CashXchangeGroup's web site for details about other legitimate alternative funding solutions that are underutilized, but available to the small business community.

So, if you too are frustrated with your bank having to say no to your funding request, contact The CashXchange Group to discuss your situation. Expect a no-obligation, no-cost, courteous and confidential discussion about how we can assist you with your business funding needs.

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