



Am I Qualified for a Loan?

Get a “fast no or reliable yes.”

The FranFund team understands that one loan size does not fit all. Each loan is unique, based on a number of factors including your specific attributes. Our franchise funding experts will work with you to identify and customize the best capitalization solution for your business. The first step towards being pre-qualified is the FranScore® Report, which utilizes the latest credit scoring and business evaluation technology. Your FranScore, along with a detailed consultation with one of our Lending Specialists, will give you the confidence to pursue business ownership or expand your existing business.



Four Main Qualifiers - It's all about balancing the “buckets.”



CREDIT

A good credit score of 680+ with an established, favorable history is very important to Lenders. This typically means no current credit collections and no recent bankruptcies, foreclosures, charge-offs, repossessions or short sales unless credit has been rebuilt.



EQUITY

A personal cash injection, aka your “skin in the game,” demonstrates to Lenders that you have a financial commitment to the business. This is based on a percentage of the total project cost needed to open the business. For startup loans, expect to contribute up to 30% of the total project cost. Funds from a FranPlan® (401k/IRA rollover) can be used to satisfy this requirement.



COLLATERAL

It is very common for Lenders to seek both business and personal collateral for small business loans. Most lenders require a security interest on any business assets and a personal guarantee from each owner with 20% or more ownership. Lenders may also look to collateralize available real estate or other assets to secure the loan.



BURN RATE

Lenders generally prefer strong outside income and/or strong liquidity to confirm repayment ability. In fact, Lenders prefer that you have the ability to cover personal living expenses and the business lease and loan payments, during the first twelve months of business operations, should the business take longer to stabilize than expected.

“From the beginning of the SBA loan process, FranFund was very detailed as far as what to expect and when I experienced it first-hand, I was more than comfortable. They made the process seamless and ensured that I was prepared to successfully obtain an SBA loan. I have recommended them to my peers and their outcome was the same.” - Marcus S.



How Will FranFund Add Value to My Loan Acquisition Process?

The FranFund Lending Team has a proven process for presenting well-articulated, complete loan request packages to our portfolio of lenders. Years of experience with hundreds of small business borrowers give us the ability to consistently assemble solid loan request packages and avoid the known pitfalls.

The FranFund Lending team will assist you in determining the most appropriate funding option for your specific situation.

	SBA 7(a)	SBA Express	Conventional
Purpose	Start-up, Acquisition, Expansion, Working Capital	Start-up, Expansion, Working Capital	For businesses with 2+ years' financial history - Area development build-outs, Acquisition, Refinance, Remodel, Upgrades/Conversions
Value	\$50K - \$5M	\$50K - \$350K	\$50K+
Equity Injection	10-30%	0-15%	0-30%
Collateral	Business and personal assets; may also require life insurance policy	Business assets only	Business assets; no personal collateral or life insurance required
Interest Rates	Prime Rate + 2% - 2.75%	Prime Rate + 2.75%	Fixed Market Rates
Terms	10 years*	7-10 years	7-10 years
Approval Turnaround**	1-2 business days	1-2 business days	1-2 business days
Time to Fund**	7-30+ business days	3-30 business days	7-30+ business days
Benefits to Borrower	<ul style="list-style-type: none"> • Start-up friendly • Long-term financing • Improved cash flow • Fixed maturity • No balloons • No prepayment penalties • Veteran incentives may apply 	<ul style="list-style-type: none"> • Start-up friendly • Long-term financing • Improved cash flow • Fixed maturity • No balloons • No prepayment penalties • No personal collateral • Veteran incentives may apply 	<ul style="list-style-type: none"> • Acquisition/expansion friendly • Long-term financing • Improved cash flow • Fixed interest rate • No personal collateral

*May vary if purchase of real estate is involved.

**Average time frames. Based on the complexity of the loan package and the timeliness of required documentation submission, time frames may be less or more.

All-Inclusive Lending Fee **\$2,500**

Unlimited consultation with your Lending Specialist, making sure you are well-prepared with no surprises.

- Pre-qualification assessment
- Required loan documents to package your loan request, including business plan & projections template.
- Professional review & guidance of your loan package.
- Constant communication, acting as a liaison between all parties involved.
- Presentation of loan request to our network of lenders.
- Quick answer of approval within 24-48 hours.

