

Increase sales from 20% to 200% by offering your customers the option to finance

Vendor Financing “Offer Financing to your Customers & Sell More”

Why Vendor Financing? You can increase sales to customers who want to finance the purchase of your products or services. Businesses that offer financing to their customers increase sales from 20% to 200%.

It's easy to understand. Let's assume you have a customer who wants to buy \$10,000 of your product or services. Only three things can happen:

1. They have the cash to buy it. You make the sale.
2. Maybe, they have the cash but prefer to finance it. You may lose the sale.
3. They don't have all the money to buy it, but they want to buy it. You will lose the sale.

Selling your products with financing options, will help you increase sales.

How does Vendor Financing work? There are two programs we have. This depends on the products and services your sell.

1. B2C – business to consumer program (small balance) up to \$1,000 to \$30,000 (if selling to consumers)
2. B2B – business to business program from \$10,000 to \$200,000 (if selling to businesses or equipment)

Your Growth Potential & How to Increase Sales? Let's assume the average sales price for an item you sell is \$2,000. You have 10 customers per month, and you may lose 5 sales because customers didn't have the money. Let's assume we can provide financing/leasing to 2 of those customers. You just made an extra \$4,000 and gained 2 new customers.

Sample Conversion Rates

| <u>Customers (Sales Lost)</u> | <u>Approved for Financing</u> | <u>Average Ticket Price</u> | <u>New Revenues</u> |
|-------------------------------|-------------------------------|-----------------------------|---------------------|
| 10 | 3 (30%) | \$2,000 | \$6,000 |
| 10 | 3 (30%) | \$5,000 | \$15,000 |
| 10 | 3 (30%) | \$20,000 | \$60,000 |
| 10 | 3 (30%) | \$40,000 | \$120,000 |

What do I need to get started?

1. Fill out an application on-line or PDF
2. Submit your application
3. Allow us 2 to 5 business days to provide you with the programs you can offer your customers.
5. Once approved; we will provide you with a 1-hour training on how we will be working together

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Program 1: Small Balance Transaction B2C (Business to Consumer) \$1,000 to \$30,000

This is a business to consumer program. This means that we can offer this program is your sell to consumers only. The finance/lease amounts are limited to up to \$30,000 to your customers.

Finance amounts:

On the small balance program a participating lender will lease or finance products up to \$30,000. Average finance amounts are between \$7,000 to \$15,000.

Qualification:

1. US government-issued photo ID and SS# or ITIN#.
2. 3 months of history with your current employer or current source of income
3. Deposits totaling at least \$1,000 per month into a checking account that has been open for 90 days or more.
4. No NSF's, excessive overdrafts, or negative balances on checking account
5. **No Credit Check usually – credit history will be taken into consideration**

What interest rates will my clients pay?

This depends on the profile of each client. **Interest rates can range from 7% to 30% annual.** As you know not every client you have has the same credit history or makes the same amount of income. The interest rate offered to your client depends on your clients profile.

What are the repayment terms?

Repayment terms can range from 12 months to 48 months; which is 1 year, 2 years, 3 years or 4 years. This depends on the profile of your client.

How are payments made?

Payments from your customers are made to the finance company usually ACH and they are monthly payments.

How do you get your money as the seller?

You get your funds for the full sales prices within 24 to 48 hours. Payments to you are ACH.

Under this program, you will be working with another finance company and not Lendinero. Lendinero can fund deals directly, can syndicate deals, and acts as a marketplace and consultant. Once we submit your information to participating finance/lease companies you will be working with an assigned representative. Under this program Lendinero will not administer the applications. You will be assigned to work with a specific finance company.

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Program 3: Equipment Financing or Large Balance Transaction B2B (Business to Business)

This is a business to business program. This means that we can offer this program if your sell only to businesses. The finance amounts are limited to up to \$200,000 to your customers.

Finance amounts: On the large balance program we or a participating lender will finance products, equipment, orders, and merchandise up to \$200,000.

- Qualification:**
1. US government-issued photo ID and SS# or ITIN#.
 3. US registered company and active with Secretary of State
 4. A business that has been operating for at least 6 months in business
 5. Last 4 months of business bank statements
 6. A business utility bill
 7. A copy of a US Identification or Drivers License
 8. Copy of a business voided check
 9. Credit score of 500 minimum

Your client can apply online or we can create a white-label application for you.

What will my customers pay?

Your customers will pay a cost of capita or interest based on their profile. Again, every client you have does not have the same credit score or they don't generate the same amount of business income. The cost of capital or interest can range from 9% to 36% annual. The average is 1% to 3% per month.

What Finance programs can you offer my customers?

1. The customer may qualify for an equipment financing loan. If they are purchasing equipment; this is what we try to provide your customer. We can financing anywhere from 70% to 100% of the purchase price of the equipment. If the buyer does not qualify for an equipment loan we may offer them a business line of credit or term loan.

What are the repayment terms to my customers?

Terms can range from 6 months to 48 months of repayment. Again, this depends on the profile of each customer. We offer 6 months, 10 months, 12 months, 15 months, 18 months, 24 months, 36 month and 48-month repayment terms.

How are payments made by my customers?

Your customers may have a daily, weekly, bi-weekly or monthly ACH payment. Again, this depends on the profile of each customer. We evaluate cash flow on the company bank statements.

How are payments made by my customers?

All payments are ACH fixed payments from the business bank account

How will I receive my money as the seller?

On our equipment finance program, you receive the money directly each time you sell equipment. On business lines of credit or term loans, your customer receives the money directly and then they pay you. On each approval and prior to funding we provide your customer an agreement, whereby they specify that they will utilize a specific amount of the funds to purchase from you. This can assure you that you will receive payment.



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The Process & Commonly Asked Questions

What happens once you are approved? Once you are approved, you can begin offering financing to your customers. On the B2C up to \$30,000, you will be contacted immediately by a participating lender or our recommendation of would be the best financing solution for your business and customers. Unless, if you want to outsource to us. If you are approved to offer equipment financing; we will be working side by side with your sales department.

How do I submit financing requests to Lendinero? We will provide you with an PDF fillable application and include your company logo or you can use our PDF fillable application. If you are offering B2C (business to consumer) we will provide you with a specific application. If you are offering B2B (business to business) financing, we will provide you with a specific application.

How to work the process and what to do when your customers are interested in financing?

It's simple. You tell your customers you can offer them financing and that you have an external financing department that will help them with that. Your customers can call us at: 888-505-5835 or we will assign a specific representative to handle all new requests. To obtain a faster response, you have your customers fill out the application, you send us the application and sometimes the same day we can have a credit decision. Usually it will take us 24 to 72 hours to provide a credit approval. Only on equipment financing, can we offer this. On B2C; you can handle the process by yourself or outsource to us.

How many customers get approved? In this document, we provided the requirements. Sometimes, when we do background checks on financial information, the information is not the same as what your customer placed on the application. This may cause for the credit request to be denied. Also, you must understand that not all finance applications are approved. On an average, we approve and fund 30% of all new applications.

How to increase sales? The best way to increase sales is to provide us with 2 to 5 products or services that you want to promote. We can give you ideas on how to position your products with financing. Also, we may be able to create promotional/marketing materials for you. Example. Let's assume you sell a product for \$2,000. Instead, you can promote it as: Now, you can purchase this equipment for only \$180 per month. \$180 per month sounds better than \$2,000. Also, it's important to note that you should not advertise any interest rates. We can help you with your promotional or marketing materials and quote rates and possible payments. On every marketing or promotional material, you must disclose that it is subject to qualification and rates are not guaranteed, subject to changes, and credit approval. This way you protect yourself and we protect ourselves.

What if I work with another finance company? That's perfectly fine. Our goal is not to replace other finance companies but to supplement. We can be your 2nd look. This means that if a client is denied, we can review the applicant. This is why, we offer different programs and can work with borrowers that have less than perfect credit.

What else should I know? For you to understand how this process works, we like to give you a very basic example which we can all relate to. Do you remember when you bought a car and you obtained financing or leasing? The salesperson took you to the car dealer finance department. Car dealers usually don't finance the cars. They intake the auto loan application and then they send it to a finance company that manages the financing/leasing department for the auto dealer, and they come back with a credit approval. This works in the same manner.