

Basic application requirements

We don't believe that any single metric should define the success of a small business. Here are some factors our underwriters consider when evaluating the creditworthiness of your clients.

✓ **Factors that positively affect creditworthiness**

✗ **Factors that negatively affect creditworthiness**

BANK STATEMENTS

- Recurring inflows and outflows
- Credits support revenue reported on tax returns
- Good management of working capital
- Appropriate salaries for internal shareholders

- Multiple NSF's / returned items
- Too many personal transactions on business accounts
- Debt payments don't match application
- Funds from questionable sources
- Lack of typical operating eXpenses
- Recent cash advances

TAX RETURNS

- Years in business (minimum 2 years)
- Consistent profitability
- Annual revenue

- Insufficient cash flow coverage
- Unreasonably large margins
- Volatile or negative revenue trajectory

CREDIT REPORT

- Borrower FICO (minimum 660)
- Good repayment history

- Excessive shopping for credit
- Derogatory accounts

ADDITIONAL TRIGGERS

- Strong VantageScore
- Positive entrepreneurial record
- A clear and intentional plan for how the loan proceeds will help the business

- Bankruptcy in last 7 years
- Outstanding tax liens without a payment plan
- Industry is speculative, cyclical, or identified as prohibited (NAICS codes beginning with 48 and 49)
- Poor web presence (depends on industry)
- Recent cash advances or new fundings

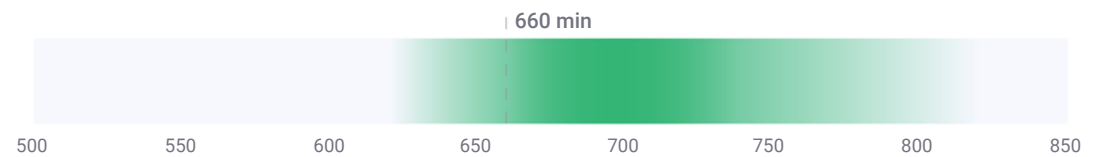
We're here to help you learn the unique features of our credit model, so you can get more of your clients funded in less time. Call or email your Relationship Manager for more information.

Typical characteristics of funded businesses (2016)

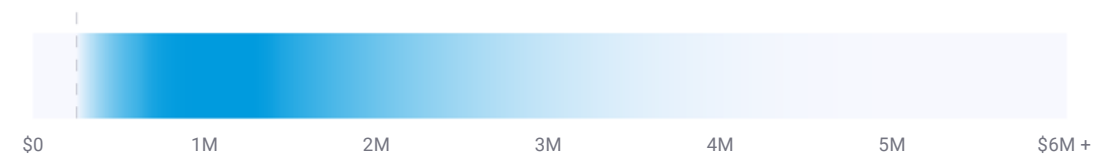
YEARS IN BUSINESS



FICO SCORE



ANNUAL REVENUE



Typical characteristics of funded loans (2016)

LOAN AMOUNT



TERM LENGTH



RATE



Meeting the criteria above does not guarantee your client will qualify for a Funding Circle loan. The examples included in this document are intended for educational purposes and do not represent all of the characteristics included in Funding Circle's credit decisions. Please be aware that our credit model is subject to change. The data presented above are averages for loans funded through Funding Circle Referral Partners between 1/1/16 - 3/31/16.