



ARF FINANCIAL

Businesses Bank on Us.

BUSINESS LINE OF CREDIT

The Flexible Financing Solution



It Pays to be Prepared



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Business conditions change. Unexpected issues arise. Windows of opportunity open. Are you prepared to deal with these occurrences? Or, is limited access to cash holding you back from growing your business and reaching your goals? If you answered yes, you are not alone.

According to the U.S. Small Business Administration (SBA):

- 27% of small businesses (over 1 in 4) say they could not obtain the funding they needed to maintain liquidity or seize growth opportunities
- 46% of small business owners use their personal credit card(s) for business expenses and to supplement their current capital
- One in three small business owners borrow money from family and friends to keep their operations running or fund opportunities for growth*

Without access to credit, many businesses would fail! So what turns the tide between success and failure?

Successful business owners state that being prepared for the unexpected is the difference maker! They have ready access to cash when opportunities arise or when one unexpected incident would otherwise squeeze their finances to the point of breaking.

Universally, they stated their solution was simple: a Business Line of Credit.





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Take Charge with a Business Line of Credit

Prompt access to capital can keep a small business' operations afloat; providing needed cash for working capital and growth opportunities.

Business owners with a line of credit available to them can also respond nimbly to changing business circumstances. If there's an emergency or an investment opportunity arises that's too good to pass up, they can simply drawn on their available credit. Yet, many business owners are not aware of how to find, start and use a Business Line of Credit.

What is a Business Line of Credit?

To help explain it, let's consider the process from a business owner's perspective:

- A business owner *applies for a line of credit* from a financial institution, such as a bank or an alternative lender
- They are approved for a set amount on their line, such as \$100,000
- They can then *choose when to access this available credit and how much they want to withdraw*. Unlike a business term, you don't have to use all of your approved limit, and you don't have to receive your available lending amount up front.
- The amount they draw can be used to take advantage of a growth opportunity, a phased remodel, a construction project or to fund an emergency, such as a break-down of key equipment
- After withdrawing an amount from their total available credit, the business owner can begin repaying the money they borrowed plus interest according to a pre-established arrangement. This structure allows the business owner to only pay interest on the amount they borrow as they need it, keeping their overall costs as low as possible.
- They can later decide to *withdraw more money* if another need arises. They can take *multiple draws* from their line of credit, up to the maximum amount they are permitted to borrow. (Depending on the arrangement, there may be a limit to the frequency of overall draws permitted.)
- A business line of credit may have interest charged in one of two ways. The interest rate may be variable, meaning it will rise if interest rates rise during the term of the line of credit. Or, the interest rate may be fixed, or locked-in for the entire term of the line. A fixed or locked-in rate is certainly most advantageous and will provide the most interest savings for a business owner.

A business line of credit is recognized as one of the most flexible financing solutions available for small to mid-sized businesses and puts the business owner in control of their financing needs!



Where should I look for a Business Line of Credit?

• Traditional Bank

If you have a high credit score, solid operating history showing multiple years of profitability and unencumbered collateral, then a traditional bank may be the right choice for you. However, traditional banks generally take up to 6 weeks to get you approved and require a mandatory paydown (to zero) on the line for two to four weeks annually. Business owners cite the long and difficult approval process, collateral requirement and the mandatory paydown as barriers to working with traditional banks. Although, if approved, a traditional bank line of credit may have the lowest interest costs along with an interest only repayment structure (delaying the repayment of principal until the mandatory paydown period).

• Merchant Cash Advance

A Merchant Cash Advance or “MCA” is the purchase of future credit card sales (or receipts) at a discount. A MCA is a sales transaction and is not a loan. Therefore, it is nearly impossible to receive a business line of credit from a MCA provider. Most MCA funders simply don’t have a platform to approve your business for multiple sale transactions up front. In almost all cases, a MCA funder will require you to take all the capital you are approved for up front via one transaction. A MCA also does not have a disclosed interest rate or a fixed term which can yield great uncertainty for a business owner. The MCA funder seeks repayment from a daily take of a business’ credit card receipts. Smart business owners have realized that the more successful they are at growing their business, the faster the MCA gets repaid (as a percentage of their sales), effectively shortening their repayment term and driving up the effective cost of funds.

• Alternative Loan or Alternative Bank Loan

There are some alternative lenders that provide unsecured business lines of credit with high approval rates, faster approval timelines and no need for collateral. These flexible financing solutions provide some of the best features of a traditional bank line without the hassle of a traditional bank loan. Finding a trusted alternative lender with a proven track record that offers such a product is often the challenge.



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Here are things you should look for when choosing a lender that provides business lines of credit:

- Ability to be approved up front and only draw funds as you need them.
- Ability to be approved for a total line of credit amount that meets your needs.
- Ability to lock in your interest rate during the term of the line.
- Clearly defined terms with no hidden fees.
- No need for collateral.
- Quick and easy approval process.
- High approval rates.
- Ability to draw on your line with 24-hour notice.
- Ability to consolidate drafts, refinance when needed or pay off draws one at a time.
- Ability to work with a trusted lender with a proven track record providing peace of mind.

What Can You Do with a Business Line of Credit?

- Supplement your working capital to fund payroll, inventory purchases, renovations, equipment upgrades or new marketing strategies
- Have the option to borrow instantly should great opportunities arise
- Have a "rainy day" reserve in case something goes awry
- Fund your growth plan, or make strategic investments towards evolving your business
- Get through seasonally slow periods or weather lower sales due to a city, county or state construction project





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Thinking About a Line of Credit? Consider Using ARF Financial!

We are experts in business lending. Since 2001, ARF Financial has secured over \$750,000,000 for thousands of business owners just like you!

Here's why you should choose ARF Financial for your Business Line of Credit:

- **Trusted Alternative Lender with Bank Loan Features**
ARF Financial is a trusted alternative lender with over 17 years of experience and has helped over 6,000 business owners obtain the business lines of credit they deserve. ARF offers many traditional bank loan features without the hassle of a traditional bank approval process.
- **Fast and Convenient**
Get approved for up to \$750,000 within 48-hours and enjoy 24-hour access to your no fee Line of Credit. It's quick, easy and low doc.
- **Five Draws Good for 6 Months**
Take up to 5 draws on your approved Line of Credit over a 6 month period!
- **Locked-In Rate**
Lock in your interest rate for up to 6 months! This advantage is critical in a rising interest rate environment.
- **Budget Confidently**
Each Line of Credit draw has its own fixed weekly payment allowing you to confidently budget as you access your funds over time.
- **Unsecured Terms**
Being prepared has never been easier with no need for collateral, minimum bank balances or typical mandatory annual paydown requirements.
- **Transparent Fixed Terms**
Each draw will have a locked-in interest rate, a fixed repayment term from 12 to 36 months and a payment that doesn't change. Plus, there are no hidden fees to contend with!
- **Interest is Tax Deductible**
Since ARF only offers bank loans, the interest you will pay is tax deductible as an ordinary business expense.
- **You Stay in Control**
Being in charge matters! Take one draw or all five, elect to consolidate your payments into one, refinance and up your LOC availability or extend the LOC after six months – ARF's Line of Credit product provides the utmost in flexibility!
- **One-on-One Support**
ARF offers one-on-one support from a local financial consultant to personally guide you through the application, approval and funding process. Their seasoned guidance will help you customize your line to meet your specific business' needs. And, they stick with you for the long-haul, working with you now and over the life of your business.



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Why ARF Financial Is Your Best Option for Securing a Business Line of Credit:

- We are the lending *experts* for restaurants, hospitality, and small businesses.
- We extend business line of credit to our clients every day. Simply put—it's what we do.
- We forge deep *relationships* with every client and *serve as their financial consultants* through the lending process to answer critical borrowing questions.
- We are not brokers. We *cut out the middle man*, keeping your costs low.
- No collateral and minimal paperwork are needed.
- Even if you have less-than-perfect credit or a spotty financial history, we have financing products *you can get approved for*.
- Our relationships with banks can help you secure the highest loan amounts, the lowest weekly payments and the lowest rates –all designed to save you money and to maximize your cash flow.
- Flexible financing options mean your loan can be *customized* to meet your business' individual needs.



READY TO LEARN MORE?

Visit our website at www.arffinancial.com for a quick application and a **FREE QUOTE** to find out how much you qualify for in as little as 48 hours!

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[LOAN CALCULATOR](#)