NEWITY

#1 SBA 7(A) FACILITATOR | **$12.0B** LOANS SECURED | **125K+** BUSINESSES SERVED

SBA 7(a) Asset Based Loan

Revolving SBA 7(a) lines sized and monitored against real-time accounts receivable, for established small businesses.

SBA 7(A) ABL

PROGRAM AT A GLANCE

LINE SIZE	RATE	MATURITY	MIN. REVENUE	USE OF PROCEEDS
$250K–$2M	**Prime + 3.0–4.5%**	**60 Months**	**$1M+**	**Working Capital**
Initial program range (SBA WCP permits up to $5M)	Max Prime + 3.0% above $350K	Revolving; annual renewal with full re-underwrite	5+ years in operation	A/R-based; initial program scope

THE PRODUCT

A true revolving line of credit, with availability set by eligible accounts receivable.

- Advance rate up to 85% of eligible domestic A/R (90% with credit enhancement)
- Borrowing Base Certificate drives sizing and availability in real time
- Initial scope is A/R-only; inventory advances built for future expansion

THE BORROWER

Established operating companies with a proven cash conversion cycle and receivables to borrow against.

- 5+ years in operation, $1M+ in annual revenue
- 640+ FICO required for the majority owner guarantor
- No outstanding MCA financing; must be paid off before approval

CORE CREDIT CRITERIA

Credit Scores & History

- ✓ **640 minimum FICO** for majority owner guarantor
- ✓ No felony or misdemeanor within 5 years (excl. minor traffic)
- ✓ Financial misconduct, false statement, or violent felonies disqualify regardless of age
- ✓ No active bankruptcy; Chapter 7 discharged over 5 years

Cash Flow & Borrowing Base

- ✓ **Borrowing base drives sizing**; DSCR reviewed, non-gating
- ✓ **Max 5 NSF** occurrences in trailing 6-month lookback
- ✓ Two consecutive years of 10%+ revenue decline disqualify
- ✓ **Customer cap:** 20% of A/R, 50% of revenue

Business Requirements & Monitoring

- ✓ **5 years minimum** time in business, $1M+ revenue
- ✓ **BBC filed quarterly** (≤$1M) or monthly (>$1M)
- ✓ **Field exam required** pre-funding on loans ≥$1M
- ✓ Trucking industry (NAICS 48) excluded at program launch

640	5 Yrs	$2M	85%
MIN FICO SCORE	MIN TIME IN BUSINESS	MAX LINE SIZE	MAX A/R ADVANCE RATE

Collateral & Guaranty

- ✓ **First lien required** on A/R supporting the borrowing base
- ✓ **All-assets UCC-1** filed at closing, first lien position
- ✓ **Full, unlimited guaranty** required from all 20%+ owners
- ✓ Fixed assets ineligible for advances, usable as added collateral

Advance Rates by Collateral Type

- ✓ **85% advance rate** on standard domestic A/R (90% enhanced)
- ✓ Foreign A/R ineligible at program launch
- ✓ A/R pool ineligible if 50%+ is aged past 90 days

Prepared for prospective referral partners. Summary for discussion purposes only. Criteria subject to change.