ISO

UNDERWRITING GUIDELINES

2024

UW GUIDELINES CHEAT SHEET

Min TIB	1-2 yrs (strong credit/risk score) or 3+, except: Restaurants (3), Construction (4/5), Trucking (10)
Preferred Industries	Healthcare/Specialty Trade/Manufacturing
Term Range	6-36 months
Min FICO	625
Min Ownership	50%
Min Annual Sales	$120k (or $10k/mo. average)
Min Deposits/mo.	5
Max Neg. Days	< 10 over last 3 months (or avg. of 3/mo.)
Prepay Discount	25% (aggresive prepays by request)
Payoff Requirements	- Must net 50% (exceptions case-by-case) - Max of 2 payoffs/$150k
2nd Position	Yes - Max of $100k/12mo. with buy rate adder

UW GUIDELINES CHEAT SHEET

Max Upsell	12pts (Standard Pricing), 6pts (Retention Pricing)
1st page of Tax Return	>$100k (>$150k for specific criteria)
Financials/8821	>$150k (> $200/250k for preferred industries and specific criteria)
Payment Frequency	Daily/Weekly (Bi-Weekly/Monthly for low risk deals and SIC)
Credit Pull	Experian (soft pull)
Bankruptcy	Dismissed > 1 year
State Restrictions	No sole props in AR and NY
UCC	Yes - All deals
Sweet Spots	- "7&7", 700+ FICO/7+ yrs TIB - Industries: Healthcare, Specialty Trade, and Manufacturing
Origination Fee	2.5%

APPROVED INDUSTRIES

Automotive

General Automotive Repair

Tire Retreading and Repair

Transmission Repair

Glass Replacement

Top, Body & Upholstery

Carwashes

Healthcare

Medical Practices
(Including Dentists and Chiropractors)

Pharmacies

Medical Laboratories

Nursing Care Facilities

Home Health Care Services

Veterinarians

Medical Equipment & Supplies

General Contractors

$150,000 max approval amount

Manufacturing

Materials & Machine Parts

Consumables (Food, Beverage and Tobacco)

Food Product Machinery

Medical Devices, Instruments and Supplies

And other manufacturers supporting all approved industry types

Mining/Oil

Non-Profits

Restaurants

$150,000 max approval amount

Retail

Hardware Stores

Lawn & Garden Supplies/
Landscape Nursery

Sporting Goods & Bicycle Stores

Fruit & Vegetable Markets

= HIGH-RISK INDUSTRIES
terms/amount may be capped

= TOP INDUSTRIES

Retail (continued)

Meat & Fish Markets

Grocery Stores

Liquor Stores

Tobacco Stores

Convenience Stores

Services

Accounting, Bookkeeping,
& Tax Preparation

Insurance Agents

Funeral Services

Laundry & Dry-Cleaning Services

Building Cleaning & Maintenance

High-Risk Services

Hotels & Motels

Gyms

Bowling Alley

Theaters

Dance Studios

Specialty Trade Contractors

Plumbing, Heating & AC

Roofing & Siding

Electricians

Flooring

Excavation, Wrecking and Demolition

Architectural & Engineering Services

Trucking

$125,000 max approval amount

Wholesale

Auto Parts & Tires

Construction Supplies

Plumbing Supplies

HVAC Equipment & Supplies

Farm & Garden Supplies

Hardware

Sporting & Recreational Goods

Produce, Grain, Meat, Dairy, Seafood Products

RESTRICTED INDUSTRIES

- Recruiting/Staffing
- Credit Repair
- Land / Water Vehicle Dealers
- Finance / Insurance / Real Estate
- Law Firms
- Government Services
- Non-US Companies
- Cell Phone Stores
- CBD/Marijuana
- Online Supplements
- Auto Rental
- Colleges / Universities

Q2 '24 UPDATES

Policy Updates

1) Min. FICO lowered to 625 (from 640) for 3+ years TIB with risk overlays
2) Min. TIB lowered to 1 year (from 2 years) with risk overlays (high FICO and specific SIC overlays)
3) Expansion of approved industries with risk overlays, including:
    a) Agriculture, forestry, fishing
    b) Deep sea transportation
    c) Telephone/Radio/Television broadcasting communications
    d) Automobile parking
    e) Professional sports clubs and promoters
    f) Legal services
    g) Vocational schools
4) Custom / more aggressive prepay discounts by request on strong files
5) O-Fee and/or Buy Rate adjustments can be made by lowering commission. Ask your Partnerships Manager for more details.
    a) Kapitus can help cover a portion on a case-by-case basis

KAPITUS®

120 West 45th Street
New York, NY 10036

O. 1-800-780-7133

partner@kapitus.com
www.kapitus.com

For Further Assistance with:

Pricing / Offer on submitted deals
email partnersupport@kapitus.com
or contact your Sales VP

Merchant questions/issues
please have them contact
customersupport@kapitus.com
or 757-903-4889

Syndication questions/issues
please contact
syndication@kapitus.com
or 757-903-4889

Equipment Financing, Leasing, Re-Financing, and Sale-Leasebacks

Submission Process

1. Completed Application
2. Invoice (15k minimum/30k titled minimum)
3. Three months business bank statements
4. Please include a writeup with equipment use case if possible.

Kapitus will **desk decline** or **pre-approve**. Once pre-approved, Kapitus will reach out to the customer to discuss and collect any additional documents needed for hard approval and discuss next steps, rates, terms, expectations.

Kapitus Equipment Finance team will stip the customer directly

- Generating a pre-approval and pitching the deal
- Collecting full Financials on larger deal

Collecting all back end stips, which **may** include:

- Titling, title transfers, title reassignments, Liens
- Vehicle warranties and certification checklists
- Equipment registration with insurance provider, COI
- Virtual site inspections, BOS, GOT
- Notarized buyer POAs, notarized seller POAs

TIER	**I**	**II**	**III**
MIN FICO	700+	675	650
MIN TIB	2 years	2 years	2 years
RATES	9.95% - 11.5%	11% - 15%	15% - 25%
MIN ASSET VALUE	$15,000	$15,000	$15,000
TERMS	60 months	48-60 months	36-60 months
DOWN PAYMENT	--------------	-----------	up to 20%
FULL FINANCIALS*	350k	175k	150k

RESTRICTIONS

-No Gyms/Fitness -Laundry/Dry Cleaning -Vending Machines -NO inventory

-Salons/Beauty/Spas -Non-Medical (lasers/holistic) -Oil and Gas

Industry Specifications

Trucking and Logistics

- Min TIB 2 years
- Fleet size of 2+
- Min dollar amount required for TITLED deals is 30k.

Restaurants

- TIB 5 years preferred.

***Full Financial Package**:

- Two years Business Tax Returns
- Two years Personal Tax Returns
- 3 Months of Bank Statements
- Personal Financial Statement
- Current Debt Schedule and Interim financials