

## ANALYSIS OF BUSINESS LOAN TERMS

To estimate the effective interest rate on the loans, most of which are paid with ACH withdrawals every business day except Federal Reserve Holidays, several simplifying assumptions are necessary:

- Payments are made every weekday, with no consideration of holidays, unless the loan documents establish a different payment schedule;
- Interest accrues on the outstanding balance daily;
- Fees are deducted from the amount disbursed to the borrower, reducing the amount received;
- If a fixed payment amount is specified as an estimate of the percentage of receipts, the fixed amount was used as the payment;
- If no fixed amount is specified for payment based on a percentage of Visa and MC receipts (Can Capital), then the estimate is based on three different levels of income.

Lender	Amount Disbursed <sup>1</sup>	Total of Payments	Interest and Fees Paid	Effective Interest Rate	Daily Payment	Loan Term in Days
OnDeck(1)	\$17,550	\$24,661	\$7,111	75.2%	\$97.86	352
BizFunds	\$20,000	\$27,210	\$7,210	43.9%	\$71.24	530
Can Capital <sup>2</sup>	\$18,584	\$24,290	\$5,706	48.1%	\$79.45	428
Can Capital <sup>3</sup>	\$18,584	\$24,289	\$5,705	36.0%	\$59.59	572
Can Capital <sup>4</sup>	\$18,584	\$24,290	\$5,705	60.1%	\$99.32	341
Capital Alliance	\$7,465	\$10,875	\$3,410	323.9%	\$164.77	92
CBSG	\$185,241	\$261,071	\$75,830	240.7%	\$2,373.37	110
DirectCapital	\$34,800	\$39,554	\$4,755	26.3%	\$152.13	362
Direct Merchants	\$14,160	\$19,050	\$4,890	116.5%	\$135.00	198
EBF	\$38,830	\$56,000	\$17,170	206.4%	\$560.00	138
Fora Financial	\$67,200	\$96,600	\$29,400	94.5%	\$449.30	298
InAdvance	\$7,295	\$11,600	\$4,305	367.7%	\$159.00	101
Mantis Funding	\$7,304	\$12,320	\$5,021	347.5%	\$140.00	122
Merchant Funding	\$23,866	\$37,475	\$13,609	346.4%	\$499.00	106
OnDeck (2)	\$57,000	\$75,812	\$18,812	41.5%	\$200.56	378

**Source:** Terms are calculated based on loan documents from the named lenders; a lender provided the documents for analysis. No personally identifiable information or names of the borrowers were shared. This is not a random or statistically significant sample. It is a snapshot of the range of loan terms available.

<sup>1</sup> Loan amount less fees.

<sup>2</sup> Based on assumed annual receipts of \$100,000 used to repay the loan.

<sup>3</sup> Based on assumed annual receipts of \$75,000 used to repay the loan.

<sup>4</sup> Based on assumed annual receipts of \$125,000 used to repay the loan.

Additional loan terms, including fees:

- On Deck (1) charged a \$450 origination fee, 2.5 percent of the gross loan amount of \$18,000.
- BizFunds charged a \$10 per month administrative fee on a gross loan amount of \$20,000, with payments of 20 percent of receipts.
- Can Capital charged a \$100 administrative fee on a gross loan amount of \$18,684, with payments of 29 percent of receipts.
- Capital Alliance charged a \$35 ACH fee on a gross loan amount of \$7,500, with payments of 10 percent of receipts.
- CBSG charged a \$395 origination fee, \$399 ACH fee, a \$249 risk assessment fee, and a \$195 UCC fee on a gross loan amount of \$186,479, with payments of 10 percent of receipts.
- Direct Capital charged a \$200 upfront fee on a gross loan amount of \$35,000.
- Direct Merchants charged a \$295 origination fee, a \$395 ACH fee, and a \$150 UCC termination fee, with fees amounting to 5.6 percent of the gross loan amount of \$15,000, with payments of 11 percent of receipts.
- EBF charged a \$775 origination fee and a \$395 ACH fee, with fees amounting to 2.9 percent of the gross loan amount \$40,000, with payments of 15 percent of receipts.
- Fora Financial charged a \$2800 origination fee, amounting to 4.0 percent of the gross loan amount of \$70,000.
- InAdvance charged a \$295 origination fee, a \$395 ACH fee, and a \$150 UCC termination fee, with fees amounting to 8.8 percent of the gross loan amount of \$8,000, with payments of 15 percent of receipts.
- Mantis Funding charged a \$299 origination fee, a 399 ACH fee, a \$299 risk assessment fee, and a \$199 UCC termination fee, with fees amounting to 14.1% of the gross loan amount of \$8,500, with payments of 10 percent of receipts.
- Merchant Funding Services charged a \$295 origination fee, at \$395 ACH fee, a \$249 risk assessment fee, and a \$195 UCC fee, with fees amounting to 4.5 percent of the gross loan amount, with payments of 10 percent of receipts.
- OnDeck charged no fees on its \$57,000 loan.

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