

The Business Funding E-Book Series

Non-Recourse Business Funding Guide

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NON-REOURSE BUSINESS FUNDING WITH NO PERSONAL GUARANTEE REQUIRED



A personal guarantee on a business loan means that you are personally responsible for the repayment of that money if the business fails and does not have the means to pay the loan back.



Every one of the business lenders we recommend can offer loan terms where no personal guarantee is required and the bank has no recourse against the business owner in case of loan default. This is just one of the many loan

terms you will need to negotiate when you are applying for business funding.

Let me REPEAT this point. There is no special “secret” list of lenders that are the only ones that offer No PG loans. Every bank COULD give you non-recourse loan terms if they wanted too.

Many people that approach us to help them get access to more business funding have been doing it all wrong. They take out money for their business needs in their own name doing a lot of damage to themselves. And the way they access money does nothing to help their business actually build a good credit history to further develop more generous business lines automatically.

Once they discover that there actually is a way to separate business debt from themselves personally they get all revved up and want to know the “ninja tricks” that can do this magically.

They only seek out the shiny-new-objects.

And the boring fundamentals become like kryptonite to them.

It's like all they want is “Advanced Tactics”

But the irony is, advanced info can only be applied successfully by someone who has mastered (not just learned) the fundamentals of building a business image.



So if you got this program and are now thinking to yourself “Show me something advanced!” you will either need to quickly read all the way through it to understand the basics or you will need to pick up the phone and talk to us about why it is so important for us to do the business credit BUILDING for your business.

Our Direct Hotline is: 702-235-3969

It's Up to YOU!

Simply put, it is up to you to build a strong enough business image that the lender will approve your loan request for business money without requiring that you pledge a personal guarantee on the repayment of that loan.



How you prepare, in advance, before applying for business funding will determine if you are given money with No PG required and how favorable the other loan terms are that are extended to you.

Other negotiable loan terms on business funding include:

- length of the loan
- fixed rate or adjustable
- what the rate will be
- any points or potential fees charged
- revolving credit line or standard principal and interest payments
- collateral type if required
- will it be guaranteed by the business assets or by the owner

Just remember that lenders want to make loans to businesses like yours. It is one of the most important parts of their loan portfolio.

So you really do have the power to fight for the best loan terms or to walk away and choose to take your business somewhere else that you feel is more favorable to you.

But, if you want to avoid personally guaranteeing loans, you have to make a strong enough case, as to the strength or reputation of your business, that the lenders are willing to waive this kind of requirement.

You have to make your business look GOOD in a number of ways before you can hope to start receiving non-recourse funding with no personal guarantee required.



Here are some of the ways you can get business funding without a personal guarantee and several lending alternatives:

Trade Lines or Vendor Credit

Most trade lines or vendor lines of credit are offered to businesses on a non-recourse basis with no personal guarantee required.

Think of companies like Staples and Home depot that serve businesses as well as consumers.

They can easily offer your business a line of credit just to be used in their stores.

These kind of business loans help improve your business credit score when you use them properly.

While these kind of business loans are not cash based, they can still be used to acquire cash indirectly with a little resourcefulness.

As an example, you may be sold lumber on vendor credit terms at a local lumber yard and you might trade that lumber for cash to someone else that needs it. Eventually you will need to repay the lumber yard for the wood you bought, but you may have 90 days to use the cash you exchanged the wood for before payment is due.

Trade lines are one of the primary methods a business should use to build up a good business credit score. Your business should apply for a wide variety of trade lines that can be used to buy everything from toilet paper to gasoline to cleaning supplies.

Then you should use as many of these kind of trade lines as is practical. Even if you don't need these products or services to run your business directly, understand that you are building your business score by paying off these bills immediately when they arrive.

Understand that anything you buy using a trade line, even if it ultimately is used personally rather than in your business, will increase your business score with agencies like Intellascore and Dun & Bradstreet.

There are thousands of sources of trade line credit or vendor credit your business can access, but be careful, because only some of them will report quickly back to the credit bureaus and help improve your scores.

The biggest secret is in knowing, from experience, which ones you should really use.



Banks and Traditional Financial Institutions

Banks will lend non-recourse money to your business with no personal guarantee required if your business has a high enough credit score with reporting agencies like

Dun & Bradstreet and if you have a strong enough business profile.

Business lenders look at common sense things like length of business credit history, speed of repayment and type of business activity.

If you take the time to develop a winning business plan, properly list your business phone number with directory assistance and generate a positive business credit score your business can receive non-recourse loans.

This has always been one of the surest ways business owners can avoid personally guaranteeing loans.



Merchant Advance Loans

If your business accepts credit card payments from your customers, you can apply for cash advances against your future merchant transactions with many lenders.

And you do not have to personally guarantee this type of loan because it secured directly through your merchant processing activity. Loan repayments will automatically be taken out of each batch of sales you make each day until the loan balance is repaid.

This kind of loan is available at rates that are higher than average, but it is fast and easy to qualify for by simply providing records of your last 3 months of credit card sales.

If you have an opportunity to make a lot of money if you can just get your hands on some cash then you should consider these kind of merchant advance loans.

Here is how to ensure you'll be approved for this funding:

- *You Must accept Visa or Mastercard.
- *Your business must process at least \$2,500 per month.
- * You must have been in business for 6+ months.

This type of funding Ranges from: \$5,000 to \$250,000

You can be Approval within 24 hours and receive cash in as little as 3 days direct deposited into your bank account.

For this kind of business loan we recommend you use:
www.nextlevelfunding.com



Private Lenders or Hard Money

Private money and hard money are commonly available with no personal guarantee required when a piece of real estate is used to back the loan.

The key to receiving this kind of loan is to use as collateral, property that will be worth far more than the loan amount after repairs and restoration is completed on the property.

Hard money is deal driven, not personal credit driven, and as such is basically unlimited.



Factoring

Factoring is a longstanding practice of selling your businesses receivable receipts (at a discount) months

before they are due to be paid to you.

It could be common for you to be forced to wait 30 to 60 to 90 days for your customers to pay for your products or services in certain industries.

If your customer is stable enough and credit worthy, people will buy your receivables for a lesser factor than you are owed (this is called factoring).

You could receive 75 cents on the dollar (of what is owed to you) quickly with factoring.



Partnerships

Forming a business partnership with other people, that are willing to act as credit partners, is a very easy way for you to avoid giving your personal guarantee on the business loans that are needed.

When you find the right kind of partner, they may be willing to

contribute their cash or their credit to your business venture. This is a straight forward way for some people to invest in your business.

A general partnership and certain kinds of limited partnerships can arrange to pay a partner cash in return for helping to qualify the business for needed financing.

Partners ultimately are willing to do this kind of thing because the debt never reports back to them when the financing is used properly and they are promised a good return for their participation.



Crowd Funding

When you get money from rewards based or equity based crowd funding methods it is usually given to you with no personal guarantee required.

Thanks to the passage of the JOBS act by congress in 2012 it is now legal to raise money for your business from the public.

That means there is now millions of dollars of non-recourse funding available to you and your business if you learn how to take advantage of this opportunity.

Reward based crowd funding lets the public pay you specific individual amounts of money in exchange for items or services your business offers. There is no other return on the investment offered beyond the items being purchased.

Equity based crowd funding now allows people who do not fit the criteria of being a qualified investor to put up to \$2,000 a year into any crowd funding project they wish.

There are already funding pools established filled with thousands of people ready and waiting to fund millions of dollars into new and existing business ideas!

SUCCESS STORIES



Here are some real ‘Crowd Funding’ success stories



Look at several recent examples of verified crowd funding success stories and what a difference this kind of money made.

OVER NIGHT SENSATION:



Last month a video game project called Ouya hit the million-dollar mark in just more than eight hours. It was the biggest single-day crowdfunding total in history.

The project went on to receive 46,914 backers and a whopping \$6,061,081 in crowd funding pledges.

Granted, Ouya is an exceptionally successful case, but what many business owners don't know is that crowdfunding is not just for start-ups—and it's not just

about the money. A crowdfunding campaign can address some of the most significant challenges that small business owners and start-ups face. From validating a new product or idea, to gathering feedback from the marketplace and finding the resources to scale, crowdfunding can be the answer to your biggest challenges.



AN INVENTION THAT MAKES A BIG DIFFERENCE:

A year ago, two MIT graduates raised half a million dollars in crowd funding to create something called Twine, a cigarette-pack-sized chunk of Internet magic that promised to turn any object in your home into a web-connected, interactive "smart product."

Want your basement pipes to send you a text message when they're in danger of freezing up, or your garage door to ping you if you forget to close it? No problem: With Twine, building your own personal "Internet of things" is supposed to be easier than programming a VCR.

And now that the product is available for purchase, it looks like creators John Kestner and David Carr have very nearly delivered on that ambitious promise while they greatly enrich themselves thanks to this crowd funding.

excited to release them to the public now that they have been given this crowd funding money.



AN APP INVENTOR STRIKES IT RICH:

The App Code Revolution raised \$45,817 for The World's First Virtual App Incubator from 369 funders in a relatively short period of time.

This was the bright business idea of simply teaching other people how to take advantage of the business opportunities that are rising up for average people that want to get listed in the iTunes app store.

Now your business, idea or invention could be the next one to rake in this kind of crowd funding!



DREAMS COME TRUE FOR A SMALL BAND:

81 people helped crowd fund the band "gone quite mad" and raised \$5,215 so they could record their first full-length record.

After playing together for the past 3 years under different project names, (Chris Gesualdi, Nick Pascarella, Caleb Spaulding and Joe Kruse) are now embarking on recording and releasing their first album as "Gone Quite Mad." They have been writing, rehearsing, and polishing the 8 tracks that make up this record, and are beyond