



NFIB Member Q & A with Kabbage

Kabbage helps small businesses get the funding they need to grow. Through a fully automated, online platform, businesses can link their latest business data, allowing Kabbage to review the overall health of their business – not just a credit score – to approve and provide loans of up to \$100,000 in minutes.

Q: Are you a direct lender?

A: Yes, Kabbage is a direct lender and we take the risk of loss for all the loans that we make. We issue our loans in partnership with Celtic Bank, a Utah-Chartered Industrial Bank which is regulated by the FDIC.

Q: Does Kabbage look at personal credit?

A: Yes, a hard inquiry is pulled through Experian on the last step of the Kabbage application. This is used to verify the identify of the applicant and adhere to anti money laundering laws.

Q: Do I need to have good credit score to get a loan from you?

A: Not necessarily. However, if we have limited information about the health of your business performance through the data channels linked to the Kabbage application, it is helpful to understand personal financial performance to help inform the decision.

Q: How does a line of credit affect your credit rating with the credit bureaus if you use it or if you don't use it?

A: The hard inquiry during the application process may impact your credit a few points. Using or not using your line doesn't effect your credit at all. It could potentially increase your personal credit score because you will not be using your personal accounts for business purposes any longer. We see that our customers' credit scores increase 10 points on average in the first year of working with us.

Q: Do you qualify start-ups?

A: While we would love to be able to qualify start ups, our business model requires at least one year of business performance history to make a qualification decision. If you are a start up in need of capital; check out credit cards, home equity loans, crowd funding companies like Kickstarter or equity funding through venture capitalists and investors.

Q: What are your rates?

A: Kabbage has 6-month and 12-month pay back terms. Monthly payments to Kabbage include a portion of the original loan amount plus associated costs. The costs range from

1% to 12% of the original loan amount. There are no origination fees or early repayment penalties.

Q: What collateral do you require?

A: We do not require collateral. We make sure that the total amount you are borrowing is not more than you can reasonably pay off. Too many businesses have failed because they have had too much outstanding debt relative to their revenue. We don't want to see that happen to our customers.

Q: If I currently have funding provided from OnDeck. If I seek a line of credit through Kabbage would that jeopardize my agreement or relationship with OnDeck?

A: If you have enough revenue and are able to satisfy repayment of multiple loans, you should be in good shape. OnDeck would be the best resource for answering this question to see how their company handles businesses that have loans with multiple providers.

Q: My experience with these type of lenders is the cost of funds is very high and the people who are on the other end of the phone try to manipulate this information. I haven't ever called Kabbage but have talked with three other lenders. Are there possibly shady options out there?

A: Unfortunately, there is potential to run into some "bad actors". It's important to learn as much as you can about a lender, their terms and their pricing before you move forward with an application

- *Ask key questions about the total cost of the loan and payback terms*
- *Check BBB ratings for the lender*
- *Research the company and its owners*
- *Make sure you can get in touch with the company*

**More questions about Kabbage?
Our Customer Service Team is here to help at 888-564-7344**

To apply, visit www.kabbage.com/nfib