

# Fundation FAQs

## **Why wouldn't I just go to a bank?**

Your experience with Fundation will be very different than if you were to apply for a loan with a bank. Their risk tolerance is greater than a typical bank, so they are far more likely to say yes to your application when a bank is more likely to say no. In addition, they only ask for a subset of the information that banks ask for and if approved, their customers are typically funded in as little as three days.

## **Is my information safe when applying online?**

Fundation's online loan application is highly secure. They do not sell any of your information and they take great care in protecting their customers' information.

## **How much money can I borrow from Fundation?**

You can borrow up to \$500,000. Only customers who are determined to be at lowest risk are eligible for larger amounts. In specific cases, Fundation can lend up to \$1 million, but this will require a more thorough review of the applicants' use of proceeds.

## **What are the basic terms of a Fundation loan?**

Fundation loans are available in one- to four-year repayment periods. Long-term loans are designed for borrowers who are looking to make long-term investments in their business, such as product or service expansion, hiring new employees, and capital improvements. These loans are available up to \$500,000 with repayment periods of two- to four-year terms. Fundation also offers its customers a shorter-term loan designed to help business owners with everyday operating costs of their businesses. These loans offer amounts up to \$150,000 and repayment periods of one to two years. Both loan products have fixed interest rates starting as low as 7.99% with payments automatically debited from the customer's account twice a month. There are no penalties for paying your loan back early.

## **What information will I need to provide?**

Fundation will ask you to provide information about you and your business, including your Social Security Number, your business's Tax ID number, and some additional disclosures. Before final approval, they will also ask you to provide three months of bank statements and two years of business tax returns. Additionally, one of their credit specialists will conduct a brief phone conversation to discuss your application. Fundation can gather your business tax returns and bank data electronically, or you can send them yourself.

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## **What other information are they collecting and how will they collect it?**

Fundation's system allows them to collect your personal credit report, your business credit reports, and supplemental data, including public records and personal and business verification information. They use this material along with your self-reported information to get a comprehensive view of your application and give you a preliminary decision within minutes.

## **When will I find out if I'm approved for a Fundation loan?**

You will be given a preliminary decision during your online application. If Fundation can capture sufficient data on you and your business, they can also provide you with real-time loan pricing online. After your application, their team will conduct an offline review of your application. If you were not provided with pricing online, their team will deliver their decision and pricing options after review.

## **Can I refinance my loan?**

For business expansion loans, Fundation generally requires good payment history for nine months before they allow customers to refinance. For one year loans, they generally require good payment history for six months before allowing customers to refinance. All customers are free to submit a request prior to that time, and their credit review committee will evaluate your request.

## **If I am approved for a loan when will I receive my money?**

Generally, Fundation can move as fast as their customers can. You will receive the money in your account as quickly as three days after submitting your loan application and within one day of executing your loan documents.

## **What are their rates?**

Rates start at 7.99%; however, your specific rate will depend on a variety of factors, including your industry, your personal credit history, and your business payment history. Each customer is different, so the only way to know the rate they'd give you is to apply.

## **If they're not a bank, how are they funded?**

Unlike banks, their loan funding does not come from customer deposits. Private investment firms invested a significant amount of money in Fundation to permit them to fund and hold every loan with their own capital.

## **Is there any paperwork?**

Generally, Fundation requires three months of bank statements and two years of business tax returns. However, with your permission, their system can retrieve these documents directly from the IRS and your bank. This enables the entire process to be paperless. If you would rather send these documents to them yourself, that's fine too. If you are approved for a loan, you will sign your loan documents online.

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## **How do I make payments?**

Payments are automatically debited from your business checking account twice a month. Electronic payments help to ensure you are not incurring late fees and allow Fundation to provide you with an interest rate discount that will be reflected in your loan offer.

## **What happens if I prepay my loan?**

Fundation does not assess any fees for loans paid ahead of time. If you pre-pay loan principal, the term of your loan will be reduced and more of your future payments will be applied to principal as opposed to interest resulting in a reduced number of payments.

## **Do they require any ongoing paperwork or reporting from borrowers?**

No. Fundation knows what a hassle it can be to send your lender periodic financial statements along with annual business and personal tax returns. They feel that as long as you're paying your loan on time, nobody should bother you. They require electronic payments twice a month and that is it.