

How to Find a Deal and Earn a Commission in Seven to 10 Days



This new cash flow niche could mean the sky's the limit.

by Howard Chernin

More than 90 percent of small businesses are unable to get traditional financing — and eight out of 10 small businesses fail during the first year. Yet thanks to credit card receivables financing, a small business can receive an average of \$50,000 in just days — making this innovative financing method a type of financing every consultant should understand.

In this Speaker Session, we'll look at every aspect of credit card receivables financing.

To summarize, credit card receivables financing is advancing funds to a merchant or other small business based on the past six months of credit card receivables. Once a company like American Microloan, LLC has approved a company's application, the deal can be financed within seven to 10 days — and the consultant will be paid his commission the day the deal is funded.

Credit card receivables financing offers consultants an opportunity that wasn't typically available to them before. The credit card receivables financing company will usually fast-forward the monetary wire transfer (*i.e.*, 70 percent to 150 percent of the merchant's average monthly Visa/MasterCard volume). The loan for the merchant will be paid back within a six-month period, and the merchant will generally renew the loan.

This method of financing offers merchants two advantages: the ease of the deal and the quick turnaround time. But another benefit is the low financing cost. A typical cost of the advance is approximately \$1,059 for every \$10,000 advance over the standard term. In other words, the payback ratio is 1.1059, meaning the business owner pays back \$1.1059.

In addition, the flexible payments make this arrangement ideal for small-business owners. The payment is a percentage of Visa and MasterCard sales and not a fixed amount. If the business is doing well, the loan is paid back more quickly, minimizing interest costs. The other side of the coin is that if sales are slow, the owner isn't under pressure to make the fixed payment amount. The actual interest costs can vary depending on the daily sales figure.

The possibilities for consultants are staggering. At American Microloan, LLC, for example, our average deal is a \$50,000 loan to a merchant. It is not unreasonable to try to do two a week for any medium-sized retail establishment. In return for a \$50,000 loan, the consultant would receive \$2,000 up front plus the residual when the loan is completed. Making \$2,000 a week simply by selling cash advances to small businesses — or \$8,000 a month, \$96,000 a year — is worth looking at. At this Session, I'll tell you everything you need to know about this hot new product in the cash flow industry.

Howard Chernin is executive vice president of American Microloan, LLC, a nationwide credit card receivables financing company located in Fort Lee, New Jersey. He is a member of the National Association of Mortgage Brokers, the Commercial Finance Association, the Construction Financial Management Association, and the International Factoring Association. He resides with his family in New Jersey, where he serves on the Board of the YJCC. For more information, call 866-CASH456 (866-227-4456).