

**WJM 7 Commercial Lending, LLC**  
**Questions for the Factoring Company**



1. When does the factored client's interest charge end?
  - a- When you receive payment from the client's invoiced client?
  - b- When payment from the client's invoiced client's check clears the bank?
  - c- At the end of a certain period - 15 days, 20 days end of month.

(The question here is if they received an invoice payment on say the 5th of a month, did they continue to pay interest for a period of time after receipt of check and how long?)

- 2- Do you insure the invoices so that if an invoice goes bad the client is not held responsible? (i.e. recourse or non-recourse)

- 3- Do you require all invoices to be factored or can client pick

and choose which receivables he/she factors (i.e. spot factoring)?

4- What are your advance rates?

5- What size deals do you fund independently?

6- How do you pay reserves? Batch or by individual invoice? When are reserves paid back to the client and are reserves mentioned in your Purchase and Sale Agreement?

7- How do charge the client? Flat rate by term or Factor fees plus interest rate? What additional or upfront fees can be expected ie...audit, due diligence? What is your application fee?

8- Do you require Personal Guarantees? Corporate Financials?

9- How long must the client factor - do you require a certain length of time? 6 months, 12 months?

10- What types of clients will you and won't you factor? For example will you do: construction - medical - trucking factoring?

11- What percentage do you advance (i.e. 70%, 90%, 92%)?

12- Are you a bank? If so how are you regulated?

---

Your Company Name

---

Signature

---

Date

Please print this form out and handwrite the answers. Please scan into a pdf and email to [WJM7@WJM7.com](mailto:WJM7@WJM7.com)

2006 WJM 7 Commercial Lending, LLC

