



FINANCING GLOSSARY

8 terms worth knowing before a financing conversation

A

Annual Percentage Rate (APR)

The annualized cost of borrowing, including interest and certain fees.

B

Business Line of Credit

A revolving credit limit you can draw from and repay over time.

F

Factor Rate

A multiplier used to calculate total repayment.

P

Personal Guarantee

A commitment to personally repay financing if the business cannot.

S

SBA Loan

A loan backed in part by the SBA, often with competitive rates.

S

Soft Pull vs. Hard Pull

A soft pull doesn't affect your credit score; a hard pull may.

T

Term Loan

A lump sum repaid through scheduled payments over a set term.

W

Working Capital

Money available for day-to-day business expenses.

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