

# HEADWAY CAPITAL™

## Product Guide



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# Introduction

# Introduction

Headway Capital is dedicated to helping small businesses get the funding they need to succeed, and we're excited to partner with you to achieve that goal. This guide will help you understand what we offer and determine whether a customer is a good fit. It will also walk you through our application, funding and repayment processes, and provide you with useful selling points you can communicate to your customers.

If you're ready to jump in, the next few pages are a **Quick Start Guide** that will lay out the high-level details of what successful Headway Capital customers look like so you can start finding eligible applicants right away.



# Quick Start Guide

# Our Sweet Spot

We use many variables to determine customer eligibility. That's why we've created a "sweet spot" profile to create the best experience for you and your customers. Borrowers that meet the following requirements will have a higher chance of approval and success with a Headway Capital line of credit.



Annual gross revenue:  
\$250,000 –  
\$1,500,000



Personal credit history:  
5+ years



FICO® credit score:  
620+



Time in business:  
2+ years



Debt coverage ratio:  
<10%



# Minimum Borrower Qualifications



FICO® credit score:  
560



Time in business:  
6 months



Annual gross revenue:  
\$50,000\*



Average daily balance:  
\$500†

## Additional Qualifications

### Bankruptcy

Borrower cannot be in an open bankruptcy or have had a discharge or dismissal of bankruptcy in the last 12 months.

### Ownership of Business

Borrower must have at least 1% of ownership and authority to sign on behalf of the business.

### Closing Documents (If Applicable)

Per the underwriter's discretion, we may require any of the below documentation:

- Proof of Ownership
  - K-1, articles of incorporation, operating agreement, active SOS filing
- Voided Check
- Driver's License
- Electronic Bank Verification via Plaid

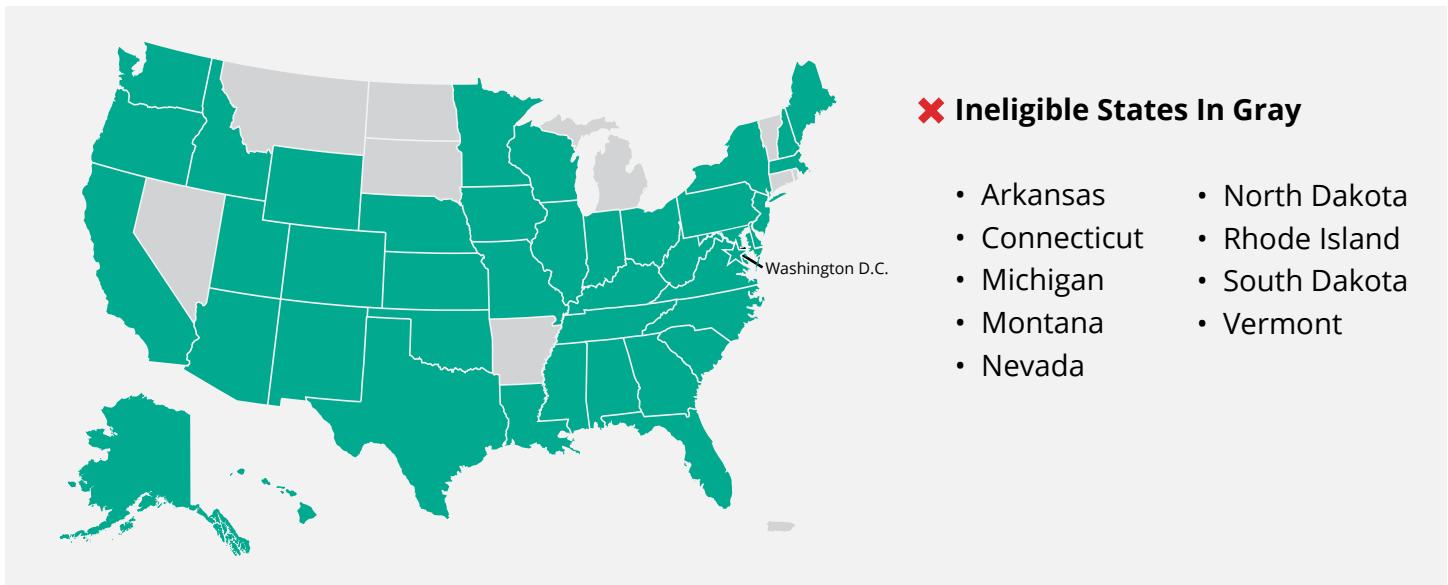
\*Minimum \$450,000 to receive an offer greater than \$50,000

Minimum \$900,000 to receive an offer of \$100,000

†FL minimum: \$1,500

MD minimum: \$1,100

# Eligible States



# Industries

## Preferred Industries We Serve

- ✓ Healthcare
- ✓ Professional
- ✓ Construction
- ✓ Wholesale Trade
- ✓ Manufacturing
- ✓ Waste and Environmental Services
- ✓ Insurance
- ✓ Warehouse and Storage

## Ineligible Entities and Industries

- ✖ Sole Proprietors in DE, ME, MN, NE, NJ, WV, WY
- ✖ Partnerships in NJ
- ✖ A full list of ineligible industries can be found [HERE](#).

# Key Talking Points

- **Average decision time:** <4 hours
- **Required paperwork:** 3 most recent business bank statements
- **Credit type:** Revolving — draw at any time, up to available credit limit
- **Average funding time after approval:**  
1 – 2 business days
- **Prepayment penalties:** None
- **Interest:** Simple daily interest calculation
- **Front-loading:** None — consistent payments each month
- **Connect to Plaid:** Electronic bank connection allows for faster reviews (*borrower can disconnect at any time*)

## Communication Tips

As a Headway Capital partner, you are on the front line of selling our product. Therefore, it is important that you understand the Do's and Don'ts of our brand so you feel prepared, confident and successful when selling our line of credit.

DO	DON'T
<ul style="list-style-type: none"> <li>✓ Keep an open line of communication with your Account Manager. They will troubleshoot any issues you may have.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Double fund a customer.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Accurately represent our product including terms, benefits and renewal/future draw structure.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Submit an incomplete application.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Provide constant feedback to your Account Manager and Business Development Manager so we can continue to improve our product and processes.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Knowingly provide fraudulent information or documents to Headway Capital.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Create the ultimate customer experience. Customer service is a key pillar for Headway Capital, and as extensions of our brand, we have the same expectation of our partners.</li> </ul>	
<ul style="list-style-type: none"> <li>✓ Contact your Account Manager prior to application submission if your customer has recently paid off competitive funding.</li> </ul>	

Our True Line of Credit™

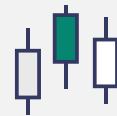
Our True Line of Credit™ offers small businesses a flexible way to get capital for growth or to manage expenses. In this section, you can learn about the features of our line of credit, including an example of how our simple daily interest can save businesses money, and see the rates and terms state by state.

## Product Features



Credit limit:

\$5,000 – \$100,000



Repayment terms:

12, 18 and 24 months



Payment frequency:

Monthly or weekly



Fees:

**2% draw fee**

(No draw fee in CO, GA, IN, NJ, OK)



Rates:

1

0.11% daily  
3.3% monthly  
40% annually

2

0.14% daily  
4.2% monthly  
50% annually

3

0.16% daily  
4.8% monthly  
60% annually

4

0.22% daily  
6.6% monthly  
80% annually

# The Benefit of Daily Interest

At Headway Capital, we charge simple daily interest. This means that interest accrues on the customer's outstanding principal balance on a daily basis. If a customer pays off their line of credit balance early, interest will no longer accrue since there is no balance.

To understand the full benefit of daily interest, consider 2 customers.



The only difference is that the customer on the left is paying daily interest, while the other is charged a monthly fixed fee.

	Daily Interest	Monthly Fixed Fee
Draw amount	\$15,000	\$15,000
Rate/Fee	0.16% simple daily interest (4.8% monthly interest) 0.16% x 30 = 4.8%	4.8% fixed monthly fee
Rate/Fee charged on principal	1.6% (0.16% daily interest x 10 days)	4.8% fixed monthly fee
Rate/Fee Cost	\$240	\$720
Total amount repaid	<b>\$15,540</b>	<b>\$16,020</b>
Principal + draw fee + rate/fee =		

# Our Line of Credit by State

State	Min Credit Limit	Max Credit Limit	Min Average Daily Balance	Min First Draw Amount	Monthly Interest Rate	No Draw Fee	Additional Restrictions
AK	\$25,100	\$100,000	\$500	\$25,100	3.3% – 6.6%		
AL	\$5,000	\$100,000	\$500	\$2,000	3.3% – 6.6%		
AZ	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
CA	\$5,000	\$100,000	\$500	\$5,000	3.3% – 6.6%		
CO	\$5,000	\$100,000	\$500	\$500	3.70%	X	
D.C.	\$25,100	\$100,000	\$500	\$25,100	3.3% – 6.6%		
DE	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop
FL	\$25,100	\$100,000	\$1,500	\$500	3.3% – 6.6%		
GA	\$5,000	\$100,000	\$500	\$3,100	3.70% – 4.91%	X	
HI	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
IA	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
ID	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
IL	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
IN	\$5,000	\$100,000	\$500	\$500	3.70% – 5.38%	X	
KS	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
KY	\$15,100	\$100,000	\$500	\$15,100	3.3% – 6.6%		
LA	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
MA	\$6,100	\$100,000	\$500	\$1,000	3.3% – 6.6%		
MD	\$15,100	\$50,000	\$1,100	\$15,100	3.3% – 6.6%		
ME	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop
MN	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop
MO	\$5,000	\$100,000	\$500	\$5,000	3.3% – 6.6%		
MS	\$5,000	\$100,000	\$500	\$2,100	3.3% – 6.6%		
NC	\$5,000	\$50,000	\$500	\$500	3.3% – 6.6%		
NE	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop
NH	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
NJ	\$5,000	\$100,000	\$500	\$500	3.70%	X	No Sole Prop, No Partnerships
NM	\$5,100	\$100,000	\$500	\$5,100	3.3% – 6.6%		
NY	\$5,000	\$100,000	\$500	\$500	3.33%		
OH	\$5,100	\$100,000	\$500	\$5,100	3.3% – 6.6%		
OK	\$5,000	\$100,000	\$500	\$500	3.70%	X	
OR	\$50,100	\$100,000	\$500	\$50,100	3.3% – 6.6%		
PA	\$5,000	\$100,000	\$500	\$3,000	3.3% – 6.6%		
SC	\$7,600	\$100,000	\$500	\$7,600	3.3% – 6.6%		
TN	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
TX	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
UT	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
VA	\$5,000	\$100,000	\$500	\$5,000	3.3% – 6.6%		
WA	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
WI	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		
WV	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop
WY	\$5,000	\$100,000	\$500	\$500	3.3% – 6.6%		No Sole Prop

# Our Process

Our goal is to make our application and funding processes as easy as possible. We are constantly looking at ways to send you a decision in less time and with less effort on your or the borrower's part.

## Application and Funding

### Information We Need From a Borrower



Federal Tax ID and SSN  
of the business owner



Business and home  
addresses



Business and home  
phone numbers



Last 3 months of business  
bank statements

### Our Easy 4-Step Application Process

- 1 Click "New Application" in the Partner Portal
- 2 Complete application and submit 3 most recent months of business bank statements
- 3 Receive a decision from underwriting (average decision in 4 hours)
- 4 If application is approved, send an offer email with 1 click

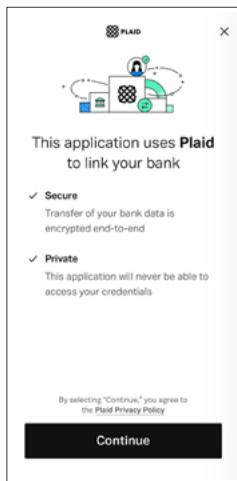
### Our 5-Step Funding Process

- 1 The borrower receives the online checkout link
- 2 The borrower selects first draw amount and term
- 3 The borrower provides business routing and bank account information
- 4 The borrower signs contract and authorizes capital disbursement
- 5 The borrower receives funds in 1 – 2 business days

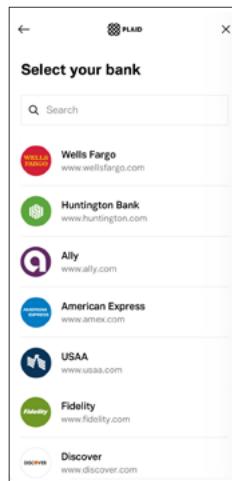
# Plaid's Platform

At Headway Capital, we use Plaid as our eBank verification provider. Partnering with Plaid allows us to verify that an account is open, active and in a good financial position, so we can make informed and confident decisions. This helps us better serve you and the borrower.

Although the borrower must be the person who connects to Plaid, it is helpful to know the process so you can walk the borrower through the steps.

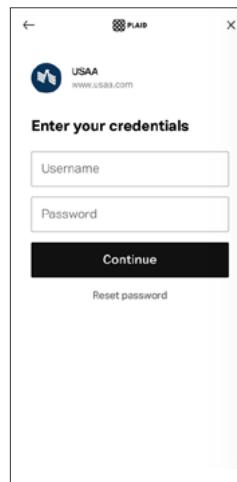


- 1** The borrower must select the “Continue” button to proceed.

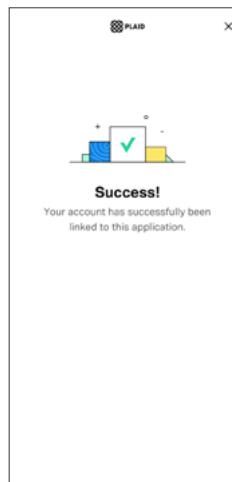


- 2** The borrower will choose their bank.

If the borrower cannot find their bank in the list, they will need to contact Headway Capital customer service via email at [support@headwaycapital.com](mailto:support@headwaycapital.com) or by phone at 866.698.8494.



- 3** The borrower will need to enter their business bank login credentials and select the “Continue” button.



- 4** The borrower will see this confirmation screen when successfully connected.

# Funding and Payments

## Cutoff for Next-Business-Day Funding Is 6:00 p.m. CT



If an initial draw is requested **before** 6:00 p.m. CT, funds are typically deposited the next business day.



If an initial draw is requested **after** 6:00 p.m. CT, funds are typically deposited in 2 business days.

For subsequent draw funding/payments, please contact your Account Manager.

## Monthly Payments

If the line of credit draw is issued on a “**white**” day, the first payment will be due on the **last day of that month**.

If the line of credit draw is issued on a “**green**” day, the first payment will be due on the **last day of the following month**.

November 2021						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 2021						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 2022						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23 30	24 31	25	26	27	28	29

February 2022						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March 2022						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April 2022						
Su	M	Tu	W	Th	F	Sa
						1
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May 2022						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June 2022						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July 2022						
Su	M	Tu	W	Th	F	Sa
						1
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24 31	25	26	27	28	29	30

# Subsequent Draws

Customers are eligible to draw from their line of credit at any time, up to their available credit limit, as long as they are in good standing.

## How It Works



The customer logs in to their [account](#).



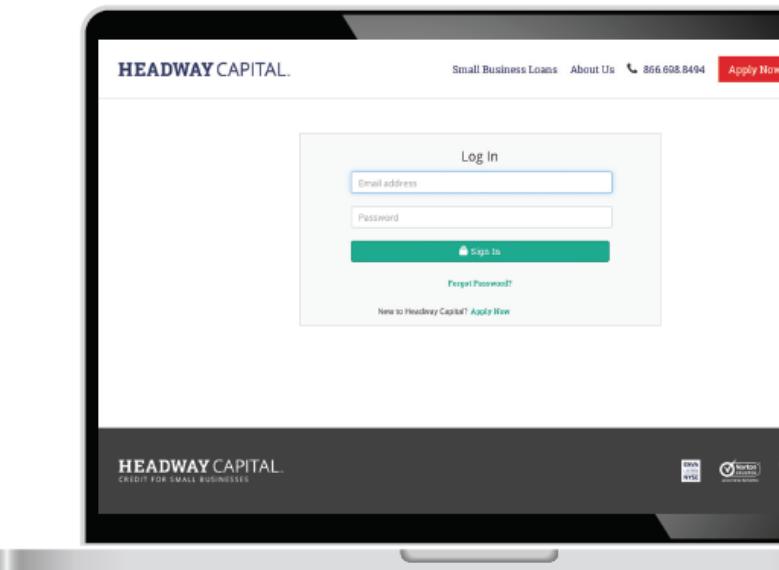
The customer selects a draw amount and the new term. No additional documents or underwriting are required. **Please note: Customers cannot request or receive funds while they have a payment processing. Once a payment clears, funds can be requested and will be deposited.**



Funds are transmitted via ACH.



**The outstanding principal balance is re-amortized — customers will always only have 1 payment at a time.**



# About Us

At Headway Capital, we believe accessing capital should be easy and clear, and we're proud to help hardworking business owners get the funds they need to succeed.

## How Our Line of Credit Works

Our line of credit functions just like a bank's line of credit: customers can draw funds whenever they need, up to their available credit limit, and they only pay interest on their outstanding principal.

## Common Uses for Our Line of Credit

A line of credit can be used for any business-related expense: payroll, inventory, equipment purchases, hiring more employees, maintaining cash flow, increasing marketing spend and more.

## Holiday Hours

Enova SMB is closed for the below holidays. We reopen the following business day after each holiday.

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day After Thanksgiving
- Christmas Day

*Please note that while we are open on Presidents' Day, Veterans Day and Columbus Day, banks are closed and we will not be able to deliver funds.*



# Partner Resource Center

# Our Commitment to You

Since 2014, we've experienced tremendous growth. Our success would not be possible without the efforts and dedication of partners like you. That is why we are committed to providing you the training and resources needed to understand our product, its benefits and our application and funding processes.

## Resources

- 1 Your dedicated Account Manager will help with:
  - a. Training so you are comfortable talking about our product to customers.
  - b. Answering questions about submissions, pushbacks, adjustments, which customers are the right fit, etc.
  - c. Successfully selling the Headway Capital line of credit.
- 2 Your dedicated Business Development Manager will help with:
  - a. Creating a strategy that maximizes revenue for your office.
  - b. Educating you on the benefits of our APIs, processes and integrations that make it easier for you to sell and fund a Headway Capital line of credit.
  - c. Relaying your and your customer's feedback to the Headway Capital team.
- 3 [One-Pager](#)
- 4 [Offer Calculator](#)
- 5 [Application Submission and Online Checkout Deck](#)
- 6 [Partner Portal](#)
- 7 Slack Channel
  - a. This is a great way to receive real-time feedback from your Account Manager on any questions you may have.
- 8 Marketing Communications
  - a. Each month we send a variety of email communications that help you learn about our products and their benefits and reinforce our processes. Please add [SMBcommunications@enova.com](mailto:SMBcommunications@enova.com) to your safe senders list.
- 9 Headway Capital Support Team
  - a. **Customer Support** — Customers that need help with Account Home, resetting a password or making a payment should contact customer support.
    - I. [Email: support@headwaycapital.com](mailto:support@headwaycapital.com)
    - II. **Phone:** 866.698.8494

# Resources

- III. **Hours of Operation:** Monday – Friday 8:30 a.m. – 6:00 p.m. CT
- b. **Collections** — Customers that need to make up a missed payment should contact collections.
  - I. **Email:** [collections@headwaycapital.com](mailto:collections@headwaycapital.com)
  - II. **Phone:** 866.698.9938
- III. **Hours of Operation:** Monday – Friday 8:30 a.m. – 5:00 p.m. CT

# Frequently Asked Questions

## 1 *How does Headway Capital send funds?*

Through ACH.

## 2 *How quickly can a customer receive funds?*

Once approved, we typically fund in 1 – 2 business days. Please reference page 17 for more information.

## 3 *Can I fund Headway Capital and The Business Backer at the same time?*

Not at this time.

## 4 *How long does it take to receive a decision from Headway Capital?*

On average, our team will make a decision within 4 hours of receiving a complete application, which includes 3 months of business bank statements.

## 5 *When does Headway Capital require updated business bank statements?*

We require new previous months' business bank statements beginning the sixth calendar day of every month. For example:

- On July 2, we would require March, April and May.
- On July 6, we would require April, May and June.

## 6 *Does Headway Capital have a personal guaranty?*

Yes. Headway Capital has a personal guaranty on all accounts.

## 7 *Does Headway Capital have exclusivity rules?*

Application is with the ISO for 30 days.

## 8 *Does Headway Capital perform any credit pulls?*

Yes. We perform a soft credit pull at the time of the application submission. A hard credit pull is performed after the contract is signed.