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# CREDIT POLICY

v 2.3

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## INTRODUCTION AND PURPOSE

fred, Lending, LLC. (“fred” or the “Company”) is an embedded commercial credit program manager that works with Partner Platforms to provide Small to Medium Business (SMBs) or Small Medium Enterprises (SMEs) with various working capital and financing options that are repaid through various methods including: ACH debits from the customers’ bank account, customer push payments, or a percentage of daily, weekly or monthly Sales Settlements through Partner Platforms or through the “split funding” of Sales Settlements by fred and other traditional methods.

Partner Platforms means online site or platform engaged by Businesses / Business(s) to facilitate portions of their financial business operations. Some may include payment processors to process Sales Settlements, deposit based partners involved in business banking and/or spend management software providers.

Sales Settlements include any settlements obtained by Partner Platform related to Business sales or other receivables or payments including but not limited to ACH, wires, checks, and credit (or debit) cards.

This Credit Policy (“Policy”) governs the loan origination process and criteria used in the underwriting of credit through the lending program. fred provides application processing services in a manner consistent with all applicable laws, rules, and regulations. fred intends to process applications for business purpose credit on behalf of a strategic partner bank to determine whether the applicant meets the eligibility criteria set forth in this Policy.

### Policy Statement

fred will comply with all applicable laws and regulations, including the Equal Credit Opportunity Act (“ECOA”) and the Fair Credit Reporting Act (“FCRA”). fred' Chief Financial Officer, in coordination with the Chief Credit Officer, is responsible for ensuring that this Policy meets applicable regulatory requirements and expectations.

## LENDING PROGRAM DESCRIPTION

### Target Market

As an embedded commercial credit program manager, fred works with Partner Platforms to assist in the distribution of loan products directly in the Partner Platforms’ application. This allows us to provide Partner Platforms customers financing solutions embedded directly in the Partner Platform application. There are many benefits to this approach, including low customer acquisition cost, improved retention for the Partner Platform and broad financial inclusion. It is important to note, technology giants such as Square (Block), Stripe and PayPal run similar programs with tremendous success and fred is providing a horizontal program solution to the rest of the market who do not wish to build them on their own.

Additionally, this allows for a material improvement in collecting and validating underwriting data versus traditional methods as, with consent, we receive near real-time relevant business data from the Partner Platform to assist in the underwriting process improving on determining a borrower's "ability to pay". In some cases we have the ability to withhold our loan payments directly from the settlement process, thus automating the repayment and also improving on "willingness to pay". These two key items are the foundation of the credit component of our program. Businesses on Partner Platforms are typically SMBs or SMEs. They can have an online presence and / or one or many physical locations across various industries. While credit is extended typically to the parent entity, a particular location may be utilized for automated collections. The Business must meet this bank approved Policy to qualify.

Please note lending is prohibited in fields such as adult entertainment, cannabis sales, cryptocurrency exchanges and gambling/gaming. Merchant Category Codes ("MCC Code") for such industries include but are not limited to 6012, 7273, and 7995.

#### Lending Program Description

fred is a commercial credit program manager bringing together originating banks with Businesses to extend credit. Through partnerships, Businesses may be offered suitable and transparent credit products through different risk minimizing delivery and repayment methods. Loan terms can be as short as a week or as long as thirty six months depending on the risk and need. Furthermore, the structure of the credit offered can vary based on the combination of fred Credit Score and the risk of the Repayment method. We use the fred Credit Score and Repayment method as important variables in determining available credit size, pricing, and which tools to use for managing risk, including advanced card authorization tools from our issuer processor to protect our assets and structural asset control through controlled accounts. An extreme example of this may be funding a high fred Credit Risk Score (high risk) borrower risk loan to a prepaid card and collecting through daily card settlements. This structure allows for the monitoring of the uses of funds, monitoring daily sales (health of the business), collecting daily, and spending restrictions based on time and MCC code to ensure the funds are spent consistent with the intended purpose. On the opposite end of the spectrum, in order to be competitive at the low fred Credit Risk Score borrower, we need to offer a product that allows for repayment with no interest if paid by the cut off date, much akin to a high FICO transacting consumer credit card.

This process manifests itself in a credit program varying credit products to suit Business needs. Finally, those funds may be deposited in the borrowers bank account, card account, or accessible through a commercial card.

#### Products Offered

fred offers a variety of products to its Partner Platform Business. Those products may include but are not limited to:

Fixed Fee closed end term loans - Closed end single balance which are assigned a fixed fee;

Amortizing closed end term loans - Closed end single balance which are assigned an Interest rate that can be fixed or variable;

Multi-advance/draw term loans - Single available balance that does not start occurring fixed fees or interest until the portioned balance is drawn; and

Revolving Credit Balance - Set available balance that accrues fees and/or interest on a drawn portion, if outstanding for an extended period post a cut off date. As balance is repaid the available balance increases but never past the original set available balance. Additionally Business credit metrics are periodically refreshed to align risk based pricing.

At no time can the outstanding limit between any mix of products exceed \$1,000,000 at a single location and at no time can the term of the drawn balance exceed three (3) years. Additionally balances in excess of \$500,000 for a single location, are required to have one of the following guarantees:

- If the company has a corporation or LLC (or a business entity) as the beneficial owner, then the guarantee will come from the parent company or the beneficial owner of the parent company.
- If the Borrower/Business does not have a parent company with subsidiaries, but the Beneficial Owner is a majority owner of other corporate entities that are doing business and those other entities meet the definition of "Affiliate" as noted in the Loan Agreement, then the Borrowing Affiliates will be identified in the Loan and "cross-collateralization" will apply.
- If none of the above apply, then Beneficial Owners of the Borrower must provide a Personal Guarantee.

#### Pricing: Fees & Interest Rates

We use a risk based pricing model to determine pricing. However, credit products will dictate the mix of the Fees and Interest Rates charged to the Business. There may be additional fees such as penalty fees or processing fees that apply. Additionally there may be a grace period by which fees and or interest is not charged to the Business while a balance is outstanding, in the case of revolving credit balance products. In such cases fred earns interchange revenue from the transactions occurring while the balance is outstanding. fred will not be liable for any fees or costs that the Business may incur if fred or its Partner Platform are unable to collect repayment of the loan. fred is also not responsible for any fees imposed on the Business by the provider of any Business bank account as the result of any authorized debit or any payments made directly by the Business under the loan agreement.

As necessary, fred may hire or pay third parties to assist in collection efforts for any amount the Business may owe. Except as otherwise provided in the commercial credit agreement, the Business agrees to pay any third party collection, any legal expenses incurred by fred, arbitration, court costs incurred by fred or other sums provided or allowed by law.

## PROGRAM UNDERWRITING AND QUALIFICATION REQUIREMENTS

### Credit Models (Underwriting & Decisioning) - Ability to Pay

Data obtained through the application, third party providers and from fred' Partner Platforms is analyzed using proprietary credit model(s) and a fred Credit Score is assigned. fred attempts to continuously underwrite using ongoing transaction and bank data for the Business and its location(s) in determining ongoing credit eligibility as well as for servicing. The data points that fred examines may include:

- years in business,
- target Industry,
- revenue (historical and forecasted),
- time with Partner Platform,
- growth rate,
- banking account balances,
- settlement transactions,
- bank account transactions,
- revenue volatility, and
- many others

Data points are transformed into various attributes and are weighted, to create a fred Credit Score and Credit Grade. fred Credit Grades of A - F and higher, will result in the Business being offered credit. A Credit Grade of G, may result in the Business receiving an offer on an exception basis. The fred Credit Grade is then applied to the product being requested along balance and its requisite term. To the extent that a Business does not meet the guidelines of this Policy, fred may extend credit to such borrower so long as:

- (i) the extension of credit is:
  - a. (1) within 25% of the maximum credit to revenue ratio of credits of the same fred Credit Grade or (2) within 10% of the maximum credit size for credits of the same fred Credit Grade; and
  - b. no more than 10% of the aggregate principal amount of loans originated in a calendar month fall within the categories defined in a (1) or (2), or
- (ii) the credit is otherwise been individually approved by the Bank.

Unless otherwise provided in (i) and (ii) above, all other credit determinations shall be made in accordance with *Table 1* below.

### Repayment Method - Willingness to Pay

Through many Partner Platforms we may have the ability to withhold a portion of the Sales Settlements prior to distributions to the Businesses bank accounts which reduces repayment risk. However, there are situations where we need to use alternative collection methods, including for borrowers on Partner Platforms that do not have the ability to intervene in the

funds flow, or when a Business leaves an existing Partner Platform. With this, we have multiple other options for collection, including ACH debiting the borrower bank account, or setting up a lock box account and managing the settlement process on behalf of the borrower. Finally, there are times when the fred Credit Score of the borrower is sufficiently low enough where the repayment method risk is minimal. This is typically the case for very high quality borrowers. In those instances we need to offer a method that is suitable for their risk profile in the marketplace, which is typically a monthly payment from the customer via ACH debit.

#### Knockout Criteria

fred intends to utilize the following criteria to “knockout” applicants, resulting in a declined application and the delivery of an adverse action notice in compliance with applicable the Company’s ECOA and FCRA policies. Knockout criteria includes:

- Annual estimated revenue for the Business is less than \$25,000
- Years in business less than one (1); or
- Any bankruptcy, repossession or foreclosure in the past 36 months.

#### Transaction Verification

fred’ Platform Partners may provide Sales Settlements, Deposit Based and/or Spend Management information for each Business that applies for a loan. With this information, fred can determine the past daily, weekly or monthly sources and uses information for each Business and apply it in its determination of the Business’s future debt capacity. The data the Platform Partner provides related to Business includes but is not limited to:

- Card transactions processors;
- Transactions to the Business’s bank account from the Platform Partner;
- Historical bank balances
- Charge-back data;
- Processing volume; and
- Individual transaction details.

For those Businesses whose Platform Partner provides Sales Settlement, typically 0.01% to 25% of each individual transaction is paid to fred via the Platform Partner to repay the loan. The remaining amount for each transaction is paid to the Business.

#### Third-Parties Used in Decisioning

In the application process the owner consents to a personal credit check and banking information review. fred may use the credit report and/or the banking information on the owner to help evaluate whether to make a loan to the Business. As shown in *Table 1* below, though instructive, the owner’s personal credit report is not determinative for the credit decision and is instead considered in context with the Business’s other attributes.

Table 1 - Credit Scoring

Business Credit Criteria						
fred Credit Grade	Pool Weighted Minimum FICO/Vantage Score (2)(3)	fred Credit Score (1)	Min. Months in Business	Max ratio of balance (drawn/undrawn) to annual revenue (1)	Max balance (drawn/undrawn)	Max Term Months
A	FICO: 740 Vantage: 660	$\geq 0 < 1$	36	20%	\$1,000,000	36
B	FICO: 670 Vantage: 600	$\geq 1 < 2$	24	20%	\$1,000,000	36
C	FICO: 580 Vantage: 500	$\geq 2 < 3$	24	17%	\$1,000,000	36
D	FICO: 500 Vantage: 420	$\geq 3 < 4$	12	15%	\$1,000,000	36
E	FICO: not required Vantage: not required	$\geq 4 < 5$	$< 12$	15%	\$1,000,000	36
F	FICO: not required Vantage: not required	$\geq 0 < 7$	$< 12$	15%	\$1,000,000	36
G	FICO: not required Vantage: not required	$\geq 7 < 10$	$< 12$	Less than 7%	N/A	N/A

(1) Per location if applicable

(2) The minimum FICO/Vantage for each fred Credit Grade is determined on the weighted score of the monthly pool of loans, not on an individual loan basis.

(3) SME whose business revenue exceeds an applicable threshold are not subject to owner / beneficial owner personal credit (FICO/Vantage) restrictions and / or benefits.

## Monitoring, Testing & Reporting

fred will ensure that compliance with this Policy is independently monitored and tested at least annually. fred' Chief Financial Officer will report on the results of these activities to the Board.

The Chief Credit Officer will be responsible for producing periodic risk management reports on the credit performance of the portfolio, credit metrics and trends such as portfolio and vintage performance, credit profile of new production, exception volumes, collections performance, and other credit risk indicators to manage the credit performance of the portfolio.

Exceptions to this Policy will be tracked and reported. Exception reports will be developed by business leaders and regularly monitored by the Chief Credit Officer. Exceptions to underwriting decisions that may apply to or affect more than one applicant will require approval both from the Chief Credit Officer and Executive Team. The Chief Credit Officer will provide periodic reports to the Board and executive management regarding exceptions to this Policy as appropriate.

On a daily basis fred sends its partner Bank details related to each Business it has extended credit to initially and on an ongoing basis ("Initial Loan File") and ("Ongoing Loan File"). The Loan File(s) fred sends its partner bank may include the following information:

**Initial Loan File** (provided nightly for all new extensions of credit) - Not all fields may be applicable or completed:

- Advances Short ID,
- Advance State,
- Offer Date,
- Signing Date,
- Deposit Date,
- Closed Date,
- Location Short ID,
- Merchants Short ID,
- Total Fee,
- Total Principal,
- Total RTR (Total Fees + Total Principal),
- Merchants Legal Name,
- MCC Sector Name,
- Fred Credit Grade,
- Fred Credit Score,
- Fred Month Forecast,
- Years In Business,
- Experian Fico V8 Score,
- Vantage Score,
- Merchants ID,
- Merchants Tax ID,



- Merchants Source ID,
- Merchants Email,
- Merchants Business Structure Type,
- Merchants Address State,
- Merchants Address City,
- Merchants Address Zip,
- Merchants Address Country,
- Merchants Phone Fixed,
- Merchants Doing Business As,
- Location Source ID,
- Location Number,
- Location Address Street,
- Location Address City,
- Location Address State,
- Location Address Zip,
- Location Address Country,
- Location Phone Fixed,
- Owners First Name,
- Owners Middle Name,
- Owners Last Name,
- Owners Tax ID,
- Owners Owner Number,
- Owners Ownership Fraction,
- Owners Birthday Date,
- Owners Address Street,
- Owners Address City,
- Owners Address Zip,
- Owners Address State,
- Owners Address Country,
- Secondary Owners First Name,
- Secondary Owners Middle Name,
- Secondary Owners Last Name,
- Secondary Owners Tax ID,
- Secondary Owners Ownership Fraction,
- Secondary Owners Owner Number,
- Secondary Owners Birthday Date,
- Secondary Owners Address Street,
- Secondary Owners Address City,
- Secondary Owners Address Zip,
- Secondary Owners Address State, and
- Partner

**Ongoing Loan File:**

- Account\_holder\_id (location\_id),
- Account\_number (account\_id),
- Acquirer\_name (partner platform),

- Available\_balance,
- Origination\_Transaction\_Date,
- Origination\_Transaction\_Amount,
- program\_name (partner platform product),
- Program\_ID (partner platform unique\_id),
- Transaction\_Amount,
- Transaction\_Code (payment\_type),
- Transaction\_Date,
- Transaction\_Desc,
- Transaction\_id

Credits that meet the underwriting provisions of this Policy are approved. Funds are transferred from the bank partner account to the Business's bank account, a bank account For the Benefit Of (FBO) the borrower, or authorized to the card account. The Funds will arrive in the Business's bank account within 3 business days of the disbursement.

### **Training**

Annual training will be provided to all employees who are involved in administering this Credit Policy and will be developed by the Chief Credit Officer in conjunction with the Chief Financial Officer.

### **Review Cycle**

The Board will review the Policy not less than annually and will review and reapprove the Policy whenever there are material changes.

### **Governance**

To satisfy the applicable regulatory requirements, this Program sets forth the following responsibilities:

#### Board of Directors

fred' Board of Directors ("Board") recognizes that it has ultimate responsibility for ensuring that fred conducts its lending activities in compliance with applicable laws, regulations, and other supervisory guidance. The Board reviews and approves this Policy at least annually or whenever material changes are made to the Credit Policy.

#### Chief Credit Officer

The Chief Credit Officer is responsible for reviewing the underlying rationale for this Policy, including substantive revisions and/or retirement of the Policy. The Chief Credit Officer is responsible for monitoring and reporting on compliance with this Policy and as appropriate may delegate to others the authority to adopt, develop, and implement procedures and reporting that support this Policy.

#### Chief Financial Officer

The Chief Financial Officer, or designee, is responsible for reviewing and approving changes to this Policy, as certain changes may impact fred' compliance with applicable laws and regulations.

## Version Control

Version	Revision Date	Revised By	Summary of changes
1.0	10-7-2020	Fred billings	Initial Policy
1.2	October 2020	Fred billings	
1.3	December 2020	Fred billings	
1.4	March 2021	Fred billings	
1.5	April 2021	Fred billings	Short-term loans
1.6	June 2021	Fred billings	No credit score for F and G grade loans and increase in loan amounts.
1.7	September 2021	Fred billings	1. Adding 24 month term loan and 12 month term loan 2. Adding forecasted revenue where applicable 3. Replacing Chief Compliance Officer with Chief Financial Officer
1.8	December 2021	Fred billings	Correct typo in table 3 expected 9 month term / grade D from 100k to 300k
1.9	March 2022	Fred billings	Added ITIN for acceptable type of government-issued identification number. Added weekly and monthly transaction information Updated Table 3 to reflect single obligor limit Banking information may be a source of data

1.10	September 2022	Fred billings	Updated Table 3 to reflect pricing update; updates to include various loan products; Exhibit of customer facing UI
2.0	September 2022	Fred billings	Holistic redraft of the policy to align with current business profile.
2.1	December 2022	Fred billings	Updates to Table 1
2.2	February 2023	Fred billings	added restricted MCC codes
2.3	March 2023	Fred billings	Guarantee threshold limit

#### Document Control

Organization	fred, inc.
Title	Credit Policy
Author	Fred billings
Filename where document is stored	Credit/Credit Policies and Documentation
Owner	Chief Executive Officer (acting as Chief Credit Officer under this Policy)
Most Recent Review date	12-20-22

## **APPENDIX A: CUSTOMER JOURNEY**

### **Application**

#### **Process Overview**

All applicants are required to complete a commercial credit application form electronically. All applications are then evaluated and processed on behalf of fred' partner bank. The application process broadly includes collecting Business information, Beneficial Owner information and bank account information. Upon receiving that data, fred will process the application through our contracted data services to ensure accuracy of information as well as compliance with the program approved CIP Policy. In the event of application errors fred will communicate with the borrower using multiple methods, including API based error handling, email, phone or other methods. In addition to our API solution and in order to assist our Platform Partners, fred has created a configurable embeddable front end for applications. This allows fred to make updates to disclosures and the application flow as new regulations are imposed.

#### **Offer Presentation**

The Partner Platform integrates the fred service into Partner Platforms user interface ("UI"), which may include an internal messaging system between the Platform Partner and the Business or functionality for different services provided to the Business. If, after an initial screening, fred determines that a Business may qualify for a loan, the Business is notified via the Platform Partners internal messaging system or via functionality in the Business's UI.

A Business interested in an extension of credit will see their maximum available principal and then be able select their loan amount. They will see how it impacts other loan terms; mainly, the withholding amount, the amount that will be repaid in interest/fees, the aggregate amount repaid, and the estimated time to repay the loan.

#### **Post Loan Origination**

Upon completion of the application process and the funding of a loan, the borrower has access to all of the details of their loan. This includes access to the loan agreement, historical loan payments, period payment progress, total loan payment progress as well as the ability to make prepayments.

### **Customer Journey via fred Connect**

Dashboard
Shops
**Capital**
Reports
Invoices
Settings

<Partner Name> Capital

You're pre-approved for up to  
<\$10,000!>

Fast access to the funds you need to see  
your business soar!

Apply Now →

\*Number represented is a sample offer only

Simple

Click on the offer to complete  
your application, select your  
loan, and digitally sign docs  
  
Apply in three easy steps!

Fast

Funds are deposited in your  
bank account as soon as the  
next business day.  
  
You can use them immediately!

Automatic

Pay off your loan with  
automatic deductions from  
your eligible daily card sales  
so you never have to think  
about it.  
  
No bills or monthly payments.

## Frequently Asked Questions

- How do <Partner Name> Capital Loans work?
- How do I repay my loan?  

Much like your card processing fees, repayments get automatically deducted from your settlement account as a percentage of card sales until the loan amount and fee are paid in full.
- What is the repayment percentage?

With a <Partner Name> Capital Loan  
I remodeled the  
outside patio,  
doubling our sales in  
weeks  
Stephany Kawasaki, Steph's Sushi House  
Apply Now →

With a <Part  
I replace  
equipment  
keeping  
fulfilled  
Frank Arabella, La  
Apply Now →

Questions?

jaris FAQs → support@jaris.io →

All loans are issued by one of Jaris Lending, LLC's partner banks and serviced by Jaris Lending, LLC. The individual owner authorized to act on behalf of the business must be based in the United States with a U.S.-issued taxpayer identification number and at least the age of majority. A valid U.S. bank account is required. The actual fee depends upon payment card processing history, loan amount, and other eligibility factors. Loan eligibility is not guaranteed. All loans are subject to credit approval.

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Business Info

Personal Info

Banking Details

Submit

## To start, tell us about your business

Please complete the remaining fields and confirm everything is correct.

Business Legal Name

Business Legal Name

"Doing Business As" Name

Business Name

Business Type

Select one...

Establishment Date

MM / YYYY

Tax ID Number

Enter 9 digit number

Questions?

[jaris FAQs](#) →  
[support@jaris.io](mailto:support@jaris.io) →

Apply Now →



Business Info

Personal Info

Banking Details

Submit

A few more details about your business

Business Address

Start typing your address...

Suite, Unit, Floor, etc. Optional

Suite, Unit, Floor, etc.

City

City

State Zip Code

Select one... Zip Code

Business Phone

123-321-1234

Business Email

Business Email

Questions?

[jaris FAQs](#) →

[support@jaris.io](mailto:support@jaris.io) →

← Back

Next →

Business Info  
✓ ✓


Personal Info  
● ● ●

Banking Details  
● ●

Submit  
●


## Tell us about yourself

Legal First Name

First Name 

Middle Initial


Optional

Middle Initial 

Legal Last Name

Last Name 

Date of Birth

MM / DD / YYYY 

Tax ID

Enter 9 digit number 

Questions?

[jaris FAQs →](#)  
[support@jaris.io →](mailto:support@jaris.io)

[← Back](#)

[Next →](#)

Business Info  
✓ ✓


Personal Info  
✓ ● ●

Banking Details  
● ● ●

Submit  
●

## Tell us about yourself

Home Address

Start typing in address... 

Suite, Unit, Floor, etc.


Optional

Suite, Unit, Floor, etc. 

City

City


State

Select one... 

Zip Code

Zip Code

Mobile phone

123-321-2193 

Email

Email 

### Business Ownership

Do you have additional business partners?

☐ Yes ☒ No

My Ownership Percentage

% Type a number

[← Back](#)

[Next →](#)

Questions?

[jaris FAQs →](#)  
[support@jaris.io →](mailto:support@jaris.io)

Business Info  
✓ ✓


Personal Info  
✓ ✓ ●


Banking Details  
● ● ●


Submit  
●

## Tell us about your partners

Add up to four partners  
*Please list all partners with 20% or more ownership.*

Partner #2 


Legal First Name  
 


Legal Last Name  
 


Ownership Percentage

Mobile phone

Questions?  
[jaris FAQs →](#)  
[support@jaris.io →](mailto:support@jaris.io)

Partner #3 

Legal First Name  
 

Legal Last Name  
 

Ownership Percentage

Mobile phone

+ Add another Partner

← Back

Next →

Business Info  
✓ ✓

Personal Info  
✓ ✓ ✓

Banking Details  
● ● ●

Submit  
●

## Enter your banking details



Questions?

[jaris FAQs →](#)  
[support@jaris.io →](mailto:support@jaris.io)

We recommend using Plaid to connect.



**Secure & Private**  
Using end-to-end encryption, your credentials will never be made accessible to third parties



**Fast & Easy**  
Connect the same way you log into your bank account

[Learn more at Plaid.com](#)

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[Connect With Plaid →](#)

If you prefer, you can do it by yourself

[Prefer to connect manually →](#)

Business Info  
✓ ✓

Personal Info  
✓ ✓ ✓

Banking Details  
✓ ● ●

Submit  
●

## A few last questions

### Business Ownership

How do you plan to use your loan?

Select one... ^

Do you have any other business debt or have you sold your receivables in the form of an MCA or any other liens (including tax) outstanding?

☐ Yes ☒ No

Approximate Amount

\$ 80,000

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Questions?

[jaris FAQs →](#)  
[support@jaris.io →](mailto:support@jaris.io)

Business Info

Personal Info

Banking Details

Submit

# Review & sign your loan application

Questions?

Jaris FAQs →

support@jaris.io →

Please verify the information here is complete and accurate.

Business Info

Acme Company, LLC

Doing Business As "Acme Company"

Services

Establishment at 02/2002

Tax ID Number: 3526892

Edit

1235 Main Street

Floor 23 Unit 3

Philadelphia - Pennsylvania - 19609

313-555-1234

contact@acme.co

Edit

Personal Info

Partner #1

Richard Edward Jones

Ownership 8%

123-44-5678

02/12/1982

Applicant

Edit

6789 Sprint Street

Suite 1

Philadelphia - Pennsylvania - 19609

313-555-1234

contact@acme.co

Edit

Partners

Partner #2

Mary Nicholls

Ownership 20%

202-555-0127

Edit

Partner #3

Phyllis Artemidorus

Ownership 15%

17-555-0167

Edit

Partner #4

Phyllis Artemidorus

Ownership 25%

404-555-0174

Edit

Banking Details

Account

Chase Bank

Routing Number: 237568357

Account Number: \*\*\*\*4817

Connected with Plaid

Edit

Loan Details

Business debt: No

Sold any receivable or other liens: No

Approximate Loan Amount: \$80,000.00

Edit

Credit Check

By agreeing below, I («BENEFICIAL OWNER OF MERCHANT»), authorize Blue Ridge Bank, National Association and Jaris Funding, LLC, periodically to access and use my consumer credit report and/or company credit information for purposes of the loan application, for fraud prevention purposes, for investor reporting, for account maintenance purposes, and for marketing purposes, including loan pre-approvals and in considering whether to offer other loan and financial products to me. I acknowledge and agree that in each case these credit reports will consist of "soft pulls" that will not affect my credit score. I agree that this authorization will remain valid until the expiration of the loan, if any, extended to me by Blue Ridge Bank, National Association pursuant to this loan application.

By agreeing below, I («BENEFICIAL OWNER OF MERCHANT»), further authorize Blue Ridge Bank, National Association and Jaris Funding, LLC (the "Parties") to access and use my bank transaction data from Plaid and any similar provider for the purposes of fraud prevention, transaction history verification, and any other purposes determined by the Parties. For more information on how your information will be used, stored or otherwise processed please review the Jaris Privacy Policy.

☐ I authorize Jaris to perform "soft pulls" on my credit.

About Me

[PARTNER] Relationship: I agree that I will not terminate my merchant relationship for [insert company name] with Sprint until my Sprint Capital Advance is paid in full.

- I am authorized to enter into this advance agreement on behalf of [MERCHANT]
- I confirm that neither I nor [MERCHANT] have filed for bankruptcy within the past 36 months.
- I confirm that I have never engaged in financial crimes such as forgery or embezzlement.
- I confirm that neither I nor [MERCHANT] have any liens or judgments that may impair the ability to repay the advance.
- Location: The merchant location associated with this application is: [MERCHANT ADDRESS].

☐ I confirm that the above statements are true.

By clicking the "Accept and Submit" button, I confirm that I have read and agree to the terms above including the Loan Agreement and agree that the Agreement and subsequent terms and conditions can be presented to me electronically.

Back →

Accept and Submit →

Dashboard

Shops

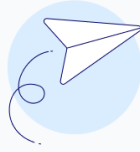
Capital

Reports

Invoices

Settings

<Partner Name> Capital



Thanks!

**Your application was received successfully**

We'll notify you via email when your offer is ready within one business day.



**Submitted**

Processing typically takes about 24 hours.



**Processing**

As details are finalized, please be available if we have more questions.



**Review Offer**

Choose your desired loan amount.



**Funding**

If approved, funds will be deposited as soon as the next business day.

Questions?

[Jaris FAQs](#) → [support@jaris.io](mailto:support@jaris.io) →

All loans are issued by one of Jaris Lending, LLC's partner banks and serviced by Jaris Lending, LLC. The individual owner authorized to act on behalf of the business must be based in the United States with a U.S.-issued taxpayer identification number and at least the age of majority. A valid U.S. bank account is required. The actual fee depends upon payment card processing history, loan amount, and other eligibility factors. Loan eligibility is not guaranteed. All loans are subject to credit approval.

Dashboard

Shops

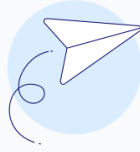
Capital

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<Partner Name> Capital



Thanks!

**Your application was received successfully**

We'll notify you via email when your offer is ready within one business day.



**Submitted**

Processing typically takes about 24 hours.



**Processing**

As details are finalized, please be available if we have more questions.



**Review Offer**

Choose your desired loan amount.



**Funding**

If approved, funds will be deposited as soon as the next business day.

Questions?

[Jarvis FAQs](#) → [support@jarvis.io](mailto:support@jarvis.io) →

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Dashboard

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**Congratulations!**

**You've been approved**

You have <X days> to accept the terms before this offer expires.

[Review Offer →](#)



**Submitted**

Your application was submitted.



**Processed**

Your application has been approved! Review your loan offer in the next step.



**Congrats!**

You're approved! You have 10 days to accept the terms before your offer expires.



**Funding**

Upon acceptance, funds will be deposited as soon as the next business day.

[Questions?](#)

[jaris FAQs →](#) [support@jaris.io →](mailto:support@jaris.io)

All loans are issued by one of jaris Lending, LLC's partner banks and serviced by jaris Lending, LLC. The individual owner authorized to act on behalf of the business must be based in the United States with a U.S.-issued taxpayer identification number and at least the age of majority. A valid U.S. bank account is required. The actual fee depends upon payment card processing history, loan amount, and other eligibility factors. Loan eligibility is not guaranteed. All loans are subject to credit approval.

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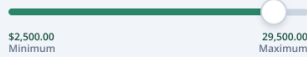
Congratulations!

**You were approved for a larger loan!**

You have <X days> to accept the terms before this offer expires.

Select or type your desired loan amount below

\$ 25,000.00



Next: Sign and Submit →

LOAN DETAILS

Loan Amount	\$25,000.00
Fixed Fee ⓘ	\$1,650.00
Factor Rate ⓘ	1.15%
<b>Total Repayment</b>	<b>\$26,650.00</b>

Withheld from daily card payments ⓘ	17%
Minimum payment required ⓘ	\$480.00 every <30> days

Questions?

Jaris FAQs → support@jaris.io →

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&lt;Partner Name&gt; Capital



Final step

**Sign and Submit for  
\$25,000.00!**

You have &lt;X days&gt; to accept the terms before this offer expires.

### Review and sign your loan agreement

Please, accept the following before submitting

☐ I agree to not terminate my merchant relationship for Acme Company LLC with Partner until my Partner Capital Loan is paid in full.☐ I have read and agree with the terms of the Loan Agreement.[← Back](#)[Sign and Submit →](#)[Questions?](#)[Jarvis FAQs →](#) [support@jaris.io →](mailto:support@jaris.io)

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&lt;Partner Name&gt; Capital



Congratulations!

## We're working to send your funds to your bank account

[View My Dashboard →](#)

This typically happens within 1-2 business days.



### Submitted

Processing typically takes about 24 hours.



### Processed

Your application has been approved!



### Offer Accepted

We're preparing to fund your account.



### Funding

If you haven't received funding within 2 business days, please reach out to our support team at [support@jaris.io](mailto:support@jaris.io).[Questions?](#)[jaris FAQs →](#) [support@jaris.io →](mailto:support@jaris.io)

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<Partner Name> Capital



Good news! Funds have been transferred to your account

Funds should be available in your account ending in 7899

Summary

Support

PERIOD - <30 DAYS>

DUE APRIL 5

### Current Payment

Recommended Amount	\$960.00
Required Minimum Amount	\$480.00
Collected (0%)	\$0.00
Remaining (100%)	\$480.00

Make a Payment →

LOAN DETAILS

### Loan Progress Summary

<b>\$0.00</b> Paid	<b>\$8,000.00</b> Balance
Fixed Fee ⓘ	\$650.00
Withholding ⓘ	17%
Expected Term ⓘ	540 days
Loan Amount	\$8,000.00

PAYMENT HISTORY

Download ↓

STATUS	DATE	TRANSACTION TYPE	AMOUNT	BALANCE
Pending	9/1/2022	Automatic Withholding	\$472.25	\$7,527.75

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<Partner Name> Capital



Good news! Funds have been transferred to your account

Funds should be available in your account ending in 7899

Summary

Support

PERIOD - <30 DAYS>

DUE APRIL 5

### Current Payment

Recommended Amount	\$960.00
Required Minimum Amount	\$480.00
Collected (0%)	\$0.00
Remaining (100%)	\$480.00

Make a Payment →

LOAN DETAILS

### Loan Progress Summary

<b>\$0.00</b> Paid	<b>\$8,000.00</b> Balance
Fixed Fee ⓘ	\$650.00
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Loan Amount	\$8,000.00

PAYMENT HISTORY

Download ↓

STATUS	DATE	TRANSACTION TYPE	AMOUNT	BALANCE
<div></div> <p>Your transactions will be listed here.</p>				

[Dashboard](#)[Shops](#)[Capital](#)[Reports](#)[Invoices](#)[Settings](#)

## <Partner Name> Capital

[Summary](#)[Support](#)

### Have additional questions or need help?

[support@jaris.io](mailto:support@jaris.io)**(888) 802-2858**We're available from 8:00 AM - 5:00 PM PT  
Monday - Friday

#### Loan Info

Current Loan

ID: 00568G1-2

Please read your loan agreement carefully.

Here are some important things to note

1. Funds are to be used for working capital purposes and can be prepaid at any time without penalty.
2. Minimum payments are required as per the Repayment Table and the account may be automatically debited if delinquent.
3. A continuing first security interest lien has been granted and a UCC filing may be placed on the business.
4. Events of Default include but are not limited to switching processors, adding additional processors, changing ownership, and not making timely minimum payments.
5. The Guarantee of Performance states that the owner is obligated to pay loan in the event of default.

#### Details

Your Loan	\$8,000.00
Fixed Loan Fee	\$650.00
Withholding	17%
Minimum Payment	\$480.00
Payment Period	30 days
Term	360 days
Total Due	\$8,650.00

[Loan Agreement](#)

### Frequently Asked Questions

1. How do <Partner Name> Capital Loans work?

2. How do I repay my loan?

Much like your card processing fees, repayments get automatically deducted from your settlement account as a percentage of card sales until the loan amount and fee are paid in full.

3. What is the repayment percentage?

### Potential borrower consent pre applying for extension of credit

Prior to entering the application portal the Business must agree to fred' terms of service, privacy policy and consent to electronic communications and is taken to the application portal. As part of its application the Business must:

- Consent to the Partner Platform's terms and conditions and privacy policy;
- Consent to the fred' privacy policy, terms and conditions and consent to electronic communications;
- Provide or confirm the owner's name, address, email address, phone number, date of birth and social security number or Individual Taxpayer Identification Number (ITIN);
- Provide or confirm the Business address;
- Agree to maintain relationship with Partner Platform;
- Consent / Authorization to access the Business and the owner's one time or ongoing credit check: and
- Consent /Authorization to access the Business and the owner's one time or ongoing review of banking information.

fred may request that the Business provide additional information upon review of the application. If fred requests additional information and such information is not provided by the Business within the time period identified in the notice to the Business, the application shall be considered incomplete and rejected for that purpose.

#### **Borrower disclosures / acknowledgements at acceptance of extension of credit**

Once the application form with the Business and owner details is completed, the Business will be presented an "Additional Terms" screen that includes:

- A downloadable loan agreement, complete with the Business's loan terms;
- Acknowledgement that the loan is being offered through fred' partner bank and not through fred, or the Platform Partner;
- Authorization for the Platform Partner and fred to make recurring debits linked to the Business bank account;
- Representations from the Business and owner;
- Confirmation that the owner and Business agree to the terms of the loan.

Once the Business agrees to these Additional Terms and to the loan agreement, they receive a notice that the application for the credit extension is being processed. By clicking the Accept and Submit button on the Additional Terms page, the Business agrees to be bound by the terms of the loan agreement. The Business has 12 hours to cancel the loan through the Platform Partner UI.

### **Program Underwriting & Qualifications Requirements**

#### **CIP, OFAC, and Fraud**



fred' BSA Policy establishes its Customer Identification Program ("CIP"), which fred uses to verify the identity of each Business and its owners. CIP procedures include verifying key pieces of information provided by the owner about themselves and about the Business. fred also obtains additional information and potential risk identification about the owner and the Business from third-party vendors.

#### *Partner Platform Examination of Owner and Business*

Each of fred' Partner Platforms are financial institutions that are required to complete CIP, OFAC and fraud checks on each of the Business and their respective owners. Many of fred' partners have made representations in their agreements to fred that fred may rely on these Partner Platforms' CIP procedures to the extent permitted by law. In part, these Partner Platforms have agreed to use relevant information, supporting documents, reliable and independent sources of information, or information collected during such partners' existing Business Know Your Customer process to identify the Business, verify that owner's identity, identify the Business' ultimate beneficial owners; and verify those beneficial owners. For such Partner Platforms, only Businesses and owners that have gone through this process will be referred to fred.

#### *fred Examination*

fred is committed to a robust BSA and AML program and as a result also conducts its own examination of Businesses and their owners pursuant to fred' BSA and AML policies.

### **Servicing, Workouts & Hardships**

fred is engaged as the Master Servicer for all loans for the life of loan. fred maintains the Servicing Policy that documents all account servicing activities conducted by the fred Lending, LLC. The Servicing Policy includes detail related to fred':

- Account management strategies;
- Application of payments;
- Collection of payments outside of the pre agreed upon provisions;
- Workout and hardship solutions for customers, including deferment, interest forgiveness, payment forgiveness, fee waivers, and interest deferment;
- Refinance processes and qualifications.