



# Approval Warehouse Home Improvement Presentation

**APPROVAL**  
WAREHOUSE

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Confidential and Proprietary

# Business Challenge

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## Most consumers can't become your customers because...

- Less than 10% of consumers use cash or check for purchases over \$1,000.
- 32% of consumers don't own a credit card and 68% of US credit card holders are within less than 5% of their available credit limit.
- Only 33% of US consumers are considered as prime borrowers with credit scores of 690 or greater.

## Solution

If your average ticket price is over \$1,000, an affordable payment plan can help you convert more of the browsers to buyers.

*\*Data from "The Survey of Consumer Payment Choice", Federal Reserve Bank of Boston, January 2010*

# Why offer Financing?

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**Offering a payment plan can be the difference between closing a sale and turning a customer away**

**Overcome affordability objections** - remove the focus from cost and minimize discounting.

**Close deals sooner** - introduce financing early in the process to accelerate and shorten the sales cycle.

**Strengthen relationships** - help your customers acquire what they really want. Extend relationships and boost loyalty.

# Typical Finance Customer Profile

- ✓ Can't afford to pay cash for their purchases over \$1,000
- ✓ Doesn't have the available credit on their credit card
- ✓ Wants to avoid tying up their general purpose credit cards
- ✓ Can't attain financing from a traditional bank or lender
- ✓ Wants affordable monthly payment plans of \$50 to \$300

# Merchant Benefits

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- Fast and easy application process
- Instant decisions within minutes in most cases
- No liability for your business – zero risk
- Larger credit spectrum of consumer approvals
- Single platform to apply, get status updates and run detailed reports
- Excellent staff training and ongoing support

# Program Overview

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- **Amount Financed:** \$1,000-\$30,000
- **Terms:** Up to 72 months
- **Zero Interest Promotional Options:** Up to 24 Months\*
- **APR:** Starting at 8.99%
- **Minimum Credit Score:** 550
- **Quick Approvals:** Decision within seconds for well-qualified borrowers
- **No Additional Fees:** No co-signer or guarantor fees, No prepayment penalties, no balloon payments

*\* Zero Interest Option: If the financed amount is paid in full within 24 months, no finance charge will be assessed. Monthly on-time payments are required. Subject to eligibility. Merchant participation is required.*

*NOTE: These terms, conditions and prices are subject to change without notice.*

# General Approval Criteria

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- ✓ 550 plus credit score
- ✓ 1 year on the job or in the same industry
- ✓ Minimum \$1,500 gross monthly income
- ✓ 2 year credit history with no judgments, liens or open collection accounts (medical accounts excluded)
- ✓ No bankruptcy in the last 2 years

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# Program Flow



## Apply

You can apply on behalf of your customers or your customers can directly apply online



## Pre-approval

Most applicants will receive instant decisions within minutes



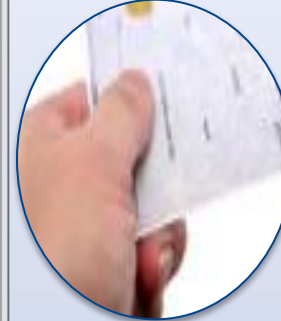
## Manual Review

Some of the applications may be manually underwritten and the process can take up to one business day.



## Approval

Once the borrower is approved, the financing agreement will be signed.



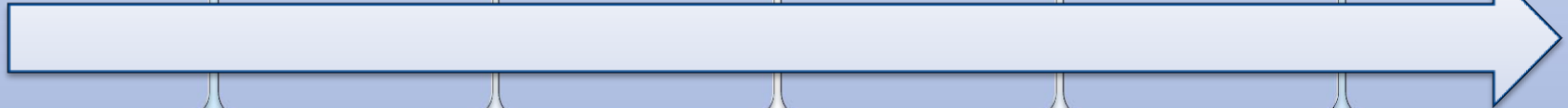
## Disbursement

Funds are disbursed directly to your business within three business days from the completion of service or delivery of product



## Repayment

Borrowers will begin repaying their financed amount 30 days from the disbursement date



# For the Prime Borrowers

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- Merchant payout rate is 90% (10% discount)
- Standard Prime APR is 13.99%
- Term is 12 to 72 months
- Borrowing limit is \$30,000

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# For the Prime Borrowers

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- Promotional term options are available at an additional discount:

Promotional Type	Additional Merchant Discount
3-Month (90 days) SAC	1.5%
6-Month (180 days) SAC	5%
12-Month (360 days) SAC	10%
3-Month SAC, Deferred payments	2%
6-Month SAC, Deferred payments	6%
9.9% APR	4.5%

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# For the Near-Prime Borrowers

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- Merchant payout rate is 89-80% (11%-20% discount)
- Standard APR is 17.99%
- Term is 12 to 72 months
- Borrowing limit is \$30,000

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# For the Near-Prime Borrowers

- You may offer promotional term options for an additional discount:

Promotional Offer	Additional Discount
3-Month (90 days) SAC	1.5%
6-Month (180 days) SAC	5%
12-Month (360 days) SAC	10%
3-Month SAC, Deferred Payments	2%
6-Month SAC, Deferred Payments	6%
15.99% APR	1.5%
13.99% APR	5%
11.99% APR	8.5%
9.9% APR	11.5%
5.9% APR	16.5%

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# For the Sub-Prime Borrowers

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- Merchant payout rate is 79-70%
- APR: 17.99% - 19.99% fixed rates
- Borrowing limit is \$15,000
- 12-month Same-as-Cash option included at no additional cost
- Term is 12-48 months

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# Solution for Ongoing Services

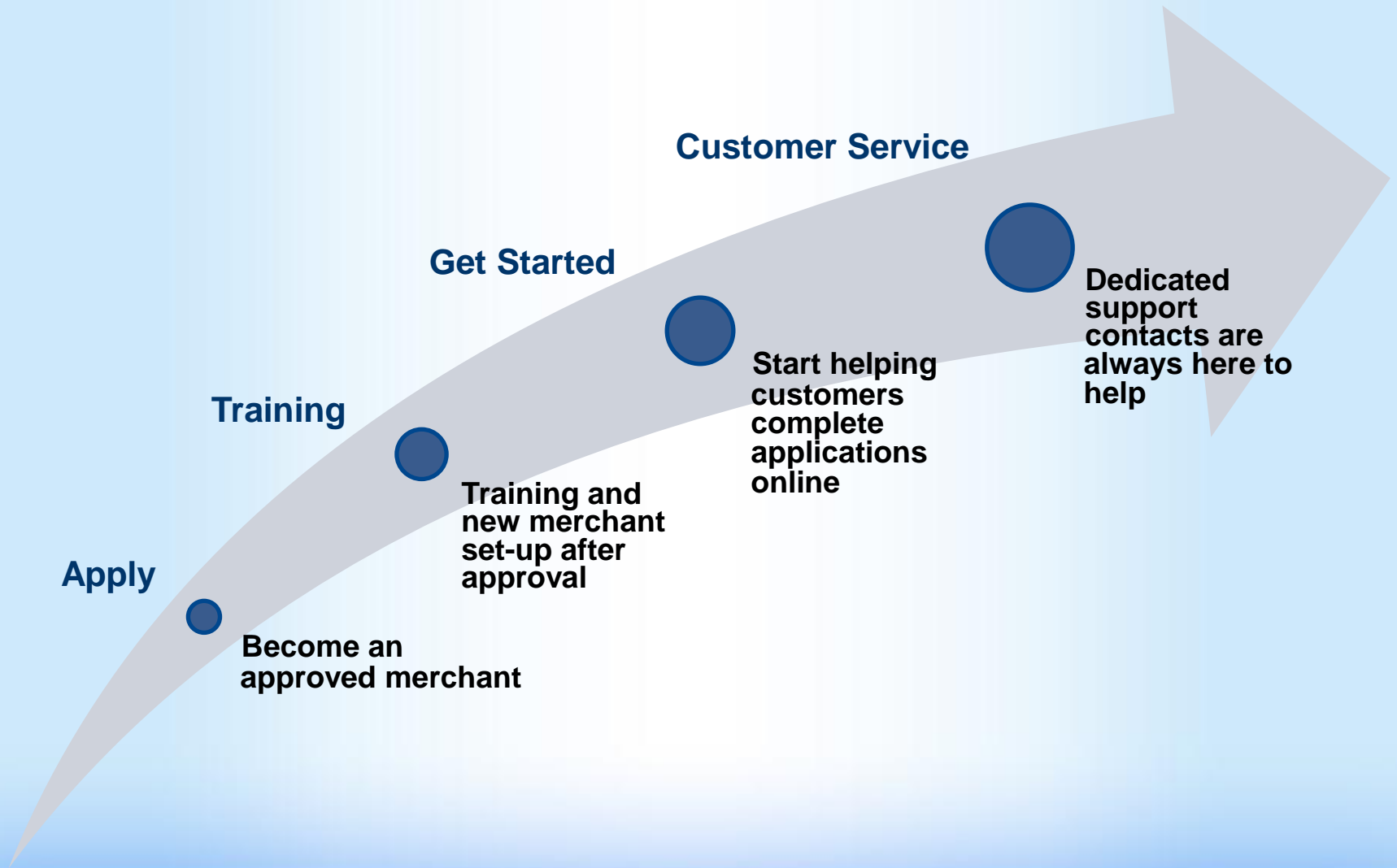
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For certain home improvement projects, we offer a revolving line of credit option. The customer will debit his/her credit account for the cost of the services provided at that time.

This option brings the following benefits:

- The customer's financing balance is only for the materials or services provided. When the customer purchases additional materials or receives additional services, their balance and payments are adjusted accordingly.
- The merchant receives payment at the time the customer's account is debited without waiting for the completion of services.

# Setup Process





Thank you for your interest in  
the Approval Warehouse Program

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