

Before applying for business funding, it's important to understand how business loans work, including how the repayment process works. A vital factor in determining how much your business needs in funding is to determine the loan's factor rate.

Factor Rates, Explained:

The factor rate of a loan is the amount of interest that is applicable to the amount of money you borrow from a bank or lender. It's important to note that a factor rate is not the same as the interest rate of a loan, as they are calculated differently.

Factor rates are percentages that typically range between 1.1 and 1.9. Factor rates show the "extra" amount a business will owe on a loan. For example, if your business takes out a short-term business loan for \$5,000 and the factor rate of that loan is 1.22, then your business will actually pay back \$6,100.

How to Get Business Funding with Great Factor Rates:

If you are a business owner looking for help getting business funding, Your FundingTree is dedicated to helping you through the process of securing business funding easily. Simply fill out our obligation-free application – it only takes 90 seconds and there is no charge for the service of finding good lenders for you to choose from.

Once you've submitted your application, it will be reviewed by one of our expert financial advisors. After it's been reviewed, you can expect to receive as many as five offers from lenders who want to compete to earn your business! All you have to do is view the offers you receive, and when you choose a lender, you could potentially begin funding with your new lender within the next business day.

Understanding factor rates and finding the business funding that your business needs doesn't have to be difficult – Your FundingTree is here to help! Simply fill out our easy, obligation-free application to begin the process towards achieving the business funding that you need.

For more information on factor rates and business funding, visit us at www.YourFundingTree.com today!