

TRANSPARENCY, COST EFFICIENCY, AND SCALABILITY FOR YOUR MERCHANT CASH ADVANCE AND SMALL BUSINESS LOAN PORTFOLIOS

Increasingly, non-bank financial institutions are allocating capital to merchant financing solutions including Merchant Cash Advances (MCA) and Small Business Loans (SBL). While these investments typically have relatively higher yields, they also come with greater risk management and operational challenges due to their dynamic nature. Capital providers such as ABL lenders and other Institutional Investors are increasingly demanding more transparency into their investments and typically overlay eligibility criteria and compliance obligations that must be tracked and reported.

Oak Branch offers a suite of services backed by its proprietary technology platform that provides investors, ABL lenders and funders full transparency into their Merchant Cash Advance and Small Business Loan investments while allowing them to efficiently scale their portfolios and businesses.

OUR SUITE OF SERVICES



MIDDLE OFFICE OUTSOURCING

A dynamic alternative to traditional middle office staffing, our team provides comprehensive deal onboarding followed by ongoing administrative services.



UNDERWRITING AND DUE DILIGENCE

A comprehensive and multi-step process replicating our client's underwriting process including review of bank statements, trade references, and other relevant documentation.



ANALYTICS AND REPORTING

Based on client's needs, Oak Branch's portfolio and advance level analytics and reporting provide a deep understanding of risk and return drivers.

TECHNOLOGY DRIVEN SOLUTIONS

For Investors & ABL Lenders

- ✓ Verification, risk analytics, and customized reporting on MCA/SBL statistics & cash flow reconciliations
- ✓ Single-platform integration of Asset-Based Loan & MCA/SBL collateral details
 - MCA eligibility criteria
 - Borrowing base compliance
 - Pro forma funding analyses
 - Loan-level interest & IRR
- ✓ Independent operational reviews & MCA/SBL-level due diligence
- ✓ Synthesized data & reporting across multi-asset portfolios & funding vehicles (e.g., merchant cash advance, marketplace loans, etc.)

For Funders

- ✓ Operationalizing MCA/SBL compliance & guidelines across multiple investors/loans
- ✓ Integration of daily MCA/SBL-level cash flows with investor distributions & loan-level waterfall requirements
- ✓ Outsourced credit underwriting services: your guidelines integrated into our system

CASE STUDIES

Merchant Underwriting

Background & Situation

A Merchant Cash Advance (MCA) funder sought to reduce costs through partial outsourcing of its merchant underwriting. They partnered with Oak Branch as an outsourcing solution to conduct merchant underwriting reviews that feed into the funder’s platform.

Services Offered & the Approach

During the on-boarding process Oak Branch worked closely with the client to understand their underwriting process, reviewed their guidelines, and captured the data/documentation requirements. The client’s guidelines and underwriting process were incorporated into Oak Branch’s proprietary system utilizing the configurable and dynamic workflow engine. Oak Branch’s system was integrated with the client’s via a direct feed with their platform to provide ongoing underwriting reviews with electronic citations to documents and applicable sections of the guidelines.

Client Benefits

Oak Branch Advisors was able to help the client reduce their underwriting costs by providing an outsourcing solution that was highly configurable and therefore easily integrated with existing technologies and processes.

Borrowing Base Eligibility & Reporting

Background & Situation

An MCA funder was required to provide more transparency to a capital provider, following receipt of leverage via an ABL. The MCA funder sought to meet this request by providing weekly borrowing base statistics on their portfolio and required a seamless and cost effective way to store, validate, and report key analytics.

Services Offered & the Approach

Using our proprietary technology, Oak Branch was able to efficiently on-board and review the terms of the agreement between the funder and capital provider, including key terms & conditions as well as borrowing base eligibility criteria and calculations. Oak Branch’s platform was connected to the servicer feeds to perform independent verification/validation of on-going payments and calculations of pace, yield, and concentrations per the agreement.

Client Benefits

As a result, Oak Branch Advisors was able to provide a living dashboard (Figures 1, 2) with individual advance data (e.g., balances, eligibility test compliance, etc.) and borrowing base calculations to both the MCA funder and the capital provider.

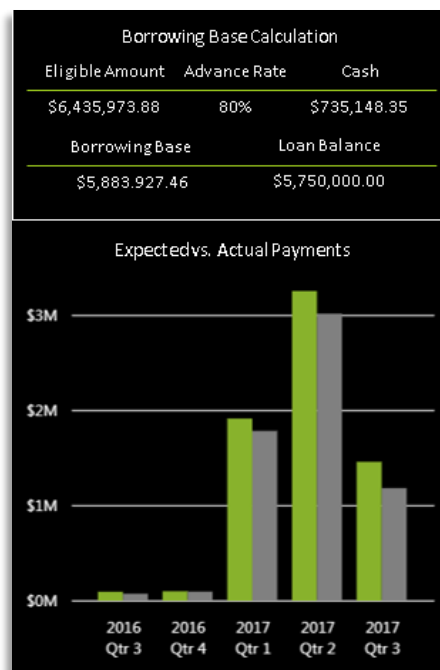


Figure 1

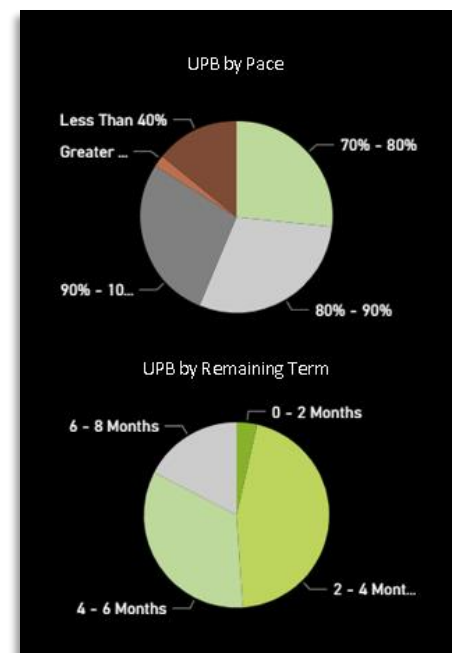


Figure 2

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