



BUSINESS CREDIT AND FINANCING TERMINOLOGY



Business Credit and Financing Terminology

There are many terms used in the business credit and financing industry that are foreign to many entrepreneurs. The more you know and understand this lender and credit issuer terminology the easier it will be to obtain the best financing at the best terms for your business.

PLEASE NOTE... This guide is not intended to include most of the terms used in the business financing industry. It lists and defines only the most commonly used terms that lenders and credit issuers use that **typical business owners don't know anything about.**

Just knowing these terms gives you an unfair advantage when pursuing loans, business credit cards, and credit lines, so enjoy!

Business Finance Terms	Definition
Credit Line Hybrid	A Credit Line Hybrid is a type of business funding program where a finance source helps you secure multiple credit lines with 0% rates and cash-out capabilities that help build initial business credit.
Revenue Based Lending	Revenue Based Lending is a type of business financing where the lending decision is made primarily based on how you manage your business bank accounts.
Purchase Order Loans	Purchase Order Loans are a type of business financing where you can get the money you need to fulfill purchase orders.
401k and IRA Financing	401k and IRA Financing is a type of business financing where you use a 401k or IRA as collateral to get a loan or credit line with a low interest rate.
Securities-based Financing	Securities-based Financing is a type of financing where you can use stocks or bonds as collateral to get a loan or credit line with a low interest rate.

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Fundbox Financing	Fundbox offers a credit line that's based on your revenue and account receivables financing as well within limited income verification.
Artificial Intelligence Financing	Artificial Intelligence Financing is where lenders use AI to obtain documents electronically and quickly evaluate those documents to make a fast approval decision.

Business Credit Terms	Definition
LexisNexis Report	A LexisNexis report is an extremely detailed consumer report used by sources including law enforcement, insurance providers, government agencies, and more.
LexisNexis Score	LexisNexis Score is risk score that ranges from 501 – 900, used by credit issuers, lenders, insurance providers, and others to depict your risk of repaying your debts.
Business Legitimacy	All lenders and credit issuers have secret, unpublished, Business Legitimacy standards you must meet to get automated approvals..
High Risk Industries	Lenders and credit issuers keep internal lists of “high risk” industries which face more scrutiny when getting financing.
Virtual Address	Use a virtual address for your business to receive mail without needing to pay the expense of renting or leasing an actual office.
411 Listing for Credibility	Many lenders and credit issuers deem a business to be credible and legitimate only if the business phone number is listed with 411.

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Bank rating	The Bank Rating is an internal credit score used by major banks to determine if you should be approved for credit and financing.
Business Identification Numbers	Business Identification Numbers are numbers such as BIN from Experian and DUNS from D&B that the business reporting agencies assign to each business with their database.
Business Credit Risk Score	The Business Credit Risk Score is the primary business credit score offered by Equifax Commercial.
Business Failure Score	Each of the three major reporting agencies offers a type of Business Failure Score that depicts your business's risk of failing in the next 12 months.
Supplier Evaluation Risk Rating	The SER rating is a credit score offered by Dun & Bradstreet that predicts the likelihood that a supplier will cease operations or become inactive.
Credit Limit Recommendation	Each of the major reporting agencies provides a Credit Limit Recommendation of how much credit they recommend you be issued.
Delinquency Score	Delinquency Scores are scores offered by the business reporting agencies that predict the likelihood your business will go delinquent in the next 12 months.
Intelliscore Plus	Intelliscore Plus is the primary business credit score offered by Experian Commercial.

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D&B Rating	The D&B Rating is a credit score issued by D&B to evaluate the creditworthiness of a business considering financial data and number of employees.
Delinquency Predictor Score	The Delinquency Predictor Score from Dun & Bradstreet predicts the likelihood your business will go seriously delinquent on your debts in the next 12 months.
Financial Stability Risk Score	The Financial Stability Risk Score is Experian's score that depicts your risk of failing or filing bankruptcy over the next 12 months.
Fix Business Credit	Fixing Business Credit has to do with disputing inaccurate accounts on your business credit reports with the business reporting agencies or creditors.
Vendor Credit or Trade Credit	Vendor Credit or Trade Credit is a type of credit issued by trade vendors and is typically used to help you establish initial business credit.
Business Credit Tiers	Business credit building can be broken down into Business Credit Tiers of credit you should apply for in a set order.

Contact Us Today to Get the Most Money and Business Credit at The Best Terms for Your Business!

