

Large Business Financing Preparation Guide

How to prepare a \$500,000 to \$2 million+ non-SBA request: documents, revenue and cash flow, structures, collateral and what underwriters expect.

This guide is for established companies preparing a request of \$500,000 to \$2 million or more outside the SBA program. It explains what lenders in that range review, how the amount is sized, which structures exist, what documentation to assemble, and how to prepare so the first offer is the right one. Through RAN Funding, established businesses can access up to \$2 million funded in as little as 72 hours once approved, and up to \$5 million through SBA loans on a 30–60 day timeline.

1. How large requests are underwritten

Below about \$250,000 most non-bank funders decide on three to four months of bank statements. Above it, and certainly from \$500,000, the review widens to the whole business: statements plus year-to-date financials, the most recent tax return, the debt schedule and the plan for the money. The lender is answering one question: can this business carry the payment after everything it already pays, through a weak quarter?

What is reviewed	Up to \$500,000	\$500,000 – \$2,000,000
Bank statements	3–4 months	3–4 months to start; 6–12 months for the largest amounts
Financial statements	Sometimes	Year-to-date profit and loss statement and balance sheet, nearly always
Tax returns	Rarely	Most recent business return; two years for term loans and SBA
Debt schedule	Yes	Yes, with contracts for larger positions
Use of funds	Brief	Specific: contract, purchase order, quotes, acquisition summary
Receivables	No	A/R aging and customer concentration, where revenue is invoiced
Collateral	Usually none specific (blanket UCC)	Blanket lien standard; specific collateral or personal guarantee for term loans and lines

2. Revenue, cash flow and existing debt

There is no universal revenue threshold for a given amount, and you should be cautious of anyone who publishes one. Three measures do the work:

- **Payment as a share of deposits.** On a 12-month revenue-based structure the monthly remittance is roughly the amount divided by 12 plus the factor cost. Lenders want that, plus every existing remittance, to leave the business comfortable room.
- **Cash-flow coverage.** Term lenders and SBA lenders divide cash available for debt service (net income plus depreciation, amortization, interest and documented one-time costs) by total debt payments; roughly 1.15x–1.25x is the usual pass line.
- **Existing positions.** Every open loan, advance or line reduces capacity. Open balances can sometimes be combined into the new loan, which often produces a cleaner structure than stacking.

Illustration, not a quote. \$1,000,000 at a hypothetical factor of 1.20 over 12 months repays \$1,200,000, about \$100,000 a month; the same amount on a hypothetical 12% three-year term loan is about \$33,214 a month (\$1,195,715 total); on a hypothetical 10.5% ten-year SBA loan about \$13,493 a month (\$1,619,220 total). The fast route costs more per month and less in total time; the SBA route costs the least per month and the most over its life.

3. Operating history

Most RAN Funding clients have 1+ year in business and \$20,000+ in monthly revenue; those are program minimums, not the bar for a large request. At \$500,000 and above, 2+ years carries real weight, and the largest amounts and all SBA loans typically require it. A recent ownership change, a merger or a new entity for an existing business should be explained up front with the dates and documents.

4. Financing structures at this size

Structure	Cost basis	Payment cadence	Term	Fits
Large working capital (revenue-based)	Factor rate, fixed at signing	Daily or weekly; some programs monthly	Months	Time-sensitive needs that pay back within the year; as little as 72 hours once approved
Business term loan	Interest rate plus any origination fee	Monthly, sometimes weekly	Up to 3 years	Expansion, equipment, acquisitions with multi-year payback
Business line of credit	Interest on drawn balance plus any draw fee	Weekly or monthly	Revolving	Recurring or unpredictable working capital; up to \$2,000,000
Accounts receivable financing	Fee on invoices advanced	As invoices pay	Revolving	Businesses invoicing other businesses; up to \$5,000,000 on the receivables
Equipment financing	Interest rate	Monthly	Up to the asset life	The equipment is the collateral
SBA 7(a)	Interest within SBA caps	Monthly	Up to 10 years (25 for real estate)	Largest amounts over the longest terms; 30–60 days; up to \$5,000,000

Many seven-figure fundings combine two structures: a term loan for the project and a line of credit for the working capital it creates, or fast capital now with an SBA loan in parallel for the long-term piece.

5. Collateral and guarantees

- Expect a personal guarantee from every owner with a meaningful stake on term loans, lines and SBA loans.
- A blanket UCC lien on business assets is standard; specific collateral (equipment, receivables, real estate) lowers cost and raises the amount on credit-based products.
- SBA lenders must take available collateral up to the loan amount but do not decline solely for a shortfall.
- Revenue-based products are typically sized on deposits rather than collateral, which is why they are faster and cost more.

6. The document package

- ☐ Application with business and ownership details
- ☐ Last 3 months of business bank statements for every business account (4 in California, New York and Virginia); more history for the largest amounts
- ☐ Year-to-date profit and loss statement and balance sheet, reconciled to the statements
- ☐ Most recent business tax return (two years of business and personal returns for SBA)
- ☐ Debt schedule: every lender, balance, payment, frequency and maturity
- ☐ Use of funds: contract, purchase order, quotes, acquisition summary or expansion budget
- ☐ Accounts receivable and payable agings and top customers, where revenue is invoiced
- ☐ Owner photo ID, voided check, proof of ownership
- ☐ For acquisitions: financials of the target, purchase agreement or letter of intent

7. Underwriting expectations and timeline

Stage	Fast routes	SBA route
Gather documents	Hours if the books are current	Days; two years of returns are central
Specialist review	Same business day	Same business day
Lender review	Decisions in hours on complete files; expect follow-up questions	Full underwriting over several weeks
Offers and selection	Amount, term and total repaid side by side	Term sheet, then closing conditions
Funding	Up to \$2,000,000 in as little as 72 hours once approved	Typically 30–60 days in total

8. How to prepare before you apply

- **Ask for a number you can explain.** Build it from quotes and schedules; "we need \$800,000 for these three things" is stronger than a round figure.
- **Reconcile the financials to the bank statements.** Revenue on the P&L should match deposits; explain any gap up front.
- **Disclose every balance.** They appear on the statements and the UCC search anyway, and surprises restart the review.
- **Clean 90 days of bank conduct.** Few negative days, a healthy average balance, no bounced remittances.
- **Decide the deadline honestly.** If the project can wait 30–60 days and the returns are strong, run the SBA route alongside the fast one.
- **Stay reachable.** On a 72-hour timeline a same-hour reply keeps the file moving.

9. Common reasons large requests are turned down

- Revenue does not support the payment after existing obligations
- Profit is thin on the return and the add-backs do not close the gap
- Financials disagree with the bank statements
- Customer concentration or a declining trend
- Short operating history for the amount
- An unclear use of funds

A decline at this size is usually a smaller approval or a different structure rather than a flat no.

Next step. Send the package to a RAN Funding specialist at ranfunding.com/large-business-loans/ or call 877-522-6045. One application for our lender network; one dedicated specialist; RAN Funding is paid by the lender, not by you.

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