

CREDIT CARD PROCESSING TRAINING

Description

The credit card processing referral program allows an independent contractor to refer credit card processing opportunities to US Business Finance Corp. (USBF) in return for a monthly commission payment that will last as long as the merchant is a client of USBF. It includes all non-cash transactions accepted by a merchant who accepts MasterCard and VISA credit cards at the point of sale.

US Business Finance Corp.'s referral program is the program that offers our independent contractors the best opportunity to create a significant supplement to their income by building a flow of revenue on an annuity basis. The program requires just a few easy steps by the independent contractor and is available to virtually any type of merchant.

Opportunities in Today's Industry

The non-cash transaction industry is a multi-trillion dollar industry. Over 75 percent of most merchants' businesses involve credit cards. This means that business opportunities are everywhere. USBF has the ability to place any type of credit card processing opportunity, whether it is retail, mail order, telephone order, Internet, or government. This is a big benefit to you, as most banks will limit what you can place with a particular processor. Your imagination is the only limit you have in uncovering credit card business. When a merchant starts a business, one of the first things they do is look for the ability to accept credit cards from a merchant service provider. While most merchants have figured out that accepting credit cards is extremely beneficial to their business, some merchants still do not realize the importance of accepting credit cards from customers. Therefore, don't forget businesses that do not currently take credit cards when looking for referral opportunities. USBF is happy to accept accounts that have not previously taken credit cards as a means of payment.

Our credit card processing referral program will generate the largest amount of reoccurring income to the independent contractor, and every businessperson or business you come into contact with is a potential candidate for processing. Hand out, your phone number, your card, your web address, etc. The monthly income can really help your business grow through the compounding effect of new merchants processing each month.

Evaluating Criteria of Credit Card processing referral opportunities

Applying for a merchant credit card processing service account is essentially the same as applying for an unsecured credit line. Because of this, a merchant account is subject to underwriting. Underwriting is essentially the process by which we evaluate the risk posed by a particular merchant, determine whether we will assume that risk, and if so, at what rate. The theory behind underwriting accounts is actually fairly simple to understand. Getting to know this will help you to be a more successful independent contractor and provide you with more knowledge to help you close clients. There are three basic levels of risk in underwriting: low, medium, and high risk.

Pricing Credit Card Processing Services

Pricing credit card processing service is a somewhat complex activity. Generally, in order to convince a merchant to switch processors, the merchant must save money on their processing expense. If you have any suggestions regarding pricing, please write them on your cover letter to USBF in order for us to evaluate it in a timely manner. USBF will evaluate the information you submit on the cover letter and on US Business Finance Corp. Pre - Application Form. Once this evaluation is complete, we will create a cost analysis and pricing quote. We will present the quote, first to the independent contractor and then to the merchant.

Independent Contractor Responsibilities

The independent contractor has the general responsibility to locate clients and submit the Pre - Application Form to us via fax at (877) 202-0097, along with a cover letter as described below. In addition, the two most recent months of credit card processing statements must be submitted from merchants that already accept credit cards. The independent contractor should gain a general knowledge of the client's business and their motivation for changing their credit card processor. This, and any other pertinent information, should be stated in the cover letter to USBF and faxed in along with the merchant information form and credit card statements (if available).

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When turning in the Pre-Application Form, the independent contractor should describe the merchant's business and their motivation for why they want to change processors, as this is very helpful to us as we develop pricing and account set-up. If the merchant is shopping for a better deal on price, let USBF know and we will make our best effort to respond accordingly.

If some portion of the merchant's transactions results from mail and/or telephone orders, be certain to include this information in the description of the business. These types of transactions are considered "keyed transactions" and are acceptable to USBF with the understanding that additional information and documentation may be needed on a case-by-case basis. Include the following information when describing the motivation of the Merchant:

- What is the merchant trying to accomplish by changing processors?
- Ask questions about how the merchant will use credit card processing in their business?
- What do/don't they like about their current processor?
- When do they want to switch processors?
- Can you get copies of prior processing credit card statements?
- Is the seller motivated to save money or is he or she simply curious about the value of the current program?

The merchants' motivation is important when USBF considers how to structure the pricing of processing for the merchant. In addition, knowing the owners' motivation may help you and the processor avoid spending valuable time giving free "appraisals" on processing the owner does not really need or want.

Once all the necessary information is received, the independent contractor is finished and USBF will become the point of contact with the merchant.

US Business Finance Corp. Responsibilities

USBF will determine the appropriate processor for each account submitted by the independent contractor. USBF is responsible to provide our best effort to place each account submitted by the independent contractor. Based on the Pre - Application Form, processing statements, and type of business, USBF may or may not elect to proceed with a quote for service for a variety of reasons. If a client is rejected by USBF and later there is a change to the merchant profile that alleviates our concern, USBF will contact all parties with a new proposed quote. Our quotes are typically non-negotiable; however, if the merchant is serious about changing their processor and not just interested in "shopping" for a new discount rate, USBF may be able to adjust our quote slightly to close the deal. USBF will present the rates and other information to the merchant or arrange a conference call to present the terms of the agreement. Questions about fees, how our processes work, and service set-up will all be answered on a client-by-client basis in a phone appointment with USBF. Our objective for you, the independent contractor, is to keep this process simple and profitable for you and your team to maximize the time you spend uncovering business opportunities.

USBF is responsible for obtaining authorization of agreements, installing the service and training the merchant on the processing service. In the interest of facilitating a smooth and efficient agreement, we may enlist your assistance in completing the application documentation and/or set-up process based on your relationship with and involvement with the merchant.

Overview of the Credit Card Processing Referral Deal Process

The following process applies to all merchant accounts, whether they are new to credit card processing, or an established acceptor of bankcards that is switching to USBF.

The independent contractor will gather basic merchant information on the form provided by USBF, and, for merchants already accepting bankcards, copies of the two prior months of credit card processing statements showing the merchant's processing history. The independent contractor should then create a cover letter describing the merchant's business and motivation for changing processors. Finally, the independent contractor will fax all the documents to (877) 202-0097. USBF will let the independent contractor know if any additional information is needed.

Because applying for a merchant account is essentially the same as applying for an unsecured credit line, a merchant account is subject to underwriting. Thus additional items may be required to complete a particular merchant's application package for submission to USBF. A complete application package is the key to a fast approval, and new account application packages that

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are not complete lengthen the time required for the underwriting process. If you are uncertain if more information is required, please give us a call.

What Documentation is required

The documentation that is required depends on the requested or average monthly processing volume. It also depends on how the payments are processed (card present, card not present, mail/telephone order, Internet, etc.). USBF will guide the independent contractor through each account requirement until the independent contractor is proficient in this process.

Cover Letters

Cover letters are an important tool in getting accounts approved. Our Account Analysis and Underwriting Department greatly appreciate your cover letters. Since Analysts and Underwriters usually do not have direct contact with the merchant and just look at a packet of paperwork, it is always good to describe what and how the merchant sells their goods and/or services, their general business model and any other relevant information. Following are some important items to include in your cover letter (you will be asked for them later if they are not explained):

1. If the merchant has a POS terminal or gateway, please explain where they obtained the equipment or gateway.
2. If any type of documentation is not available, please explain why. (Omitted documents without an explanation will lengthen the underwriting process.) Cover letters are not required for merchants that are listed as Level 1 (low risk merchants) in our underwriting guidelines, but are required for Level 2 and Level 3 accounts.

IMPORTANT ITEMS TO REVIEW PRIOR TO SUBMITTING YOUR APPLICATION PACKAGE

Before submitting your application package, please review it to ensure that:

- All applicable information is completed on the Pre - Application Form. Make sure that you clearly indicate the correct anticipated (requested) monthly processing volume. If the merchant is new to credit card processing, this is the amount of dollars they anticipate they will be selling in credit card purchases each month. If they are already accepting bankcards, this is the average monthly volume they are currently doing on credit cards. Also, be certain you indicate their average ticket amount (anticipated or actual). Ensure that all other information on the Pre - Application Form is correct and clearly indicated, such as rates, fees, whether the merchant has processed before, etc.
- If the merchant has been previously processing bankcard payments, include the two most recent months of statements from the payment processor with whom the merchant is currently processing.
- Ensure that business and residential phone and fax numbers are accurate and live. Often accounts are submitted where the business number is not active.

In addition, please note the following

- Merchants that are selling two or more different product types and/or services that are not related and fall under different SIC codes must apply for a separate merchant account for each business type. The only exception is an Internet mall.
- All bankruptcies that do not report as “discharged” on the principal’s credit report require a copy of the discharge document with the application package.

Once the independent contractor is finished, USBF will work with the merchant to complete the process. The following list may be helpful for you in describing for the merchant the remaining steps or requirements USBF must undertake.

Requirements for All Applicants

The following information and documentation is required to be in all application packages for underwriting purposes, regardless of merchant type, processing volume, or payment processing method. US Business Finance Corp. is responsible for these all these steps, but may enlist the assistance of the independent contractor in obtaining some of the documentation as

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needed. As an independent contractor, being familiar with these steps will help you explain to a merchant what they can expect as the deal moves forward.

1. Applicants must sign a completed Merchant Application and Merchant Processing Agreement. If the signer does not have over 50% ownership in the business (or a combined ownership of over 50% if multiple signers), a corporate resolution or copy of the corporate bylaws must be included, indicating authority to sign for the business.
2. The merchant must submit a blank check marked "VOID" that is imprinted with the business name and address as they appear on the Merchant Application. If the check is a starter check, a letter is required from the bank stating the business name, address and transit routing (ABA) number and account (DDA) number of the account.
3. The merchant must provide a check, authorization to ACH, or a credit card number for any applicable payment due to US Business Finance Corp. for required equipment.
4. The merchant application requires a signed Personal Guarantee. This guarantee is required on all applications except for nationally recognized corporations with a significant amount of assets.
5. The merchant must have no open or unresolved bankruptcies.
6. The business must be established in the United States.
7. The merchant must not appear on MATCH/CTMF.
8. The merchant's business model must make sense "by all logical means."
9. In compliance with the USA PATRIOT Act of 2001, identification must be verified on all new merchants (under Section 326: Customer Identification Programs). This is done by obtaining a legible copy of one form of picture identification (driver license, passport, state ID card, INS permanent resident card, etc.) that is issued by either the State or Federal government.

Please help the merchant understand that any deviations from the points above will likely prolong the underwriting process.

Final Note

Remember that the frequency of contact equals success. Leave a card behind when people say they are not interested, they may be later. Conduct conversations with the owner or decision maker to avoid having others relay the information. Make the customer feel comfortable by holding attention by entertaining, amusing, and befriending the client, but don't monopolize the conversation. Present one concept at a time. Make sure the paperwork is complete. Follow up with prospects, following up in a timely manner is critical to customer care and success.

Thank you for your time, and good selling.

David E. Grimes
CEO
US Business Finance Corp.
Direct 303-909-8778