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Franchise Finance Guidelines

- Franchisor should be in business a minimum of 5 years to provide ample performance statistics.
- Franchisor should have more than 50 existing franchisees
- Franchisor should be profitable and have a stable financial condition with a minimum net worth of \$1MM.
- Franchises cancelled, terminated, reacquired, or left the system for other reason should be less than 5%
- Franchises that have changed hands including above and transfers, in general should be less than 10%
- Will finance 80% of the cost of a franchise, with costs evenly split 50/50, 50% hardware, and 50% build out or soft costs.
- Will not finance working capital or the franchise fee.
- Principals of prospective franchises must have a clean established credit background.
- Principals of prospective franchises must have adequate capital to support the contributions necessary to start the business and have adequate reserves to support payments, and living expenses should the subject franchise require ramp up.
- Principals of prospective franchises should have a net worth greater than or equal to 150% of amount requested.