

TYPICAL FEES & POLICIES	EXPLANATION
Application Fee	Charged upon application submittal
Origination/Closing Fee	Usually a percentage of the total factoring line deducted from first advance
Underwriting/Setup Fee	Reimbursement for background and credit checks. One time charge
Monthly Maintenance/Service/Admin Fee	Monthly fee for servicing account
Minimum Factoring Commitment	Penalty for not factoring a certain dollar amount every month or over the length of the term
Credit Check Fee	Flat fee to check credit on each of your new customers
All Debtor Notification Requirement	Some factors require all your customers to send payment to them. Not just factored accounts
Processing Fee on Advances & Rebates	A flat fee each time an advance or rebate is processed
Wire & ACH fees	Commonly \$20-\$35
Collateral Management Fee	More common with asset based lending
Weekly Rebates	Fee for more frequent rebates
Forwarding Fee	Fee for transferring accounts to new factor on Client's request. \$200-\$500 common
Early Termination Fee	Flat fee or multiple of highest avg. monthly factoring fees for cancelling before end of term
Annual Renewal Fee	Charged on anniversary date
Debtor Notification Fees	Flat fee to send notice of assignment to each new customer
Legal Fees for Account Setup	Reimbursement of factor's attorney fees for complicated setups
Copy and Postage Fees	Out of pocket expenses such as overnight deliveries
UCC Filing Fee	Flat fee for filing UCC
Lien Monitoring Fee	Reimbursement for tax, judgment, and bankruptcy monitoring
Debtor Credit Monitoring Fee	Reimbursement for customer credit monitoring
Lockbox Fee	Reimbursement for bank lockbox fees
Inactivity Fee	Fee for keeping inactive account open
Spread Restriction	Will factor limit funding for your largest customer because concentration of sales is too high?
Minimum First Funding Fee	Minimum fee for first funding (over stated base rates)
Documentation Fee	Paperwork processing fee
Factoring Fee Deducted from Advances	May deduct fee from first advance rather than from receipt
Facility Fee	Flat fee each time you add new customer
Non-Factored Invoice Fee	Flat fee for each non-factored invoice payment the factor receives
Credit Insurance Fee	Reimbursement for credit insurance policy on receivables
Permanent Reserve/Security Account	Small percentage of each advance goes into escrow for rainy day fund
Arrangement/Commitment Fee	Like bank overdraft fees paid in advance
Expedited Funding Fee	Flat fee for same-day funding