

Title: Kabbage Review

Meta Title: Kabbage Review: Small Business Loans For Owners In Need

Meta Description: Kabbage loan services are one of the best when it comes to finding a financial service for small businesses. Its line of credit is a perfect solution for any startup.

Kabbage Loan: A Deeper Look

- Best For: Varied line of credit
- Rating: 4.2/5
- Starting Price: \$2000/month

Kabbage offers its clients a varied line of convenient, quick, and accessible credit to nominal businesses, even if they don't have an ideal credit score. Since Kabbage small business loans can be pretty pricey, it's advisable that applicants completely understand the cost before accepting a financing deal. Even though the loans are expensive, the company makes up for that by making their application easy and fast.

The repayments are made monthly, and its particular style of loans offers an easy-to-access financial safety net. In fact, Kabbage loan is one of the most straightforward providers to access on the market. You can apply for and request funds directly through its mobile app, or even your desktop. Furthermore, it even equips you with a spending card that you can use to pay for a specific amount directly from your credit line.

What Is Kabbage?

Founded in 2009, Kabbage is a venture that is backed and funded by Thomvest Ventures, SoftBank Capital, Reverence Capital Partners, BlueRun Ventures, and Mohr Davidow Ventures. Launched in 2011, it has provided access to lines of payment services and credit to eligible businesses. Kabbage loan offers access to over \$1 billion in working capital funds to small businesses each year.

Kabbage funding is pretty convenient, as you can apply, get a decision on its fees and rates, and then start getting funds within a few minutes in most cases. However, this speed comes at a price. This provider offers some costly loans with fees that can be up to 10% of your borrowing amount each month. Now, Kabbage loan doesn't have any prepayment penalties, but the loans are front-loaded. So, you may not be able to save a lot of money by repaying early.

Kabbage Loan Features

Kabbage funding offers various lines of credit. The following are the major Kabbage loan features:

Business Lines Of Credit

This is a fundamental feature where the lender provides credit to a borrower. The borrower can then use that credit whenever and however they want, up to a credit limit. The interest rate and payment depend on the amount used.

LOAN TYPE	LINE OF CREDIT
Term Length	6, 12 or 18 months
Repayment Period	Monthly
Apr Range	20.00% to 80.00%
Min-max Amount	\$2000 to \$250,000

Payment Services

This feature offers a plethora of services consisting of card processing, custom payment URLs, and invoice processing.

LOAN TYPE	LINE OF CREDIT
Term Length	6 months
Repayment Period	Monthly
Apr Range	1.0 % to 3.0 %
Min-max Amount	Any amount less than \$10,000

Kabbage Loan Interest Rates And Fees

The term length of Kabbage small business loans is 6, 12, or 18 months. Every month you'll need to repay 1/6th, 1/12th, or 1/18th of the principal plus a fee. Kabbage doesn't charge any additional costs besides the monthly borrowing fee.

You won't be charged any prepayment penalty, unused line fees, draw fees, and maintenance or service fees.

Business Lines Of Credit

LOAN TYPE	LINE OF CREDIT
Origination Fees	None
Prepayment Fees	None
Late Payment Fees	A \$10 fee for balances less than \$100, a \$35 fee on balances between \$100 and \$5,000, and a \$100 fee for balances over \$5,000
Maintenance Fees	None
Interest Rate	1.5% to 10.0%

Payment Services

LOAN TYPE	LINE OF CREDIT
Origination Fees	None
Prepayment Fees	None
Late Payment Fees	A \$10 fee for balances less than \$100, a \$35 fee on balances between \$100 and \$5,000, and a \$100 fee for balances over \$5,000
Maintenance Fees	None
Interest Rate	1.5% to 10.0%

How To Qualify For A Kabbage Loan

It's impossible to pinpoint exactly what it will take to make your business qualify for Kabbage SBA loans since every business's financial makeup is different. However, there are two requirements you will need to meet:

- Your business should be operational for at least 12 months.
- Your business must generate at least \$50,000 in annual revenue or at least \$4,200 in monthly revenue in the last three months.

You will also need:

- Special Documentation - This documentation needs to include your tax returns and bank statements. However, Kabbage doesn't ask for a lot of additional information.
- Collateral –Kabbage SBA loans don't require any official collateral, like personal assets or your business. It is a legally binding statement to hold you accountable for personally paying back the loan in case your business defaults on it.

Business Lines Of Credit

CRITERIA	LESS THAN \$100,000	MORE THAN \$100,000
Minimum Credit Score	560, not necessary	NIL
Minimum Annual Revenue	\$50,000 or \$4,200 monthly revenue over the last three months	\$50,000 or \$4,200 monthly revenue over the last three months
Minimum Time In Business	12 months	18 months

Payment Services

CRITERIA	LESS THAN \$100,000	MORE THAN \$100,000
Minimum Credit Score	560, not necessary	NIL
Minimum Annual Revenue	\$50,000 or \$4,200 monthly revenue over the last three months	\$50,000 or \$4,200 monthly revenue over the last three months
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The Kabbage Loan Application Process

You will need to apply for Kabbage small business loans through their website. This usually takes less than 10 minutes of your time. In this online process, you will be asked to provide information about your business and yourself. After that, you must scroll to the "Instant Business Review" section. Here, you will need to connect your Kabbage account to your online account.

Next, you will need to provide the lender with read-only access to your business bank account. You may also need to provide information from other data streams if applicable, some of which include:

- Amazon
- PayPal
- QuickBooks
- eBay
- Etsy
- Xero

Kabbage will then go through your complete credit history to assess your business's health. Once approved, you will need to link your social media accounts. This could help maximize your line of credit. If rejected, your business information will still be monitored by Kabbage in the event that you get approved in the future.

How Does Kabbage Determine Loan Amount?

Firstly, during the application stage, the representatives at Kabbage perform a hard pull on your credit. The lenders usually never state a minimum cutoff, but they will examine your credit history in order to determine the risk and verify your identity. Kabbage has an algorithm that decides your fees and rates.

So, it will probably only take a few minutes for Kabbage's system to deny or approve your application. However, this process can take longer if the system faces issues with verifying your information. As mentioned earlier, Kabbage might also ask for additional information to offer you a more significant credit line. Kabbage will examine your transaction volume, monthly revenue, and credit score to determine whether you qualify for a loan and how much should be sanctioned to you. It also considers the loan term you're applying for.

So, your chances of approval also depend on whether the term lasts for 6, 12, or 18 months. 6-month loans are the most common, and the rates vary depending on the month. If approved, you can request financing and a Kabbage card to pay for services and goods, free of charge, directly from your credit line.

Advantages And Disadvantages Of Kabbage Loans

As with any service provider, Kabbage funding too has its advantages and disadvantages:

Kabbage Advantages

- The loan qualifications and requirements for borrowers at Kabbage are meager when compared to other conventional banks.
- The credit score requirements to apply for a Kabbage loan aren't necessary. In most cases, they won't be considered.
- You don't have to pay any extra fees while applying for any loan service of this company.
- The application process is easy and quick.
- The website is user-friendly, informative, and straightforward.
- You can get funds conveniently and quickly. Businesses can receive funds on the same day of requesting a loan.
- PayPal users can regain available funds very quickly if they make payments with direct PayPal transfers.
- It also offers services for payment and invoice solutions.
- It provides you with an analysis of your cash flow and gives you financial advice.
- The website consists of a Smartbox calculator that helps you determine estimated fees.
- It's possible to have multiple loans running at the same time.

- You can link multiple accounts to Kabbage. This includes Quickbooks, eBay, Paypal, and Amazon.

Kabbage Disadvantages

- Kabbage is unavailable for businesses in a few industries.
- Their rates can be quite expensive for some startups and small business owners.
- There are no options for long-term financing.
- It isn't very conducive for startups and businesses that have recently started operating, as you need to be in business for at least 12 months to qualify.

Kabbage Customer Support

Kabbage customer service has a help center where you can clear most of your doubts and queries. However, if that doesn't suffice, you can contact Kabbage customer service and technical support via email or phone.

The lender is also very active on social media sites, such as Facebook and Twitter, making accessibility easier than ever.

Kabbage Loan Reviews

On [Trustpilot](#), the Kabbage review has an overall rating of 4.2/5 stars, which is based on over 7,000 reviews as of now. They also have some testimonials available on their website. The following is what customers genuinely enjoy about this company, as stated in Kabbage review posts:

- The application process is quick and easy to get through. Many customers rave about how they were able to apply within 10 minutes of filling up the application.
- Most customers appreciate the option of drawing on their lines of credit whenever required.
- A lot of customers have praised the customer support team for how they tended them.
- The Kabbage Card is also highly revered among clients.
- People found the website easy to use, and with the addition of the loan calculator, customers found Kabbage to be a worthwhile provider.

Now, as great as Kabbage is, it does have a small share of its detractors. Customers who were left dissatisfied with the service had the following complaints in the Kabbage review posts:

- Some customers were unhappy about their rejection. Kabbage cannot provide credit lines to every applicant. You may not qualify for a loan even if you meet Kabbage's minimum stated

requirements. Some people get rejected based on other issues found during the application process.

- A few customers criticized Kabbage for how expensive its fees are. Its loans can be quite costly with fees that have an equivalent APR between 24% and 99%.
- The front-loaded fees aren't prevalent amongst the detractors. Kabbage has received criticism for its fee structure. A majority of its fees need to be paid early during the repayment term. Now, even though Kabbage doesn't technically have a prepayment penalty, it can be challenging to save a good amount of money as the front-loaded fees need to be paid in the initial stages.
- Some customers have complained about the sudden loan limit cut. The thing is that Kabbage constantly monitors your cash flow. So, if a business starts doing poorly, it might completely cut off your credit line or decrease your borrowing limit. If this does happen, then you will still need to repay any debt that remains outstanding.

POSITIVE REVIEWS	NEGATIVE REVIEWS
Quick And Easy Application Process	Not Conducive For Brand New Startups And Businesses
Dedicated Customer Support Team	Long-term Financing Is Unavailable
No Extra Fees Required	Fees Can Be Expensive

Final Thoughts

By reading this Kabbage review article, you can see for yourself that the advantages and positive reviews of Kabbage ultimately outweigh any disadvantages or negative reviews. Additionally, you would have a better chance of qualifying for a loan with Kabbage than you would with more traditional lenders, and the application process is far more straightforward.

The great thing about Kabbage is that they care about small business owners' plight, which is why it doesn't particularly care about credit scores. If your business has been around for a while and requires additional funding quickly, then Kabbage is the perfect lending provider for you.