THRIVE

FAQs

FREQUENTLY ASKED QUESTIONS

1. How do I apply for Thrive?
You will need to create a submittable account to apply. Click the link in our bio to apply.

2. What documentation do I need to have to be eligible for this loan facility?
To apply, you would only need to have your business bank or Mpesa statements for the last 12 months. (From July 2022 - July 2023)

3. Can startups or businesses in the idea stage apply for this credit facility?
This particular facility is aimed at businesses with an operational history of at least 12 months. Startups or businesses in the idea stage do not meet the eligibility criteria.

4. What kind of support is provided beyond financing?
Our partners at the Queer Alliance Chamber of Commerce (QACC) will offer assistance in developing or refining business plans, guidance on diversity and inclusion policies, and help with legal and regulatory compliance at different stages during the tenure of the facility.

5. What types of businesses are eligible for this credit facility?
"Thrive" is open to businesses from all sectors, both product and service-based, as long as they meet the eligibility criteria outlined in the application process.

6. Is there a specific timeline for the repayment of the loans?
The repayment terms will be agreed upon during the financial modeling stage, and they may vary based on the type of facility and the needs of the business.

THRIVE

FAQs

FREQUENTLY ASKED QUESTIONS

7**. Could you elaborate on the types of facilities that you provide?**

- **Asset Financing** - This facility allows you to secure loans for purchasing equipment necessary for your business. The interest rate is fixed at 7.5% per annum.
- **Term Loans** - These loans are provided for a specific duration with a 7.5% interest rate. You'll make regular fixed payments until the loan, along with any applicable interest, is fully repaid.
- **Revenue-Based Financing** - With this facility, instead of fixed monthly payments, your business will share a small portion of its future earnings until the loan is repaid, also at a 7.5% interest rate.
- **Short-Term Financing/LPO Financing** - This financing type is designed for businesses looking to advance funds against the cost of goods supplied based on a local purchase order (LPO). The total interest will depend on the duration you require the facility. We charge a monthly fee of 2%, inclusive of fees. Typically, short-term financing spans from a minimum of 30 days to a maximum of 120 days.

8. What are the interest rates for the facilities you are offering?
Our interest rates are 2% per month for short-term facilities and 7.5% per annum for long-term facilities exceeding one year.

9. How will the due diligence process be conducted for selected businesses?
The due diligence process may involve site visits, financial assessments, and business evaluations to ensure that the selected businesses meet the criteria and are well-positioned to benefit from the credit facility.

THRIVE

FAQs

FREQUENTLY ASKED QUESTIONS

10. How does revenue-financing work?
We begin by analyzing your historical monthly earnings to anticipate your future income. Based on this prediction, we calculate the amount of your future income that will be set aside for repaying the loan. This calculation considers factors such as the loan amount you've requested, the applicable interest rate, and the chosen loan term.

Unlike fixed monthly payments, our approach involves a fixed percentage of your generated revenue. For instance, if we settle on a 8% percentage and your January earnings are KES 50,000, your repayment would be KES 4,000. If your February revenue climbs to KES 100,000, your repayment for that month would be KES 8,000. Essentially, this type of financing synchronizes repayment with the fluctuations in your business's financial performance

11. Are there any ongoing obligations or reporting requirements after receiving the loan?
Businesses that receive the loan will have certain reporting requirements to ensure transparency and accountability. These will be communicated during the contracting stage.

12. How can businesses that are not based in Kenya get involved or receive support from Ota?
Currently, "Thrive" is focused on supporting businesses within the Kenyan market. However, future initiatives or expansion plans may include support for businesses outside of Kenya.

THRIVE

FAQs

FREQUENTLY ASKED QUESTIONS

13. Are there any hidden fees or costs associated with the credit facility?
There will be a one-time processing fee charge, which will cover the cost of a legal contract review.

14. Is there a grace period before the loan repayment commences?
Unfortunately, there is no grace period for short-term facilities. However, for the long-term facilities such as asset financing and term loans, we typically provide a grace period of approximately 6 months.

15. Can the repayment schedule be customized to fit my business's cash flow?
The repayment schedule is flexible and will be customized to your business depending on the type of facility you require and how your business is performing.

16. What is the time frame from application to receiving the financing?
Contracting typically takes place 6-7 weeks after the close of the call.

17. In terms of support services that will be offered, will these be charged i.e. legal, finance/accounting?
The business support services that will be offered by our partners, QACC, will either be free or heavily subsided.

18. Can I still apply if my business somewhat works, but it has no visible financial structures?
Yes, you can. To apply for Thrive, you will only need to upload either bank statements and/or MPESA statements. We will look at your business's existing financial records for the last one year and later on, work with your business to support formalization of these structures.

THRIVE

FAQs

FREQUENTLY ASKED QUESTIONS

19. Do you offer invoice financing?

Yes, Thrive offers invoice financing as part of our short-term financing facility. In addition to invoice financing, our short-term financing options also include LPO financing, event financing, and various other offerings that will be tailored depending on your business's needs.

20. Can the loan term be extended under certain circumstances? And what are the repercussions of that?

We are open to restructuring the loan payments in specific situations, as we recognize that the business landscape can become quite challenging. The consequence of such an extension would be an increase in the accrued interest amounts.

21. When it comes to revenue-based financing, will the portion of future earnings have a specific time limit, or will it resemble equity?

With revenue-based financing, we consider factors such as interest rates and projected revenues, which are limited to a maximum term of 4 years. If the anticipated revenues differ from the forecasts, we have the flexibility to adapt the repayment terms accordingly. Additionally, we welcome advance payments without imposing any extra charges.