

DOCUMENT #3

The Blueprint System™ - Financing Structures

The Creative Financing Bible: 12 Ways to Buy with No Money Down

Cash is not king. Terms are. This document shows you exactly how to structure deals with little to no money out of pocket.

LEGAL NOTE: These are real structures I've used. Always consult with your attorney and CPA before implementing. What works in one state may not work in another.

Structure #1: The Classic 90/10 SBA

90% SBA Loan + 10% Seller Note

How it works: SBA finances 90%, seller carries 10% on standby for 2 years.

Purchase Price	\$1,000,000
SBA Loan (90%)	\$900,000
Seller Note (10%)	\$100,000 (standby 24 months)
Your Cash In	\$0

Script: "The SBA requires you to have skin in the game. If you carry 10% on standby, it shows them you believe in the business. Plus, you'll earn 8% interest when payments start in year 3."

✅ **Success Rate:** Works 7 out of 10 times with motivated sellers

Structure #2: The Asset Leverage Play

Equipment Financing + Working Capital Takeover

How it works: Finance equipment separately, take over working capital as down payment.

Real Example - Landscaping Company:

Purchase Price: \$650,000

Equipment Value: \$400,000 (financed at 85% = \$340,000)

Working Capital: \$150,000 (you keep this)

Seller Financing: \$310,000 (5 years @ 6%)

Net Cash Needed: \$0 (actually positive \$150,000)

Structure #3: The Earnout Escalator

Low Fixed Price + Performance Earnout

How it works: Pay low upfront price, seller gets more if business grows.

Component	Amount	Terms
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Base Purchase Price	\$500,000	Seller financed over 5 years
Year 1 Earnout	Up to \$100,000	If revenue grows 10%
Year 2 Earnout	Up to \$150,000	If revenue grows 20%
Year 3 Earnout	Up to \$200,000	If EBITDA exceeds \$300K

Script: "I'll pay you \$500K guaranteed, but if I grow this like I plan, you could make up to \$950K total. You win if I win."


Structure #4: The Vendor Takeback Special

100% Seller Financing with Stepped Payments

How it works: Seller finances everything, payments start low and increase.

Payment Schedule:

- Year 1: \$5,000/month (interest only)
- Year 2: \$8,000/month
- Year 3: \$12,000/month
- Year 4-5: \$15,000/month
- Balloon payment: \$200,000 at year 5

 **Why Sellers Accept:** They net more than a cash sale after broker fees and taxes

Structure #5: The Consulting Hybrid

Seller Stays as "Consultant" to Offset Price

Example:

- Purchase Price: \$800,000
- Seller Consulting: \$8,000/month for 24 months = \$192,000
- Net Effective Price: \$608,000
- Financed over 5 years: Only \$10,133/month

WARNING: IRS watches these closely. Consulting must be legitimate with real duties.

Structure #6: The Inventory Offset

Use Excess Inventory as Down Payment

Perfect for: Distributors, retailers, manufacturers with bloated inventory

HVAC Parts Distributor Deal:

Listed Price: \$1.2M

Inventory on Hand: \$400K (but really worth \$200K)

My Offer:

- I'll value inventory at full \$400K
- But that's my down payment
- Finance remaining \$800K
- I liquidate excess inventory post-close

Result: Bought business with \$0 down, got \$200K cash from inventory liquidation

Structure #7: The Customer Prepay Play

Get Customers to Fund the Deal

How it works: Offer customers discounts for annual prepayment

Real Example - Commercial Cleaning:

- 20 customers paying \$2,000/month = \$40K monthly revenue
- Offered 15% discount for annual prepay
- 12 customers prepaid = \$244,800 cash
- Used as proof of funds + working capital

The Master Negotiation Framework

The 4-Step Seller Finance Conversion:

1. Plant the Seed:

"Have you thought about seller financing? You'd net more than a cash sale after taxes."

2. Show the Math:

"Cash sale: \$1M - 10% broker - 30% taxes = \$630K

Seller finance: \$1M @ 8% = \$80K/year passive income + principal"

3. Address the Fear:

"I'll personally guarantee the note. Plus, you keep the business as collateral."

4. Close with Optionality:

"Let's structure it so you can cash out anytime by selling the note."

Structures That DON'T Work (Avoid These)

- **✗ Balloon payments under 3 years** - Too risky
- **✗ Revenue shares over 20%** - Kills cash flow
- **✗ Personal residence as collateral** - Never worth it
- **✗ Handshake deals** - Get everything in writing

The Golden Rules

Rule #1: The business must cash flow from Day 1 after debt service

Rule #2: Never personally guarantee more than the purchase price

Rule #3: Always have an exit strategy before you enter

Rule #4: If the seller won't finance any portion, walk away

Your Next Steps

1. Pick your favorite 3 structures from this document
2. Practice the scripts until they're natural
3. On your next deal, present 2-3 structure options
4. Let the seller choose (they always pick one)

Remember: The seller's motivation determines the structure, not the business type. A motivated seller will accept creative terms. An unmotivated seller won't budge on anything.

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For seller motivation assessment, see Document #9