

FREIGHT FACTORING

What is Freight Factoring?

Freight factoring is commonly used by owner-operators and smaller fleets to cover cash flow gaps rather than waiting to be paid days or weeks after a load is delivered. The trucking company exchanges their unpaid invoices with a factoring company for immediate cash. It is then up to the factoring company to collect on these unpaid invoices, for which they earn a % fee from invoice totals.

How do you know if an entity is currently using freight factoring and when their agreements expire?

Whenever a new factoring contract or agreement is reached, the freight factoring company files a UCC-1 to mitigate their risk. Our algorithm identifies current factoring trucking entities through an analysis of the collateral and secured party listed on UCC-1 records, considering the UCC date as a contract start date. While some terms may be longer, the typical term of a factoring contract is 12 or 24 months.

What kind of information will I receive and how?

Our clients will receive monthly leads with an 8 month, 20 month or 32 month old factoring agreement. Assuming a 12- or 24-month term, these leads are 4 months away from renewal. The data on your new leads will include: company name, contact, address, phone number, most recent factoring UCC date, Secured Party, and UCC Collateral text field. See Schedule 3 detailed specifications for all fields included and their definitions.

How many leads will I get and how often?

The volume of leads delivered each month will depend on your subscription's fleet size, operating segment, and geography parameters. For example, a total U.S. subscription of for-hire operators with 1-9 trucks could net between 6,000-8,000 monthly leads.

Among larger fleet sizes there are fewer records of factoring, however these prospects present more opportunities for factoring companies with their larger scale of operations.

What kind of a commitment is required?

A freight factoring leads list can be purchased as a minimum 12 month subscription or as an ad hoc licensed list.

How much does it cost?

Pricing depends on the fleet size range, operating segment, and geography parameters selected.

What is the difference between for-hire and private fleets factoring?

Primarily we see for-hire fleets factoring their freight receivables to manage cash flow. With Private fleets we see more often the fleet factoring inventory or supplies related to their business operations. The UCC collateral description can be helpful in identifying the type of factoring a fleet is engaged in. Some clients may just want to target for-hire fleets for freight factoring, and others may be open to multiple types of factoring.