



ClearPaySM Invoice Factoring Program Creates Cash Flow for Construction Firms and Minority-Owned Businesses

- Triple-Digit Increase in 2013 Factoring Volumes -

New York, NY – December 17, 2013 - Capstone Business Funding LLC, a factoring firm for the construction industry today announced that ClearPaySM, its integrated working capital and business guidance program for minority-owned businesses and construction firms, has reported a 257% year-to-date volume increase through December 8th 2013, compared to the year-ago period.

The increase in factoring volume was attributed to the construction category, an industry challenged by extended payment terms and limited access to bank credit facilities. Firms that have used the program include general contractors and various subcontractors such as electrical, landscaping, painting and masonry companies throughout the U.S. In addition, ClearPaySM clients include environmental remediation, water treatment and certain service-related firms.

ClearPaySM provides a streamlined process for small businesses in construction and other service industries to obtain working capital through the sale of individual accounts receivable for immediate working capital. As a result, firms can access working capital to purchase materials, pay subcontractors, complete projects and fund payroll or other operating expenses.

Specifically, small businesses sell their outstanding, credit-worthy invoices to Capstone for cash representing up to 90% of the value of the invoice. Moreover, the Surety's risk is reduced by the advances made by Capstone due to payments made to those entities with lien rights in exchange for lien releases. Through ClearPaySM, Capstone and the Surety coordinate their lien positions on the available collateral to insure reduced risk for each entity through each phase of a construction contract.

According to Capstone, the greatest risk to the Surety is undercapitalized subcontractors who divert funds from one job to settle accounts on an unrelated job due extended payment terms. As a result, liens may be filed and work slowdowns can occur that put the payment and Surety-issued performance bonds at risk.

“Due to new federal regulations, banks have been forced to retreat from the construction market and have told their small business clients in cyclical industries they are no longer welcome,” said Joseph F. Ingrassia, Managing Member of Capstone Business Funding LLC. “We understand the working capital and risk management challenges that our clients face and the important role both play in maintaining a healthy, successfully growing business.”

ClearPaySM does not increase debt for small businesses and does not use any long-term contracts, a requirement of most factors. The program focuses on the creditworthiness of the project owner or general contractor, not on the credit status of the client.

Mr. Ingrassia cites the impact of extended payment terms, increased competition for infrastructure projects and the continued down economy as drivers for the use of single invoice factoring as a working capital tool. He expects a continued increase in short-term financing activity by small businesses to help keep pace with JOBS Act opportunities, increase cash flow for operational needs and help accelerate overall growth in a difficult economy.

ABOUT Capstone Business Funding LLC

Capstone Business Funding LLC provides factoring to subcontractors and selected general contractors.

ClearPaySM is an integrated business program that provides contract factoring and business guidance to minority-owned firms, construction and service businesses.

Capstone Business Funding LLC is part of the Capstone Group of companies that include Capstone Capital Group LLC and Capstone Credit LLC located in New York City.

For additional information about short-term financing for small businesses and upcoming webinars, please [click here](#).

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