Mortgage Company Business Plan and Operations Starter Kit

A working kit for independent mortgage brokerages. It turns funded loans and the origination fee into gross revenue, carries the originator share as its own line in every month, tracks leads to funded loans by source, tests the roster's production against the plan and counts what attrition costs, finds cash break-even through the first winter, and scores the plan on six pass-or-fail tests.

MORTGAGE BROKERAGES
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PAGE 2

Start here

A brokerage can fund twenty-four loans in June and miss payroll in January. A loan pays only when it funds, and the originator keeps most of the fee. This kit tests those numbers first.

WHAT IS INSIDE

3	Business plan, part one: services, clients and lead sources, market area, roster capacity, compensation plans
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: office and technology, setup, pre-opening, working capital
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15	Your first 30 days, lease questions, sources and what the full kit adds
16-18	An AI prompt that turns this kit into your own plan
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HOW TO USE IT

1. Build loan and fee sales on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Loan amounts, fee rates and originator shares move before a loan funds, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every loan in process and the numbers review every week. Run the page 7 fall-through check every month and update the page 10 roster after every funding.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the mortgage brokerage questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field; treat them as hypotheses.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, disclosure, agency and file-handling or financial advice. Licensing, registration, insurance, originator agreements and disclosure requirements vary by location, and the rules a lender or an investor applies vary too. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender will ask whether company dollar, after the originators are paid, covers the office and the processors. Answer plainly here and draft the sections separately.

1. Executive summary (write it last)

Describe the mortgage brokerage, the market you serve, the money you need and what it buys, fit-out to first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Services and clients

Set out the borrowers you serve, a first purchase, a move up, a refinance or an investor, the loan size band, and what they value beyond a rate: an originator who answers, a file ready on time, a funding date that holds. List where the leads come from.

3. Market area and roster capacity

Map the area and loan size bands you work. Count the originators, the loans each funds in a year and the loans a month that buys; the plan cannot fund more loans than the roster produces. Write the borrower who makes up most of your loans and the loan size they take, because a fee rate on a loan nobody takes is a guess.

4. Compensation plans, fees and company dollar

List each compensation plan, its per-loan fee and the company dollar per funded loan. A share copied from the brokerage down the street is a guess; replace it with your own written plan.

COMPENSATION PLAN	SHARE TO ORIGINATOR	FEE PER FUNDED LOAN	COMPANY DOLLAR PER FUNDED LOAN

> *Owner question: we fund more loans every quarter and the bank balance is lower than it was in the spring. Where did the money go?*
> Check this likely cause first: the firm counts fundings while the cash follows applications, so the best quarter paid out the most shares and left the least cash to cover the fixed costs. Put three months of fundings, company dollar per loan and month-end cash side by side. If company dollar fell while fundings rose, the share moved, not the market. Fix that before you hire again. It is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a loan runs from application to funding: the file, the disclosures, the processor's checklist, the review and the disbursement. Name who reviews a file when you are away.

6. Team

List every role, its hours and pay, including a market wage for your own hours, and every originator's compensation plan. Name who can review a file without you.

7. Marketing and sales

Explain where leads come from, how a lead becomes a funded loan, and why borrowers and originators stay.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

DOES THE PLAN PASS? SCORE IT BEFORE ANYONE ELSE READS IT

TEST	PASS?
Gate 0. Draft originator compensation plans, insurance quotes, the lease, system and trade costs, and the requirements the plan needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, loan fees reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Originator loans planned in the busiest month (page 6) fit what the roster can produce (page 10), and planned loans reach break-even (page 8).	
5. The funded-loan log, kept by originator and by source, backs the funded count and the pull-through from application to funding; a lead count supports a forecast of applications, never a forecast of fundings.	
6. The full-run year (seasons in, not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and working capital build-up; set aside its largest fall in running net cash, with the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign a lease or recruit an originator. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the insurer, the software vendor or the landlord, or a documented calculation. Brokerage budgets break on rent, system seats and trade dues before the first loan funds, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
OFFICE AND TECHNOLOGY				
Computers, phones, monitors and system seats				
Origination system setup and data migration				
Brand, website and borrower materials				
SETUP AND APPROVALS				
Formation, business filings and trade onboarding				
Insurance down payment				
Office deposit and first month				
PRE-OPENING				
Recruiting the opening desk and pre-opening payroll				
Launch marketing and partner program				
Office fit-out and meeting room				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the setup runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from applications in process and the loans your roster can produce, not from the overhead you need to cover. Count the loans each originator funded last year; add your own loans at the volume your referral base supports.

```
Monthly sales for a line = units times average gross fee times days open in the month (or times 1 for
units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE GROSS FEE	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Originator loans	loans				
Owner-originated loans	loans				
Per-loan fees	loans				

Full-run month

RAMP AND SEASONS

MONTH	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Ramp, % of full run												
Season, % of full-run month (M1 = opening month)												
Expected sales												

Expected sales for each month = full-run gross fee and per-loan fees times ramp (the share of full-run volume the roster and the pipeline have reached) times season. Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as fundings by month in your market; a loan in process with a funding date replaces its ramped figure that month.

CAPACITY CHECK

```
Loans the roster can fund in a month = originators multiplied by the most loans one originator funds in
a month (page 10); full-run loans a month = originators times loans per originator a year, divided by 12
```

Write how many originators are on the roster, the loans each funded in the last twelve months and the most loans one originator funded in a month. Compare the loans the plan needs in its busiest month with what the roster can produce (page 10). Test 4 scores the roster at full ramp against the peak-season month, so a ramp that is still climbing cannot mask a capacity shortfall. If the plan needs more loans than the roster produces, the plan is wrong, whatever the lead count says.

PAGE 7

Fee, originator share and company dollar

The gross fee is what the funding lender pays. Company dollar is what the firm keeps after the originator share, about 1,344 dollars on a 372,000 dollar loan; add the per-loan fee the firm charges and it keeps about 2,089, which is the figure the attrition cost uses.

```
Gross fee per funded loan = loan amount times the origination fee percent
Company dollar per originator loan = gross fee times (1 minus the originator share); the firm also keeps any per-loan fee it charges
Monthly company dollar = originator loans times company dollar per originator loan, plus owner-originated loans times the gross fee, plus the per-loan fees
```

WORKED EXAMPLE: ONE MONTH OF FUNDED LOANS (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Average loan amount	$372,000	Stated
Origination fee per loan	0.86%	Stated
Gross fee per funded loan	$3,199	Loan amount times fee
Originator compensation share	58%	Paid to the originator on originator loans
Company dollar per originator loan	$1,344	Gross fee times (1 minus the share)
Per-loan fee	$745	Charged to the borrower at closing
Company keeps per originator loan	$2,089	Company dollar plus the per-loan fee
Third-party cost per loan	$0	Third-party costs the firm carries per loan, none in this example
Owner-originated loans a month	3	Full fee, no split
Originator loans a month	21	252 a year

The originator share is paid when the loan funds and sits on page 8 line 17: 58 percent of originator loans, 0 on owner-originated loans and per-loan fees, charged line by line on page 11. The share below is a planning value inside a published band, not the market rate. A career publisher states 20 to 80 percent of the fee, and a compensation consultancy a 70/30 revenue split; neither pins 58 percent. Replace it with your own written plan. The page 12 example runs 21 originator loans and 3 owner-originated loans at $3,199 each.

YOUR COMPENSATION PLANS AND COMPANY DOLLAR

COMPENSATION PLAN	SHARE TO ORIGINATOR	CAP OR DESK CHARGE	PER-LOAN FEE	LOANS A YEAR	COMPANY DOLLAR PER FUNDED LOAN	COMPANY DOLLAR A YEAR

PAYMENT TERMS AND THE COLLECTION PATTERN

In the worked example every line is collected in full in the month it is billed, so page 11 carries no receivables and every $100 billed is $100 collected. The funding lender pays the loan fee out of the loan proceeds. The borrower pays the per-loan fee at closing. The firm pays the originator share and the per-loan costs.

FALL-THROUGH AND PIPELINE CHECK

A loan in process is a promise, not income. Compare fundings with files in process and log each fall-through.

```
Pipeline value = loans in process times the average loan amount; expected fees this month = loans in process times your funded-loan rate; company dollar at risk = fall-throughs times company keeps per funded loan. Count a loan as income only when it funds.
```

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once. Percentages are printed rounded and every figure is computed from the unrounded rate: 2.25 originators leave, printed 2.2, and the leads column runs on the unrounded application and pull-through rates.

FIXED COSTS PER MONTH	PER MONTH
1. Office rent, 1,600 sq ft	
2. Errors and omissions, liability and property insurance	
3. Two salaried processors and disclosure support, with payroll taxes (the minimum staff)	
4. Owner's market wage (management, recruiting, file review)	
5. Loan interest (fit-out, technology and launch loan)	
6. Phones, internet, system seats and trade dues	
7. Marketing, website and lead generation	
8. Origination system, customer platform and accounting software	
9. Accounting, payroll service, file review and bank fees	
10. Originator recruiting, onboarding and training	
11. Office supplies, printing and client events	
12. Compliance support, screening and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Third-party costs carried by the firm, per loan	
14. Contract processing above the salaried staff	
15. Payment, wire and platform fees	
16. Marketing co-op and closing gifts per funded loan	
17. Originator compensation, blended share of all revenue	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even originator loans = (fixed costs, principal and other recurring cash out minus the full-run
contribution from owner-originated loans and per-loan fees) divided by one originator loan's
contribution after the originator share and the per-loan costs
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even originator loans (use cash break-even)	one figure per month		
Office share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per working day = weekly divided by days open per week. Office share = line 1 divided by net sales.

PAGE 9

Leads, applications, pull-through and originator attrition

One market, several kinds of lead. A past client, a purchased lead and an event contact apply and fund at very different rates, so track each source from lead to funded loan, and track originator departures, because they decide whether the roster's production holds.

```
Application rate = applications divided by leads; pull-through = funded loans divided by applications
Leads needed = new funded loans you need divided by (application rate times pull-through)
Originator attrition = originators who left in the quarter divided by the roster at the start of the quarter
```

WORKED EXAMPLE: A QUARTER OF LEADS, BY SOURCE (ILLUSTRATIVE)

LEAD SOURCE	LEADS	APPLICATIONS	FUNDED LOANS	APPLICATION RATE	PULL-THROUGH	DAYS APPLICATION TO FUNDING	LEADS FOR 73 FUNDED LOANS
Referral partners and past clients	100	50	25	50%	50%	36 days	292
Purchased and digital leads	340	72	37	21%	51%	42 days	671
Community events and open houses	90	22	11	24%	50%	38 days	597

The counts are illustrative and say nothing about why a past client funds when a purchased lead does not; a quarter this small gives a direction, not a rate. These leads fund 73 loans a quarter against the 72 the plan needs a quarter at full run (21 originator loans and 3 owner loans a month); the single loan of margin is thin, which is why the log below decides Test 5. The page 12 ramp follows funding dates, not applications, and reaches full run in month 8. Compare the sources on funded loans per hundred leads rather than on the lead count. Twenty-five referral leads in a hundred fund against about 11 of the purchased hundred, and a source that grows volume without moving that ratio adds pipeline work and no production. In this example, losing 0.6 of 9 originators over a quarter comes to roughly 2.2 percent a month, measured against the roster at the start and before any recruits, so recruiting must replace that before it adds production.

YOUR LEADS, BY SOURCE

LEAD SOURCE	LEADS	APPLICATIONS	FUNDED LOANS	APPLICATION RATE	PULL-THROUGH	DAYS APPLICATION TO FUNDING	LEADS NEEDED

FUNDED-LOAN LOG BY ORIGINATOR AND SOURCE

LOAN ID	ORIGINATOR	LEAD SOURCE	FUNDED OR FELL THROUGH	REASON FOR ANY FALL-THROUGH, IN THE CLIENT'S WORDS

PAGE 10

Originators, funded loans and attrition

Nine originators at twenty-eight loans a year produce twenty-one loans a month.

```
Loans a month = originators times funded loans per originator a year, divided by 12
Peak-month capacity = originators times the most loans one originator funds in a month; Test 4 compares it with the peak month's planned loans
Cost of departures a year = leavers times recruiting cost, plus leavers times loans per originator times (months to first funding divided by 12) times company keeps per funded loan
```

WORKED EXAMPLE: THE ROSTER BEHIND THE SALES BUILD (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Originators on the roster	9	Stated
Funded loans per originator a year	28	Stated
Loans a month at full run	21.0	Originators times loans, divided by 12
Peak-month loans per originator	4	The most one originator funds in a month
Originator attrition a year	25%	2.2 originators leave
Recruiting cost per originator	$6,000	Stated
Recruiting cost a year	$13,500	Leavers times cost
Months to a new originator's first funding	3	Stated
Loans lost a year when originators leave	15.8	Leavers times loans, prorated for the gap
Company keeps lost to attrition, on the per-loan figure the attrition cost uses	$32,896	Lost loans times company keeps per loan, both taken from the unrounded rates, so a column checked from the printed 2.2 can differ by a loan

The roster sets capacity, whatever the lead count says. Eighteen loans a year is the published floor; forty-two is the judgment ceiling, so the loans a month here are a planning assumption you replace. The page 12 plan funds 21 originator loans a month and the roster produces 21.0.

YOUR ROSTER

ORIGINATOR	MONTHS WITH THE FIRM	LOANS FUNDED LAST 12 MONTHS	LOANS IN PROCESS	COMPENSATION PLAN	COMPANY DOLLAR LAST 12 MONTHS	COACHING OR EXIT PLAN

RECRUITING AND ATTRITION LOG

Originators leave, and every departure takes a pipeline with it. Log every arrival and departure with the reason in the originator's words, and record which loans in process left with the originator.

MONTH	ORIGINATORS JOINED	ORIGINATORS LEFT	REASON, IN THE ORIGINATOR'S WORDS	LOANS THEY FUNDED

PAGE 11

Twelve-month cash forecast

Enter $000 (51.25 means $51,250) for loan fees collected; keep any tax you collect out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: loan fees collected, in the month each payment lands												
Memo, not cash: fees earned this month (page 6)												
In: owner money and loans received												
Out: per-loan costs, fees and co-op (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: office rent (line 1)												
Out: originator share paid at funding (line 17)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Excluded: income tax set-aside, equipment replacement, working capital build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opens with the cash left after startup spending; each closing balance opens the next month, and the slow start opens with the same cash. Keep one month of fixed costs and principal above your floor. The originator share is paid at funding; the processors and the office monthly. For the slow start, test 70 percent of expected sales every month (a stress assumption, not a benchmark); fixed lines, principal, bills and funding stay as expected and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your deadline. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the first winter costs

Runway = how long the firm can keep paying before the money runs thin: start at the last month you closed (or at the day you open, if none has closed), then count forward to the first month whose closing balance sits under your floor

Worked example: a brokerage planning its first full year

An illustrative month: the numbers show the method at work, not market benchmarks. Loans pay at funding; the processors are on line 3 from the first month and the originator share is paid as each loan funds. Cash floor $12,000. The gross fee and the per-loan fees land in the month a loan funds and the originator share goes out the same month (page 7); per-loan costs go out with the funding; the owner draws a wage in cash and pays it out; nothing new is borrowed or put in.

Page 5, budget	Opening the doors takes $130,000: a $60,000 loan (6.9 percent over 5 years) plus $70,000 of owner money, with $44,300 of it held back as a reserve for the ramp, the slow winter months, the floor and the buffer
Page 8, costs	Fixed costs $36,518 a month, including $2,900 for brokerage office and $318 of loan interest in the total; principal $867 a month (both year 1 averages); variable share 44.75 percent, which puts the contribution margin ratio at 0.5525. Lines 13 to 17 take 0, 1.2, 0.35, 1 and 42.2 percent of sales. Lines 1 to 12 run $2,900, $1,850, $10,200, $8,400, $318, $950, $6,000, $1,600, $1,100, $1,200, $700 and $1,300 a month.
Page 8, break-even	Break-even on operations sits near $66,096 a month. Cash break-even, being fixed $36,518 plus principal $867 over 0.5525, is about $67,665 a month: 10.1 loans a month from originator loans after owner-originated loans and fees have contributed, so 11, against the 21 the plan is built on.
Page 6, sales	Originator loans: 21 loans a month at $3,199.20. Owner-originated loans: 3 loans a month at $3,199.20. Per-loan fees: 21 loans a month at $745. The full-run month totals about $92,426; fundings ramp 35, 50, 65, 75, 85, 92, 96 percent in the months 1 to 7, then 100 percent; season 104, 115, 125, 118, 105, 100, 105, 87, 101, 67, 76, 96 percent across months 1 to 12 on originator loans and owner-originated loans alike.
Page 19, expected case	Month 1 gross fee and per-loan fees of $33,643; month 1 ends the month at $25,503, month 12 at $92,392. Low: month 2, closing $17,480, $5,480 beyond the cash floor.
Page 19, slow start	With loans at 70 percent of plan, month 1 gross fee and per-loan fees of $23,550; month 1 ends the month at $19,926, month 12 at minus $56,622. Cash slips below the floor in month 2 (closing $3,095) and below zero in month 3 (closing minus $5,246), so the runway counted from opening is 1 month.
Page 8, coverage	At full-run gross fee and per-loan fees of $92,426, coverage measured before income tax and equipment replacement comes to 12.54 against the 1.25 the example lender calls for, at the month-12 run rate 12.51, and Test 3 weighs both. Office share is about 3.1 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is taken as met for the example. Test 1 passes: run the month-12 pace out and loan fees reach about $92,349 a month, above the $67,665 break-even; and a second year at that pace never takes cash under the floor (its lowest point $108,115, month 1 of year 2). (Context only, outside the test: loan fees first clear cash break-even in month 3.) Test 2 fails: at 70 percent of planned loans the floor gives way in month 2; about $68,700 of extra reserve on opening day would clear it. Test 3 clears on the planning formula; the lender's own definition still governs. Test 4 passes: in the peak funding month (month 3, season 125 percent, the roster scored at full ramp) the ask on the originators is about 26.25 loans while the roster turns out 36.0 (9 originators at 4 loans each in a peak month, page 10; 28 loans each across the year), so the production fits and the 21 planned originator loans clear the break-even count. Test 5 fails, and only for want of evidence: nothing in the example logs funded loans by originator and by source, so neither the share nor the pull-through can be traced file by file; the page 9 log is the one record that would make it pass. Test 6 passes: a full year at full run, winter inside it, ends with about $163,652 after principal is paid, though the monthly net cash flow dips under zero in month 10 by at least $3,171, the steepest slide in running cash (from its month 9 high to its month 10 low), and the page 5 buffer absorbs it. That is the steady-state year rather than the forecast year; page 19's first year adds about $48,092 to cash because originator fundings climb across the year and the first slow winter lands before a full spring has built. Most of the planned originator loans only bring the firm to break-even, so the reserve is what sees it through each winter. The reserve in this example is illustrative, and it is thinner than the rule on page 5 sizes for a plan of this shape. At the $12,000 floor the example states, the rule lands near $76,300. That is the floor, a buffer of one month at $37,385, and the $26,820 the zero-cash run drops below zero. With the floor at one month of fixed costs, principal included, the rule lands near $101,600. The example opens with $44,300. The tests are scored on the reserve the example states.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
A tenth fewer loans (variable costs fall; fixed stay)	minus $5,107	Expected case holds the floor
Originator loans: average gross fee 5 percent higher, same volume (payment fees, the co-op and the share are the only costs that rise)	plus $1,364	Break-even loans fall from 10.1 to 9.7 a month, so from 11 to 10: per-unit costs stay the same, so the ratio falls to 0.547 on the new sales (sales-linked fees, lines 15, 16 and 17, take 59.4 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $65,855
The top 2 producers leave (4 originator loans a month, $12,797 of gross fee; their share goes with them), from month 6 onward	minus $8,028	Expected case still clears the floor; slow start deadline unchanged (month 2)
The loan fee is received one month late (the share is paid when the fee arrives; the bills still paid on time)	no change	Expected case below the floor in month 1 (closing $6,057), below zero in month 2; slow start below the floor in month 1 (closing $6,314); would fail Test 1
One application a month falls through before funding ($3,199 of gross fee a month; no share is paid on it), from month 6 onward	minus $2,007	Expected case still clears the floor; slow start deadline unchanged (month 2)
Originator share rises 5 points (58 to 63 percent on originator loans; about $3,355 a month at full run)	minus $3,355	Cash break-even rises to about $72,423; expected case still clears the floor; slow start deadline unchanged (month 2)
Average loan amount 10 percent lower, same loan count (gross fee $3,199 to $2,879 a loan; $7,678 a month less), from month 1 onward	minus $3,586	Expected case still clears the floor; slow start deadline unchanged (month 2)
Marketing halved and the digital segment a third smaller (4.1 fewer funded loans a month, $8,251 of company dollar; $3,000 saved on the line), from month 1 onward	minus $5,251	Expected case still clears the floor; slow start deadline unchanged (month 2)
The second processor is deferred and hired in month 7 (half of fixed line 3, $5,100 a month, saved in months 1 to 6)	no change	Expected case still clears the floor; slow start below the floor in month 3 (closing $10,054)
Setup overrun of $10,000 beyond the contingency, drawn out of the reserve	no change	Expected case below the floor in month 2 (closing $7,480); slow start below the floor in month 1 (closing $9,926); would fail Test 1
Opening 3 months late (brokerage office, insurance, loan interest and principal, $5,935 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case below the floor in month 4 from the planned opening, below zero in month 5; slow start below the floor in month 4 from the planned opening (month 2 on time); about $16,600 more opening cash holds the expected case at the floor; would fail Test 1

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A;
score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Loan file checklists, weekly review, six questions

Operations checklists only, not a compliance program. Add the disclosure, agency, file and advertising steps your market and qualified professionals require.

WHEN AN APPLICATION IS TAKEN

- [ ] Log the loan amount, the fee rate and the originator who brought the borrower.
- [ ] Name the funding lender, the funding date the lender gave and who confirms it.
- [ ] Hand the file to one processor and write that name on the file.
- [ ] Enter the company dollar the file is expected to earn, not the gross fee.
- [ ] Record who last spoke to the borrower, what was agreed and when the next contact is due.
- [ ] Set the day the borrower will hear from us, and who makes the call.

FUNDING AND MONTH END

- [ ] Book the gross fee, the share paid and the company dollar on funding day.
- [ ] Compare the month's fundings with the files that sat in process and log each fall-through in the client's words.
- [ ] Check that the file holds every condition the lender cleared before the fee moves.
- [ ] Refresh each originator's funded loans and loans in process on page 10.
- [ ] Log leads, applications and funded loans by source, once, in the same table.
- [ ] Ask each funded borrower for a review and a referral inside seven days.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Funded loans, gross fee, share paid and company dollar booked				
Files in process, the funding date each one is promised and the fall-throughs				
Funded loans by originator against that originator's yearly pace				
Originators who joined, originators who left and live recruiting talks				
Leads, applications and funded loans, split by where they came from				
Company dollar booked on files the lender says will fund inside 30 days				
Owner time on file review and the owner's own loans				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every file wait on the owner to review it, and do originators wait to ask?
2. **Reactive operations.** Count the borrower messages in a week that say nobody called me back or a document is missing, and the fundings that slipped a month.
3. **Growth without structure.** How many files a month are missing a document at funding?
4. **Talent and retention.** How much of the company dollar comes from two originators, and what happens to the plan if they take their pipeline elsewhere?
5. **Revenue plateau.** How long does a new originator take to a first funding, and what share of recruits ever fund a second loan?
6. **Strategic confusion.** Do originators on one compensation plan produce very different company dollar, and does that plan still match the support they use?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the borrower message log, the loans in process, the lead record by source, or the roster and departure log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log every application in process with its expected funding date. Log the owner's own loans.
Week 2	Fill the page 7 compensation table and mark any plan whose company dollar per funded loan falls below the per-loan costs.
Week 3	Set up the lead table on page 9 by source and record applications and funded loans.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the processor may make without calling you.
After month 1	Run the fall-through check on the loans in process and update the page 10 roster with the month's fundings.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- ☐ Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- ☐ Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- ☐ What does the space need before you can open, and who pays to add or upgrade it?
- ☐ Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- ☐ When does rent start, at signing, at permit or at opening?
- ☐ Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- ☐ What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Mortgage Company Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a compensation-plan calculator from loan amount and fee to company dollar per funded loan, a loans-in-process and fall-through tracker, editable lead, roster and recruiting trackers, loan file checklists and onboarding checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on independent mortgage brokerages, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Mortgage brokerages owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, disclosure, agency and file-handling or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own loans, shares and office costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as borrower files, client names or addresses, loan terms, compensation agreements or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) an independent mortgage brokerage. I have attached the Mortgage Company Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my originators, loans and shares, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a loan amount, a fee rate, an originator share, a loan count, percentage or benchmark, and never state a licensing or disclosure rule.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = loans times the gross fee per loan (per-loan fees = loans times the fee). Each month's expected sales = full-run gross fee and per-loan fees times ramp times season; a loan in process with a funding date replaces its ramped figure that month, never both; before opening, count expected fundings by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's own processing hours above the salaried staff go in line 14 at a market wage. My own hours in the business count as cash even if I skip my own pay, so the plan still holds when I step back from the work; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even originator loans = (fixed costs, principal and other recurring cash out minus the full-run contribution from owner-originated loans and per-loan fees) divided by one originator loan's contribution after the originator share and the per-loan costs. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Loans the roster can fund in a month = originators multiplied by the most loans one originator funds in a month (page 10); full-run loans a month = originators times loans per originator a year, divided by 12.
- Office share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the brokerage opens after startup spending is paid. Place every receipt and payment (deposits, vendor invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and working capital build-up each take a row of their own. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Enter the gross fee in the month the loan funds, pay the originator share in that same month, and pay the processors, rent and system seats in the month. A loan in process is not income until it funds. In the slow-start case, every month's sales, loans in process included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the brokerage opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, licensing, permit, disclosure, agency, origination, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Never enter client names, street addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Vendor and platform payments follow the cost of the service I delivered plus any working capital set-aside I fund; where a vendor invoice falls outside my terms, ask me for payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Services, borrower segments and lead sources, market area and loan size bands, the originators on my roster and the loans each funds in a year, the most loans one originator funds in a month, and days open per week.
b. Sales build: for originator loans, the originators on the roster, loans funded per originator a year, the average loan amount, the origination fee percent and the share paid to originators; for owner-originated loans, my own loans a month; the per-loan fee; a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month from fundings by month in my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (fundings to date, signed agreements or my history).
c. For the fee page (loan amount, fee percent, originator share, per-loan fee and loan counts are in b above): any cap or desk charge in my compensation plan, third-party costs per loan, and my funded-loan rate on applications in process.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (vendor quote, insurer quote, landlord quote or calculation) for each line on page 5, from computers to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the processors and disclosure support, system seats and trade dues, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my own processing hours above the salaried staff go in line 14 at a market wage.
f. Variable cost shares of net sales for lines 13 to 17: line 13, third-party costs carried by the firm, per loan; line 14, contract processing above the salaried staff; line 15, payment, wire and platform fees; line 16, marketing co-op and closing gifts per funded loan; line 17, originator compensation, blended share of all revenue; and any sales line whose own shares differ, given for that line.
g. For each lead source: leads, applications and funded loans last quarter, and days from application to funding; originators on the roster at the start of the quarter and originators who left; the number of new funded loans I need.
h. Originators on the roster, funded loans per originator a year, the most loans one originator funds in a month, attrition a year, recruiting cost per originator and months to a new originator's first funding.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when the loan fee reaches the firm (at funding, or later), when the originator share is paid out, and when the processors, rent and system seats are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, equipment replacement and any recruiting bonus or draw.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor.
n. If I am already open: what customers owe me and what I owe vendors and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, taken from my own records, which fee lines (or what share of each) are taxable, and when I remit what I collect (monthly, quarterly or another schedule), so the forecast keeps collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my mortgage brokerage, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by originator loans, owner-originated loans, per-loan fees and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even originator loans (use cash break-even); office share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Keep memo rows out of the month-end cash figure: any tax collected, remitted and owed at month end (last month's owed + collected minus remitted), plus receivables (last month's + billed minus collected).
6. Company dollar per funded loan and per month by compensation plan, with the company dollar at risk on loans in process.
7. Leads by source with leads needed and quarterly originator attrition.
8. Roster production against the sales build, the peak-month capacity check, and what departures cost in a year.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every loan count, originator share or payment term I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with loans by month, shares and roster production, before anyone sees the plan, and recheck the page 4 result with a calculator.

The worked example's twelve-month forecast, filled in

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $12,000.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**44,300**	**25,503**	**17,480**	**21,586**	**29,394**	**37,584**	**47,179**	**61,268**	**68,310**	**82,501**	**79,329**	**80,754**
In: sales receipts	33,643	53,145	75,096	81,797	82,490	85,032	93,165	80,410	93,350	61,925	70,244	88,729
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: per-loan costs, fees and co-op (lines 13, 15, 16)	454	717	1,014	1,104	1,114	1,148	1,258	1,086	1,260	836	948	1,198
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	19,004	19,238	19,501	19,582	19,590	19,620	19,718	19,565	19,720	19,343	19,443	19,665
Out: office rent (line 1)	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Out: originator share paid at funding (line 17)	14,197	22,428	31,690	34,518	34,811	35,884	39,315	33,932	39,394	26,133	29,643	37,443
Out: other costs, with loan interest (lines 2, 5 to 12)	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018
Excluded: income tax set-aside, equipment replacement, working capital build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	867	867	867	867	867	867	867	867	867	867	867	867
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(18,797)**	**(8,023)**	**4,106**	**7,808**	**8,190**	**9,595**	**14,089**	**7,042**	**14,191**	**(3,172)**	**1,425**	**11,638**
Closing cash, expected	**25,503**	**17,480**	**21,586**	**29,394**	**37,584**	**47,179**	**61,268**	**68,310**	**82,501**	**79,329**	**80,754**	**92,392**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**44,300**	**19,926**	**3,095**	**(5,246)**	**(10,997)**	**(16,479)**	**(20,977)**	**(22,331)**	**(28,617)**	**(29,899)**	**(43,334)**	**(53,553)**
Sales receipts, slow start	23,550	37,201	52,567	57,258	57,743	59,522	65,216	56,287	65,345	43,348	49,171	62,110
Out: variable costs, slow start (lines 13 to 17)	10,539	16,647	23,523	25,624	25,840	26,635	29,185	25,188	29,242	19,398	22,005	27,794
Out: fixed costs (lines 1 to 12), principal, bills, less funding	37,385	37,385	37,385	37,385	37,385	37,385	37,385	37,385	37,385	37,385	37,385	37,385
Net cash flow, slow start	**(24,374)**	**(16,831)**	**(8,341)**	**(5,751)**	**(5,482)**	**(4,498)**	**(1,354)**	**(6,286)**	**(1,282)**	**(13,435)**	**(10,219)**	**(3,069)**
Closing cash, slow start	**19,926**	**3,095**	**(5,246)**	**(10,997)**	**(16,479)**	**(20,977)**	**(22,331)**	**(28,617)**	**(29,899)**	**(43,334)**	**(53,553)**	**(56,622)**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**15,723**	**21,340**	**26,447**	**22,872**	**16,234**	**13,680**	**16,234**	**7,042**	**14,191**	**(3,171)**	**1,425**	**11,638**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The cash you open with is yours to set, and the two passes on page 5 are how you test it. The example sets aside no income tax (that depends on the owner's whole return, so use your accountant's figure), replaces no equipment in its first two years and builds no working capital past the opening reserve in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $92,349 a month, against month 12's own $88,729): closing cash runs $108,115 in month 1 and $256,044 in month 12, lowest $108,115 in month 1, above the floor. The example charges no sales tax on loan fees, so its tax memo rows are zero; if any of your lines is taxable, enter the rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse. The contribution margin is 0.5525, computed from the line 17 originator-share blend of 42.2 percent as printed, and both are printed rounded. The share row charges that 42.2 percent and the break-even divides by the 0.5525, so a row checked from its printed percentages can differ by a dollar or a loan.