IMAS · FINTECH ADVISORY

The Day-1 Flow-Funding Architecture

Build these before you write your first asset — so an equity-funded pilot converts cleanly into scalable, low-cost debt.

Every fintech funds its first flows with equity — there is no other capital willing to sit in front of an unproven asset. The question is whether that equity also buys you a **debt-ready structure**, or just early volume you will have to re-paper later. This is the architecture to stand up on Day 1, while you are still small and equity-funded, so graduating to a warehouse, forward-flow and securitisation is a plug-in — not a rebuild.

01 Structure — build the vehicle before you need the funder

- Originate assets into a **bankruptcy-remote vehicle / SPV** from asset one — even while you are the only funder.
- Confirm the operating company and the asset pool are **legally isolated** (the funder lends to the pool, not the start-up).
- Design the structure so a warehouse can **plug in without unwinding** anything already originated.
- Map, now, where first-loss (your equity) sits versus where senior debt will later sit.

02 Legal — document the transition before it happens

- Put **true-sale / assignment mechanics** in the documents from the first asset, not the first facility.
- Ensure title, perfection and priority are clean in every jurisdiction you originate in.
- Pre-empt **recharacterisation risk** — will a court see a genuine sale, or a disguised loan? Decide it in the papers now.
- Keep borrower/customer terms **assignable** (no anti-assignment clauses that block a future sale of the receivable).

03 Eligibility — originate to a warehouse's rules from the start

- Define **eligibility criteria, exclusions and concentration limits** now — the same ones a warehouse will impose later.
- Originate to them from cohort one, so your book is **fundable by design** rather than half-ineligible on first inspection.
- Track the share of originations that would **fail** eligibility — that is your future unfundable tail.

04 Data — instrument the track record you will need to sell

- Capture **every field a future funder's model will ask for** (obligor, terms, performance, recoveries) from asset one.
- Build **vintage / cohort reporting** before you have vintages worth reporting.
- Record loss curves, roll rates and recovery timing in a structured, exportable form — not trapped in the app database.
- Treat data quality as a funding lever: your future **advance rate depends on the track record you can prove**.

05 Servicing & operations — earn the advance rate

- Stand up **servicing and collections** to an institutional standard early (a funder underwrites your operations, not just your losses).
- Identify a **back-up servicer** path before a funder asks for one.
- Produce a clean monthly **servicer / performance report** from the pilot — the same report a warehouse will require.

06 Economics — prove the asset carries itself

- Model the asset at a realistic future **advance rate and cost of funds**, not today's equity cost.
- Confirm a **positive net spread** after cost of funds, expected loss and servicing — at base, downside and stress.
- Quantify how much **first-loss equity** the structure needs, and for how long.

07 Graduation triggers — know when you're warehouse-ready

- **6–12 months of clean vintages** demonstrating stable, modellable losses.
- Eligible, already-structured assets sitting in the SPV.
- Reporting a funder can diligence in weeks, not months.
- A clear plan for equity to step back into a **thin first-loss slice** as senior debt comes in.

THE ENDGAME

Get this right and the sequence runs on schedule.

Each step plugs into infrastructure that already exists. The equity you spent early becomes the thinnest layer of the stack, the flow funds itself off its own performance, and equity goes back to its real job — building the company. The decisions that determine all of this are made when the book is tiny; the best time to design the endgame is before the first asset is written.

equity-seeded pilot → warehouse → forward-flow → securitisation

How IMAS helps

We architect both sides of the fintech balance sheet — the company raise and the flow structure — from the point where finance meets law: the SPV, the true-sale documentation, the eligibility and data design, and the path to warehouse, forward-flow and securitisation. If you're at or approaching pilot stage, that is exactly the moment to draw the endgame.

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