



Business Loan Checklist

While every loan program has specific forms you need to fill out and documents you need to submit, you will likely need to submit much of the same information for different loan packages. Before you start applying for loans, you should get some basic documentation together. The following are typical items that will be required for any small business loan application:

- ❑ **Personal Background:** Either as part of the loan application or as a separate document, you will probably be asked to provide some personal background information, including previous addresses, names used, criminal record, educational background, etc.
- ❑ **Resumes:** Some lenders require evidence of management or business experience, particularly for loans that are intended to be used to start a new business.
- ❑ **Business Plan:** All loan programs require a sound business plan to be submitted with the loan application. The business plan should include a complete set of projected financial statements, including profit and loss, cash flow and a balance sheet.
- ❑ **Personal Credit Report:** Your lender will obtain your personal credit report as part of the application process. However, you should obtain a credit report from all three major consumer credit rating agencies before submitting a loan application to the lender. Inaccuracies and blemishes on your credit report can hurt your chances of getting a loan approved. It's critical you try to clear these up before beginning the application process.
- ❑ **Business Credit Report:** If you are already in business, you should be prepared to submit a credit report for your business. As with the personal credit report, it is important to review your business' credit report before beginning the application process.
- ❑ **Income Tax Returns:** Most loan programs require applicants to submit personal and business income tax returns for the previous 3 years.
- ❑ **Financial Statements:** Many loan programs require owners with more than a 20 percent stake in your business to submit signed personal financial statements. You may also be required to provide projected financial statements either as part of, or separate from, your business plan. It is a good idea to have these prepared and ready in case a program for which you are applying requires these documents to be submitted individually.
- ❑ **Bank Statements:** Many loan programs require one year of personal and business bank statements to be submitted as part of a loan package.
- ❑ **Collateral:** Collateral requirements vary greatly. Some loan programs do not require collateral. Loans involving higher risk factors for default require substantial collateral. Strong business plans and financial statements can help you avoid putting up collateral. In any case, it is a good idea to prepare a collateral document that describes cost/value of personal or business property that will be used to secure a loan.
- ❑ **Legal Documents:** Depending on a loan's specific requirements, your lender may require you to submit one or more legal documents. Make sure you have the following items in order, if applicable:
 - Business licenses and registrations required for you to conduct business
 - Articles of Incorporation
 - Copies of contracts you have with any third parties
 - Franchise agreements
 - Commercial leases

For additional help with loan packaging or shopping for the best rates please contact us at the SBDC our loan consultants are ready to help and our services are provided at no cost to you!

1-866-588-SBDC or via the web at www.smallbizla.org