

Business Loan Checklist

SBA Loans

For SBA Loans, visit the [SBA Business Loan Checklist](#).

SBA is not the only source for small business loans. State and local economic development agencies and numerous non-profit organizations provide low-interest loans to small business owners who may not qualify for traditional commercial loans.

While every loan program has specific forms you need to fill out and documents you need to submit, you will likely need to submit 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 for any small business loan application:

1. Loan Application Form
 - a. Forms vary by program and lending institution, but they all ask for the same information. You should be prepared to answer the following questions. It's a good idea to have this information prepared before you fill out the application:
 - b. Why are you applying for this loan?
 - c. How will the loan proceeds be used?
 - d. What assets need to be purchased, and who are your suppliers?
 - e. What other business debt do you have, and who are your creditors?
 - f. Who are the members of your management team?

2. Personal Background
 - a. Either as part of the loan application or as a separate document, you will likely need to provide some personal background information, including previous addresses, names used, criminal record, educational background, etc.
3. Resumes
 - a. Some lenders require evidence of management or business experience, particularly for loans that can be used to start a new business.
4. Business Plan
 - a. 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 balance sheet.
 - b. Here are some resources for preparing your business plan:
 - c. [Resources for Writing a Business Plan and additional information](#)
 - d. [Sample Business Plans](#) (LivePlan)
5. Personal Credit Report
 - a. 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.
6. Business Credit Report
 - a. 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.

7. Income Tax Returns

- a. Most loan programs require applicants to submit personal and business income tax returns for the previous 3 years.

8. Financial Statements

- a. Many loan programs require owners with more than a 20% stake in your business to submit signed personal financial statements.
- b. 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 individual.

c.

*Contact your local FSBDC for financial Projection Models and be sure to check the tools section on the FSBDC website.

9. Bank Statements

- a. Many loan programs require one year of personal and business bank statements to be submitted as part of a loan package.

10. Accounts Receivable and Accounts Payable

- a. Most loan programs require details of a business' most current financial position. Before you begin the loan application process, make sure you have accounts receivable and accounts payable.

11. Collateral

- a. 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.

12. Legal Documents

- a. 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:
- b. Business licenses and registrations required for you to conduct business
- c. Articles of Incorporation
- d. Copies of contracts you have with any third parties
- e. Franchise agreements
- f. Commercial leases

13. Organizing Your Documents

- a. Keeping good records is essential for running a successful business, but even especially critical when applying for a loan. Make sure required documents are orderly and accurate. All information you provide will be verified by your lender and the organization guaranteeing the loan. False or misleading information will result in your loan being denied. Finally, make sure you keep personal copies of all loan packages.

14. More Information

- a. If you plan on applying for an SBA loan, check out the [SBA Loan Application Checklist](#) for specific requirements.
- b. Visit the [Finance, Money & Taxes Community Forum](#) to get answers to your questions, and discuss financing issues with other small business owners and industry experts.