

Preparing a Business Loan Package



When completing your business loan application package, strive for a solid first impression. A decline can be a result of an incomplete or inaccurate loan application, lack of a business plan and/or financial statements. Your loan package should continue to “sell” your business after your initial interview. Organize your documents.

Your application package should at least, include the following:

The loan application – The application is used to bring information together but it is not intended to limit you. If more room is necessary, use another sheet of paper.

Your business plan – This plan is a complete description of the nature and type of your business. The plan includes resources available to you and how you plan to put resources to use in order to meet your specific goals and timelines. If you need help writing a plan, contact the Ketchikan Small Business Development Center at 907-225-1388 or refer to our suggested outline available to view or print from the “Your Loan Package” website page.

Describe your business – The business plan should include a brief overview and history of the business and its challenges. Who are the key management players? Include all of your business advisors such as accountants, bookkeepers and lawyers. List any subsidiaries or affiliates.

Describe your request – What is the nature of your loan? Do you need to start or expand your business? How urgent is your request? Plan ahead and secure financing before a crisis. Give specific details on how the loan will be used.

Repayment terms – Is your business seasonal? Explain any fluctuations of your cash flow. Your loan payments can often be structured to match your cash flow cycles.

Describe your collateral – The more information we have, the better. Bring documentation such as any titles, registrations, pictures, inventory or equipment listings, and proof of insurance. If this is a purchase, bring the invoice or bill of sale or estimates.

Understand your financial statements – Don’t just print a report and bring it with you. Proof read it for errors. Call attention to any specific income or expense out of the ordinary for your business, such a one-time repair or purchase. Be prepared to answer questions.

If you are purchasing an existing business – Bring in any current financial statements or tax returns provided by the existing owner. Bring the bill of sale that includes any specific terms and what inventory, equipment, furniture or fixtures that is included in the sale.

Meet your loan officer before you need them. Introduce yourself and your business. You will be laying a foundation for a business relationship. Your loan officer will be more comfortable making a loan to a member they already know. Find us in the Loan Center, 2106 Tongass Avenue, Ketchikan.

