



# Requirements For Most Business Loan Applications

## I. Cover Letter

States who you are, how much money is needed, what the money will purchase and what results are expected.

## II. Business Plan

- A. Executive Summary
- B. Company description; purpose, ownership, organization structure, location, facilities, operations
- C. Description of products and services; key suppliers, costs, market demand
- D. Market analysis; target markets and trends, relevant demographics, customer estimates, best customers, competitor analysis, key supply issues
- E. Market strategy; position, price, promotion, customer services
- F. Management; names and experience of owners and key people, functional organization chart
- G. Amount of loan requested. Specific dollar amount and purpose of loan, use and benefits, amount of owner's contribution, primary source of repayment and repayment terms, list of collateral.

## III. Business Financial Reports

- A. Projected cash flow budget, income statement, balance sheet, financial assumptions
- B. Business income statements and balance sheets for last three years
- C. Tax returns for last three years, reconcile to income statements and balance sheets
- D. Itemization of all debts
- E. Current aging of accounts receivable

## IV. Personal Financial Statements for each major owner and all co-signers

- A. Recent personal financial statements, recent
- B. Personal Tax returns for last three years

## V. Attachments

- A. Lender's application forms. - SBA application forms
- B. Business incorporation documents, partnership agreements, buy/sell agreements, etc.
- C. Legal documents: leases, contracts, franchise agreements,
- D. Detailed lists of assets to be purchased
- E. Summary of market research
- F. Supporting documentation, pictures, plans, contractor estimates and customer contracts.

**NOTE: Loan Decisions Points** – Lenders have several critical decisions points that are supported by the above information. Approval will include but is not limited to:

- Evidence of your ability to achieve the cash flow budget
- Total amount existing debt and how much more debt will be added with a new loan
- Ability to pay all of your debts and still be profitable
- Personal and business credit history
- Amount you are investing as the owner
- Amount of collateral
- Potential risk of business failure
- New business vs. well established business