

Getting a Member Business Loan



Getting a Member Business loan for your business can seem somewhat confusing and frustrating if you are not prepared. In an effort to make the process easier the following are some steps that will help both your business and the Lender.

STEP ONE

Provide your credit union representative with a thorough, organized, and well supported loan proposal. Many small businesses, especially first-time borrowers and DBA's fail to prepare a formal loan proposal. Try to avoid that. The loan proposal along with a cover letter and supporting documentation gives you a chance to explain your request clearly and thoroughly.

STEP TWO

Apply early so that the lender can see that you are planning and not reacting. If you wait until the last minute, you are likely to leave out necessary information and you will appear disorganized and unfocused. Your initial meeting with the lender speaks volumes regarding your ability to be successful and be a strong loan candidate.

STEP THREE

Be prepared to present detailed, well-supported answers to the following questions:

- How much money do you need?
- For what purpose?
- How long do you need the funds for?
- What is your source of repayment?
- What collateral can you put up and what is the value of it?

STEP FOUR

With respect to your business (existing business) you will need to provide:

- the last three years of accountant prepared financial statements or business tax returns
- your last three years of personal tax returns
- a Personal Financial Statement.

If you are a **new** business you will need to provide:

- the last three years of your personal tax returns
- a Personal Financial Statement
- a Business Plan

The Small Business Development Center can assist both new borrowers, and seasoned business owners with their Business Plan. The Small Business Development Center is located on the campus of SUNY Canton. The phone number is 315-386-7312.