

## *betty buzz*: SMALL BUSINESS LOAN PACKAGING

Securing a business loan means being prepared with the necessary paperwork. Busy woman, Cindi Rourk, Loan Officer with the Charleston Local Development Corporation, shares advice for putting together the materials you need before applying for a loan.

- Start with an updated business plan. Any “dust” could signal the business owners’ lack of interest (or worse, dedication!)
- Include the financial numbers — a set of projections, broken out monthly for the 1st year and annually for years 2 & 3.
- Show how much the entire project costs, and include how much the owners are investing and exactly how much is needed to borrow. Lenders typically like to see owners invest 20% or more of the project cost.
- Gather personal information. A current personal financial statement and tax returns for 3 years for every business owner with 20% or more ownership.
- If you haven’t checked your credit report lately, it’s time. Try [www.annualcreditreport.com](http://www.annualcreditreport.com). Dispute any inaccuracies before submitting, or explain the information in the application.
- Describe the collateral offered to secure the loan in detail.
- Be prepared for any questions the lender may have for you.
- Don’t take rejection personally! Business loans are not personal loans — banks can decline because of issues related to their bottom line, not yours.
- Don’t go it alone. Contact your closest SCORE office or the Small Business Development Center for free business consultation ([www.smallbusinesscharleston.org](http://www.smallbusinesscharleston.org)).
- If declined by traditional banks, try an alternative lender like the Charleston Local Development Corporation ([www.charlestonldc.com](http://www.charlestonldc.com)).

