

BECOMING BANKABLE Is A Table With Four Legs

WHEN YOUR BUSINESS BECOMES BANKABLE THAT MEANS YOU HAVE SEPARATED PERSONAL CREDIT FROM BUSINESS CREDIT AND ESTABLISHED A BUSINESS ENTITY THAT CAN STAND ON ITS' OWN FOR FINANCING.

1 LEG ONE LENDER COMPLIANCE

Lender compliance is a series of small items that a lender's underwriting computer is going to immediately check when you apply for a business loan. Lenders are simply looking to see if your business falls into known higher rates of default. Until Lender Compliance is completed, your business will be considered high risk.

If you look at your business credit reports and you do not see at least 10 reporting trade-lines, then you have too little business credit history to be considered bankable.

2 LEG TWO BUSINESS CREDIT HISTORY

3 LEG THREE BUSINESS CREDIT SCORES

You are well aware of how important it is to have 700 or higher personal credit scores. For your business to become bankable it must have business credit scores of 70 or above which are just like having 700 scores personally.

Lenders want to see that your business has the ability to debt service or cover the monthly payment for the loan amount you are requesting. For this they are going to look at your business bank rating that will tell them if you have the money to make their payment or if it is more likely that you will default.

4 LEG FOUR BUSINESS BANK RATING

Only a small percentage of businesses take the time to become bankable before they apply for financing. This is why the SBA reports that up to 90% of business loan applications get declined.

Don't let that happen to you.



(203) 308-4547

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