

# Getting a Difficult Business Loan Is Easy

Learn How Easy IT Is To Get a Business Loan  
Even IF You Have Bad Credit And  
Have Been Turned Down Before



Every Winner Has A Coach!  
*John P Fazio, Your Coach*



[www.winning-advantage.com](http://www.winning-advantage.com)



**You need this loan**

**You've been frustrated with the banks  
And with other lenders... no luck!  
Just follow my easy 7 step program to get that loan.**

**When you know what the lenders want and give it to them you'll say "Wow! That was Easy!"** I know how frustrating it is; you have a great business or business idea and all you need is that loan... what do those lenders want anyway?

**Is the reason the lenders won't fund you one of these?**

- Your credit score is too low.
- You have too many inquiries.
- You have derogatory reports with the credit bureau.
- You don't have the necessary down money.
- You don't have the necessary collateral.
- You don't have a business plan.
- You can't find the right lenders.
- You don't understand the credit market.

**You know what I hear over and over is the following.**

I just can't get a loan, everyone has turned me down. I've searched all over the internet and even on Craig's List and no-one could help.

**It's so frustrating!**

One thing is for sure; if you want something to change you have to change something first. We need to make a change in how you are doing things. Just follow my easy 7 step program to get your loan.

**You will need to change one thing at a time until you have a complete package for the lender.**

**Lenders really hate to have to go through the process with a losing application.**

This may sound funny to you but lenders want to do your loan. That's right! They only get a small fee for processing your loan application. They make their real money on closing the deal!

**Here's what the lenders want from you.**

- Great credit score 720+.
- Financial statements that say you have equity.
- Financial statements that say you are making money.
- Financial statements that say you can pay back the loan.
- A clean well done loan application.
- Personal tax returns that prove your income.
- Company tax returns that prove company income.
- Collateral in excess of your loan request.
- Appraisals of your property or collateral.
- A well put together business plan.

**When you present the lenders with a financing package like this it's hard for them to say no!** They really want to say yes anyway. That's the way they make money, by making loans. Lending companies get fees when the loan closes and not much before. Banks and lenders get interest when you borrow money.

**The bottom line is that if you don't get the loan they don't make any money!**

So what do you do now? Why don't we start at the beginning? Let's go to step one and see where you stand right now with lenders.

### Step #1 - Evaluate Your Situation.

**So, what do you do to get the loan?**

**Start at the beginning. Evaluate your credit situation first.**

**Do you know what your credit report says?**

**You need to look at your specific situation to see your loan through the eyes of potential lenders.** What is the specific problem with your loan request? Every credit situation and loan request is a little different. Take a look at some of the common bad credit situations below.

- Bankruptcy on credit report.
- Foreclosure on credit report.
- Credit disputes on credit report.
- Delinquencies on credit report.
- Derogatory reports to credit bureaus.
- Not enough credit shown.
- Reports show that too much of available credit has been used.
- Too little or no collateral.
- Not enough down payment money.



**Well, how do you know what is being reported?** You need to get your credit report. You can do that by going to [www.freecreditreport.com](http://www.freecreditreport.com) or one of the other credit reporting sites. Order your complete report and print it out. You are going to need it.

**Get your Free Credit Assessment Tool** - on our website. It will help you determine what type of loan or capital you are most likely to be successful with.

**As far as down money and collateral are concerned, how do you know what you need?** Well, this depends on the deal but you can assume that lenders want to see you have something on the line, they sometimes call it “skin in the game”; we will just call it down money and/or collateral. You will most likely need something, so, how much down money and collateral do you have to get your loan approved? If you don’t have enough you may have to borrow from a friend, family member or take on a partner. We will talk more about this later.

### Step #2 - Improve Your Credit Score.

**So, what do you do to improve your credit score?**

**Your credit score will need to be 720 or above.**

**Here are some things you can do to improve your credit score.** Most credit score problems can be overcome by repairing your damaged credit. Here are some of the things you can do.

- You can remove bankruptcies from your credit report after a certain period of time.
- You can remove foreclosures from your credit report after a certain period of time.
- If you have derogatory reports from creditors because of a resolved dispute, you can talk to creditors and have them remove the bad report.
- You can remove derogatory remarks from your credit reports and get your credit score up after a certain length of time.
- You can pay some credit cards down to have less credit outstanding to improve your score.
- You can take out additional credit cards and use them and pay them down to improve your credit history.



**You can do all these things yourself without paying anyone to do it.** This is the truth and your lawyer and accountant will tell you the same thing. It will take you quite a bit of time to research how to do it and then you will need to contact creditors and the credit bureaus to talk about your situation. At first you won't know how to approach them and may say the wrong thing, but you will learn. You could make a mistake that will stop you from improving your credit score. One thing is for sure it will take a long time.

**Be honest with yourself, most people aren't going to repair their own credit!** You probably don't fix your own car or fill your own teeth. There are reputable companies that can do credit repair for you at a reasonable price and they are experts! They can get this done in a fraction of the time it would take you.

### Step #3 - Solve Collateral Issues.

**Lenders want collateral.**

**How much collateral value do you have?**

**The lender will want a certain LTV (Loan to Value) ratio.** In some cases the loan may be used to purchase something of value like real estate or equipment. In those cases the purchased property can serve as collateral. Generally the lender will not finance 100% of the property value. That is why you need down money we discussed in Step#2.

**How do you know what the value of your property is? The lender won't take your word for what you think the value is. Here are some of the ways you can determine them.**

- Equipment may have book values that can be looked up.
- Certain type of equipment can be appraised.
- You can have real estate appraised.
- For homes a comparison (Comp) can be done by a realtor for like properties.



**How do you know what LTV ratio a lender will accept?** You really don't know until you ask them. Equipment generally has a lower ratio than real property. Homes have a higher LTV than unimproved real estate. Here are a few rules of thumb.

- Homes are generally 80-85% LTV.
- Unimproved property and specialty buildings are generally 60-75%
- Vehicles can have an LTV of 90-100%.
- Specialty equipment can have a LTV of 40-70%.

*Most of these values are based on the anticipated quick sale of the asset.*

### Step #4 - Solve Down Money Issues.

The lenders like to see you have some -  
“skin in the game”; something at stake.

**Why do they need you to put something down?** Lenders feel that if you have something to lose you won't give up to easily, that you will keep working if things get tough. They don't want you working with just their money.

**So what if you don't have the down money?** You may not have the down money readily available but it may be there. You may have a place that you can get it but haven't been thinking about. You should explore these possibilities.

- Do you have a life insurance policy you can borrow against?
- Do you have a 401K or IRA you can borrow against?
- Can you get a home equity loan?
- Can you borrow from a friend or family member?

**So what if none of these options is available to you?** There are options for you even if you can make any of the above work for you. You may be able to find a partner. How about another person you know or can locate that would like to do the same type of business you are interested in but doesn't want to go through it alone. You may also be able to find an investor or investment type company. Below are some of the possibilities.

- Partner
- Venture Capital Company
- Private Placement Investment Group
- Angel Investor



**These are all viable options but you may find you need some help.** If you would like to pursue this avenue and want help contact us using the contact option on this page or give us a call.

### Step #5 - Solve Loan Repayment Proof Issues.

**The lender will want to be assured that you can repay the loan. How can you do that?**

**Having sufficient cash flow to repay the loan is one of the necessary elements of loan approval.** If you have a great credit score, enough collateral, and a sufficient down payment you will still need to provide proof that you have the ability to repay the loan. This works well for you and the lender since you really wouldn't want to get a loan you couldn't pay back. That would create all types of headaches you just don't need.

**So how can you prove that you can repay the loan?** There are a number of possibilities here that can work. Let's start with a list of ways that work if you have existing income sufficient to support the loan.

- Personal tax returns for the past two years.
- Business tax returns for the past two years.
- Business financial statements for the past two years.
- Other sources of income going forward i.e. an annuity or pension.

**These all work for smaller loans very well but if you need money to grow your business the cash flow doesn't exist yet. You need the loan to create the cash flow! What can you do?** Let's suppose you own a trucking company and you want to buy three new trucks. The business doesn't have sufficient cash flow to pay for the trucks without the trucks.

- Create a cash flow statement.
- Create sales projections.
- Create profit and loss projections
- Create a business plan.



**What do you do if you don't know how to create these reports?** If you don't know how to do this and you want help go to the [Business Plan Writing Program](#) on this site.



## Step #6 - Identify the right lenders for you.

### Which lenders are right for you?

### Where can you find them?

**Identifying the right lenders is easy if you have taken the time to evaluate your credit situation.** All lenders are not the same. They do different types of lending. If you now have a great credit score, collateral, a down payment and proof that you can repay the loan, then you can talk to the first tier lenders like commercial banks. The size of your loan will become important too at this point. If you have all the elements in place you may be eligible for an SBA loan. If your credit still isn't perfect or one of the other elements needs support there are other second and third tier lenders that may be able to help. There are also lending brokers that can help in locating the right lenders for you, but they charge a fee for this service. Below are some examples of the different types of lending companies.

#### First Tier Lenders:

- Commercial Banks
- Small Business Administration
- Credit Unions

#### Second Tier Lenders:

- Finance Companies
- Leasing Companies
- Investment Bankers

#### Third Tier Lending Companies:

- Loan Brokers
- Capital Placement Companies
- Venture Capital Companies
- Private Placement Groups
- Angel Investment Groups



**What do you do if you don't know where to find these companies?** If you can't find the company that is right for you contact us and let us know what type of loan you need and we can help by referring you to a lender that is right for you.

### Step #7 - Put the lending package together

## Ok, you got all the steps done and now it's time to Put it all together!

**You'll want to get the lenders application and package and put it together in an organized and attractive way.** An attractive and well put together package with all your information makes it easy for the lender to approve your loan. They like it best when it is in the form of a book. You can use a three ring binder that is tabbed if you like. An introductory letter and table of contents are also a nice touch.

#### Some of the sections might be the following:

- Cover sheet
- Letter of introduction
- Table of contents
- Loan request
- Loan application
- Business Plan
- Collateral description & valuation
- Description of down payment
- Review of cash flow
- Two years financial statements
- Two years tax returns - personal and business



#### If you are having any trouble putting it all together the following can help.

- If you want a review of what you should be submitting to get the loan you want you can get a copy of my Loan Placement Worksheet at [on this page](#).
- If you need more help contact us for assistance.

### Your next action!

**Your next action is to get started and get your loan.** I have covered all the key elements in my Easy 7 Step Loan Program - Getting a Difficult Business Loan Is Easy! Just follow the steps and if you get stuck I have provided you with help that is reasonably priced and easily available.

#### So what are you waiting for? Just follow the steps!

- Evaluate your credit situation.
- Improve your credit score.
- Solve your collateral issues.
- Solve your down money issues.
- Solve your loan repayment issues.
- Identify the right lenders.
- Put the lending package together.



### ...and get your loan!

...if you still want more help, remember, we are here for you. I hope you think of me as Your Business Consultant.

**Best of Luck Getting Your Loan - It's Going to Be Easy!**

**John P Fazio**

