

Do you have amazing business ideas? If yes, get a business loan now

Are you someone with an amazing business idea? Do you dream of starting a small business of your own? Is your dreams execution on hold because of lack of money in your bank account? If the answer to all these questions is yes, then you, my friend, need a business loan.

A business loan is an amount of money lend to you by a bank to help start your business. Like every other loan a business loan has to be paid back with an amount of interest. There are several types of loans that you can get, here are some:

- SBA loans- The Small Business Administration is a government agency that awards loans to cottage businesses and entrepreneurs. It works to improve the country's economy by bringing up small businesses.
- Mezzanine Finance- it will secure your debt giving you half of the ownership while keeping half. If the payments are not complete they can fully take over.
- Asset based finance- It is a loan you can take by keeping any of your asset as collateral with the lender.
- Micro loans- These loans are of small amounts and usually given to those who do not have anything to keep as collateral or do not have a steady income. These loans are offered by non-profit lenders.

If you are new to the concept of loans and want to get a business loan to fund your dream business, you can follow these steps to secure a business loan.

How to get a business loan?

Cottage businesses can apply to different financial institutes like credit unions or banks or opt for commercial loans. Here is how you can apply for one:

- Make up your mind. The first thing you need to do is to sit down, gather all your thoughts and rectify why you want the loan and how much. If you are starting a start-up see how this money will help you and what use can you make of it. Prepare your financial sheet and calculate the amount you need. Look at the cost of everything you need and then make

sure you keep in account other expenses as well. For example, you need equipment such as cash registers and computers and even furniture if you are opening a shop.

- Ask for help from experts. Since you are new to this, expert opinion, while keeping your circumstances in loop, can be very fruitful. You can take help from many counseling services providers that are non-profit and is set up by retired business officials. You may also take help from SBA (Small Business Administration) that exists solely to advise you and help you with the process of loan application.
- Check your credit score and credit history. To get a loan your credit history plays a determining role. A credit score is a number calculated by loaning agencies. It is a three-digit number and is calculated using a formula put together by Fair Issac Corporation. It uses your previous payment schedules, your debts and financial activity to calculate a number that shows how risky you are to give a loan to by loan providers. 730 is a great score and will guarantee acceptance of your loan application. Your credit score is automatically calculated yearly, however you can pay a small amount to get it checked in-between. Make sure there are no errors in your report. In case you observe any error in your credit score calculation you can file for correction and get it looked into. If you have a low credit score you will face difficulty getting a loan so first try repairing your score.
- Choose your loan. If you are a start-up it is likely that commercial loaners will reject your application because they want to see a flow of cash to ensure the payback. So you are left with limited options. Go for institutions other than banks like the credit unions or the micro loans. Don't lose hope if you get rejected, keep trying, some institution will definitely grant you a loan. See who accepts your applications and then compare with others who have done the same. Look for the best option and go with it.
- After deciding your best options, you need to begin your final application process. You need to gather all your necessary documents. Different lenders may have a different list demanding different things but commonly you will be asked for your bank statements, personal tax returns and other similar documentation. It is ideally best if you arrange these documents beforehand so you don't have to worry at the last moment.
- You need to sell your idea to the loaning institute as well. You may have faith in your business but others won't. You need to make a presentation, convincing your loan officer

to grant you the loan and trust you and your idea. Use pictures and charts to show how successful your business can be.

Final Words

If you are a newbie, getting a loan can be very intimidating for you. You may be hesitant and might even isolate your dream. But that's not the answer. To make your business dream come true you have to work hard and invest your time and effort to find the perfect loan for your business that can make your dream come true by means of execution of the idea. You need to be very smart and vigilant to make sure that the loan you get is exactly what you need.