

How to Obtain Bank Financing

SCORE Bucks County

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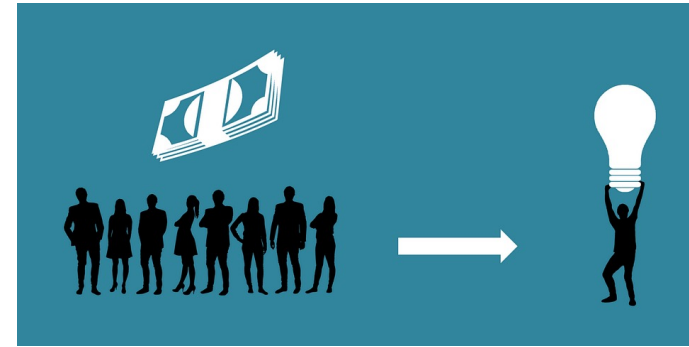
FOR THE LIFE OF YOUR BUSINESS

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Sources of Start-up Capital

- Friends
- Family
- Gifts
- Personal savings (cash, money market accounts, etc.)
- Other personal resources (investment accounts, 401(k)'s, IRA's, etc.)
- Crowdfunding, GoFundMe, and similar sources



If none of these sources are available or sufficient, then what?!

Sources of Debt Funding

- Commercial and savings banks
- Credit unions
- Microlenders
- Non-bank working capital lenders
- Commercial guaranteed mortgage lenders
- SBA loans



How Will Loan Funds be Used?

- Working capital lines of credit
- Leasehold improvements
- Equipment purchases
- Commercial mortgages
- Business acquisitions
- Partner buyouts



Financial Information Package

- Complete copies of the last 3 years of corporate tax returns and/or financial statements
- Complete copies of the last 3 years of federal personal tax returns of the principals/owners
- Completed personal financial statement, accounts receivable and accounts payable agings if applicable
- Business plan required for start-ups
- Copy of purchase order for equipment if applicable

Business Plan Components

- Executive Summary
- Narrative
- Projections
- Assumptions
- Miscellaneous



5 C's of Credit Analysis

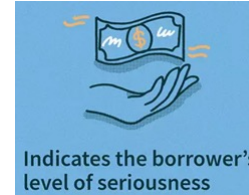
- **Character** Applicant's credit history
- **Capacity** Applicant's debt to income ratio
- **Capital** Applicant's capital contribution
- **Collateral** Business and personal
- **Conditions** The loan purpose, loan amount, and interest rate



Aka "credit history"



Assesses borrower's debt-to-income ratio



Indicates the borrower's level of seriousness

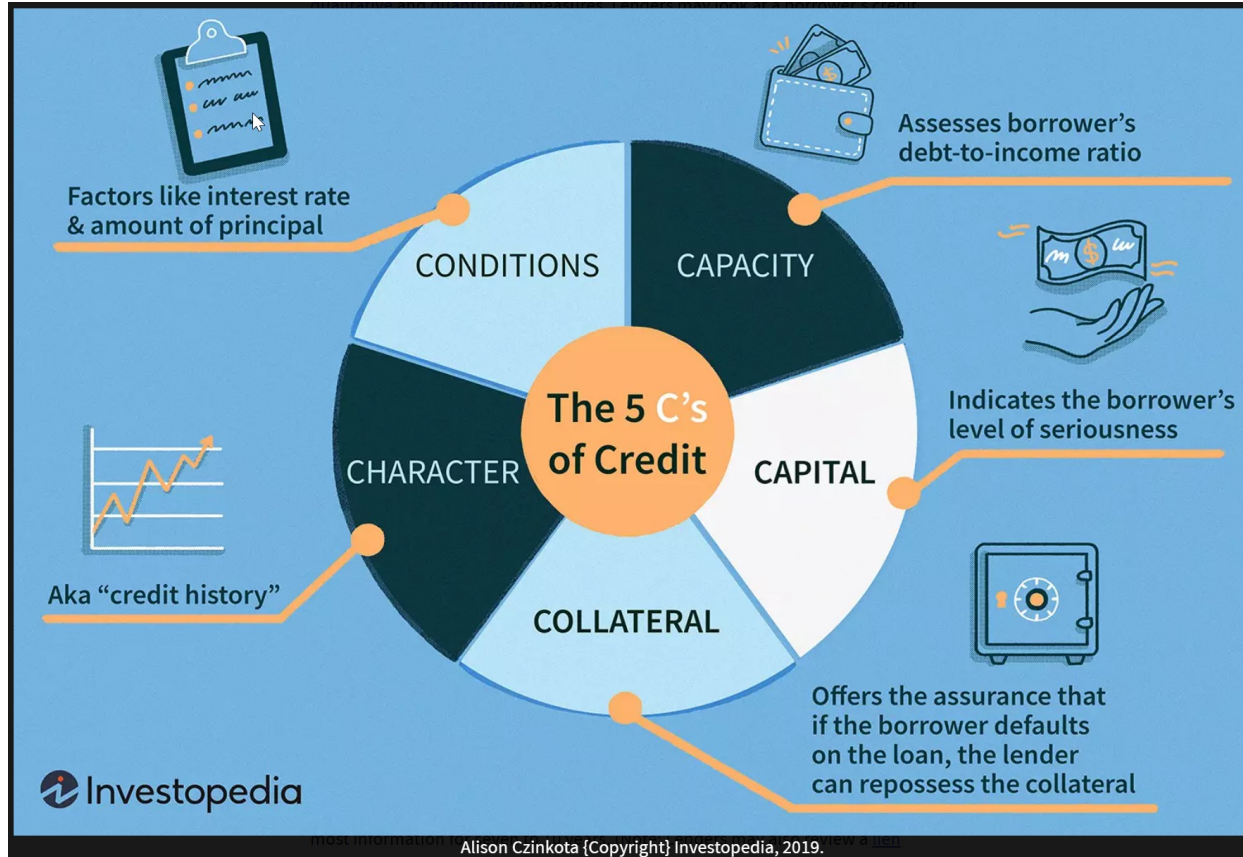


Offers the assurance that if the borrower defaults on the loan, the lender can repossess the collateral



Factors like interest rate & amount of principal

5 C's of Credit Analysis



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Questions?



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