

BROUGHT TO YOU BY YOUR CREDIT UNION

10. For an existing business, how has it performed to date? Is the financial position of the business improving or declining?

### PREPARING TO MEET WITH THE LENDER

Here are some things you should bring with you when you visit the credit union to apply for a business loan:

- Purpose of the loan
- History of the business
- Projected opening day balance sheets
- Lease details
- Amount of investment in the business by the owner(s)
- Projection of income, expenses, and cash flow
- Signed personal financial statements
- Personal résumé
- Names and contact information for at least three credit references
- List of business and personal assets that could be used as collateral



For existing businesses, also bring financial statements for the past three years, schedule of term debts, and aging of accounts receivable and payable.

The next time you're in your credit union, ask what resources are available to get your business dream started.

Add your credit union name here



# BUSINESS LOANS HELP REALIZE YOUR DREAMS

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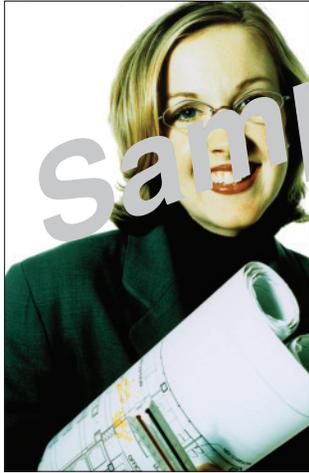
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Many people dream about a job that fits their special talents and needs. Whether that need is security in the face of corporate downsizing, a work schedule that fits special situations, or a supplement to a spouse's income, it's clear that many people are turning to business ownership as the answer.

But, entrepreneurs face daunting odds: An estimated four out of five businesses fail. Why? Poor management is cited most frequently as the reason businesses fail, while inadequate financing is a close second. This makes it important to get the best start possible. Your credit union can provide you with the money and tools you need to start your own business.

## THE CREDIT UNION ADVANTAGE

With the philosophy of "people helping people," credit unions often give small business owners a chance when other financial institutions turn them away. Your credit union will provide you with excellent service and save you time when you combine both your personal and business accounts in one spot.

Besides offering loans, your credit union is a valuable source of business advice, products, and

services. Credit union services are available whenever you need them through secured online banking via the credit union's Web site, 24-hour touch-tone phone, or member service call centers.

## HOW TO GET A BUSINESS LOAN

A lender looks to your business plan for information needed to evaluate the loan request. A business plan is a written document that combines your personal enthusiasm for the business with real life facts, figures, and details. It also serves as a guide for your company's progress and should change and expand with your business.



A business plan should explain how you will manage, operate, and finance your company. Call the credit union and ask what our lending officers look for in a plan. There is a lot of free assistance available in creating a business plan, such as through the Service Corps

of Retired Executives (SCORE), [www.score.com](http://www.score.com) or through the Small Business Administration, [www.sba.gov](http://www.sba.gov).

A business seeking a loan should answer the following questions in its business plan:

1. How much do you need and what is the owner's capital commitment? A rule of thumb is that 20% to 30% investment in the company needs to come from the owner, from either personal cash and savings or equity in the business.
2. What will you use the money for? Give a clear description of how you'll use the money and how you intend to pay it back.
3. How will the loan affect your financial position?
4. What will you pledge as collateral? You'll have to pledge some tangible asset—such as stocks, certificates of deposit, or property—to obtain a loan. If the loan is for the purchase of equipment or real estate, that can become collateral.
5. How will you repay the loan?
6. When will you repay the loan?
7. If you don't realize projections, can you still repay the loan? For example, do you have a spouse with outside employment?
8. How much can your business afford to lose and still remain viable?
9. How will the business manage risk?

