

Small Talk

A Frost Small Business Article Series



CHECKLIST: What to do Before Applying for a Business Loan

Whether your company needs new equipment, an office renovation or a major marketing campaign, a small business loan may be your best strategy to make large purchases that can fuel business growth.

Here are four important steps to help you choose the right financing solution and get approved quickly:

- ✔ **Evaluate your business needs.** Think carefully about your company's short- and long-term plans, create a roadmap of big purchases you'll need to make, and gather concrete information about the costs.

📌 **Frost tip:** *Take this step proactively — well before borrowing money becomes an urgent necessity — and repeat the analysis at least on an annual basis.*

- ✔ **Check your credit reports.** Before applying for a loan, review your business and personal credit reports to ensure they are accurate and free of errors.

📌 **Frost tip:** *If you do spot an error, work with your CPA to navigate corrections and disputes with the three major credit reporting agencies.*

- ✔ **Gather documentation.** Lenders will likely request 2-3 years of financial documents such as:

- Your company's profit and loss statement (P&L)
- Balance sheet
- Cash flow statement
- Tax returns
- Personal financial statements
- Personal tax returns

You can streamline the approval process by having these things organized in advance.



- ✔ **Explore financing options and work with a trusted partner.** While it can be tempting to choose whichever lender offers the lowest interest rates and extended terms, do some research online and speak to a banker to learn about your options and the differences between lines of credit, equipment loans, Small Business Administration (SBA) loans, real estate loans or whichever lending type might interest you.

📌 **Frost tip:** *While it helps to educate yourself in advance, rest assured Frost bankers know small business and are here to listen to you, understand your vision, and advise you on structuring a financing solution that best suits your business needs.*

Ready to apply for a business loan? Contact the small business banking team at Frost to get help with the process today.