

Planning to Borrow?

You may have reached a point in your operation where you need some financial support in the form of a loan. Before you go to the bank, gather information that will show your lender that you're creditworthy and a good borrowing candidate.

Business information

Pull together the official documents related to your business.

- Pay stubs (1 month period)
- Signed income tax documents (2 or 3 years)
- Bank statements (2 months)
- Purchase contract
- Construction contract and plans
- Copy of deed

If you are planning on purchasing or building a poultry house, be sure to review our PDF on Poultry House Purchase and Construction.

Business plan

If you don't have a business plan, you'll want to create one. A business plan helps you meet your short- and long-term goals, and also shows your lender that you've thought through important financial considerations before deciding to borrow.

The business plan lays out:

- If your idea is feasible
- How much your idea will cost at startup
- How much business you will need to do to be successful

Credit report

Know what your credit report says about your level of risk to a lender, and make steps to address any credit issues you find.

- Check your report with the three credit bureaus: Equifax, Experian, and TransUnion
- Make sure the information is correct and there are no discrepancies: identifying information, trade lines, credit inquiries, public record and collection items
- Raise your score, if necessary: pay your bills on time, keep balances low in relation to credit limits, avoid opening many new accounts in a short period of time, do rate shopping for an auto or home loan within a narrow time window

What matters to my lender?

Your lender will consider what are called the "5 C's of Credit" in deciding if you would be a good candidate for a loan.

- Conditions like the amount and purpose of the loan
- Character considerations like your credit history and management ability
- Capital available like liquidity and solvency in relation to your peers
- Capacity for success like cash flow and the reliability of your repayment sources
- Collateral considerations like environmental concerns and your degree of specialization