

# The Road to Business Loan Success

## Put it in Writing!

“BANKS REQUIRE PROOF THAT YOU UNDERSTAND YOUR BUSINESS VENTURE AND ARE COMMITTED TO IT’S SUCCESS. YOU WON’T GET THE MONEY UNTIL THEY ARE SURE YOUR PROPOSAL IS WELL THOUGHT OUT”, SAYS MAX FALLEK, FOUNDER OF THE AMERICAN INSTITUTE ON SMALL BUSINESS.

Financial Statements are a very important part of the borrowing decision making process, and must be complete and should not hide any of the facts. The primary purpose of the application is to create a picture of you and your business, to the loan officer and other bank officials which will more than likely never meet you personally. It is the loan application which sells the bank on your need for funding, and your ability to repay the loan. Key points which must be covered in the application include:

- ✓ Who you are
- ✓ A picture of your business background and history (Management Resume)
- ✓ What your business goals are
- ✓ Who your customers are
- ✓ What kind of business will you operate, including management styles
- ✓ What products you will sell and how you will get the customer to purchase you product
- ✓ Are you in control of the financial management of your business
- ✓ What are your capital requirements – and how they will be used
- ✓ What your current financial condition is
  - 3 years tax returns
  - If an existing business, 3 years of business financials
- ✓ Financial projections. What will your financial condition look like next year, five years from now?

Always keep in mind that the bank which will process the loan will be checking credit history, verify deposits in banks and other institutions, check property values through appraisals, and verify IRS Income Tax Return with the IRS. With all these checks, the loan processor will *look* for and will be able to uncover any discrepancies which were not covered in your application. When completing your application, you should submit a written explanation of any known derogatory credit information for any entity involved in your loan request.

### **BANKERS DON'T LIKE SURPRISES!**

Don't take shortcuts when completing the application. Be as complete and as detailed as you can. You cannot give the bank too much information.

Most importantly, I want to help you get the funds required for your project. As a member of your team, I will help you put all this information together, in the loan package format the lender requires.

Kendall Schnieder  
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Email: [info@mark4Capital.com](mailto:info@mark4Capital.com)  
Phone: 530-227-0203

## The Preliminary Loan Application

### Purpose:

In as little as twenty years ago, the average borrower would be able to go to one lender for all of his financing needs. Today, lenders are very specialized in the types of property and also the types of loans that they will extend on those properties. Every property and every borrower is unique and separate from all other properties. Likewise, every lender has different lending criteria for approving a loan. For example, some lenders want equity first, meaning that they will only lend up to 50% or 60% on a particular property, while other lenders look more for property quality and management skills, and are more willing to lend up to 90%, and sometimes more.

The Preliminary Loan Application allows us:

- ✚ To match the lender with your project
- ✚ To give a quick overview of the financial history of your project
- ✚ To give a prospectus of potential future income performance
- ✚ To give an overview of credit performance and FICO scores

Another problem today is the TIME FACTOR. Neither the lender, nor the borrower wants delays in the loan process. Delays cost money for the lender and frustration for the borrower, and at times delays can cause the whole process to be denied. The Preliminary Loan Application is only the first step in the loan process. It allows us to quickly make a preliminary qualification of the project, however the lender will express interest based on the facts presented in this application. I want to be redundant on this point to make you aware of what the lender will be looking for as we go through this process:

- ❖ First, the lender will be looking for truth and consistency throughout the loan process. Bankers and lenders hate to find problems late in the process. It is very important to be up front with all known contingencies at the beginning than to have surprises spring up later.
- ❖ Lenders are always on the lookout for that dishonest borrower who wants to take advantage of them. So as you complete the application, make sure that the information you supply will agree with appraisals, credit reports, company financials personal financials, and IRS reports.

If you have any questions or need help please call, I am here to help.

Thanks

Kendall Schnieder

# Preliminary Loan Application

Date: \_\_\_\_\_

## APPLICANT - Primary Contact

Applicant:   
Street:   
City, ST ZIP:   
Home Phone:   
Cell Phone:

Title:   
SSN:   
Ownership %:   
e-mail:

## COMPANY DATA

Company Name:  Company Phone:   
Street:  Company FAX:   
City, ST ZIP:  COUNTY:   
Date Founded:  Date of Current Ownership:  NAICS:   
Number Locations:  # of Employees Current:  # Employees After Financing:   
Type of Organization:  C-Corp  S-Corp  LLC  LLP  GP  Sole Proprietor  
Type of Business:  Service  Retail  Wholesale  Mfg.  Distribution  Other (Describe) \_\_\_\_\_  
State of Organization:  Franchise Name:   
Product/Service:  Competition:   
Market Area:  WEB URL:   
Has the Company or ANY of its Officers been involved in Bankruptcy or Insolvency Proceedings?  YES  NO  
Is the Company or ANY of its Officers involved in any current or pending lawsuits, liens, or judgements?  YES  NO  
Are all of your business and personal taxes in order?  YES  NO

Additional Notes

Signatures: I / we certify that information contained in this form is true and correct and may be relied upon by Lenders, its successors and /or assigns.

Applicant

Signature

Title

Date

Proposed Lender:

LOAN AGENT:

Please send completed application to:

Kendall Schnieder  
10275 Deschutes Rd Palo Cedro, CA. 96073  
530-227-0203 FAX: 916.295.1458  
e-mail: info@mark4Capital.com

# Preliminary Loan Application

Date: \_\_\_\_\_

## PROJECT DESCRIPTION

Briefly Describe Project


Describe Collateral Pledged

Real Estate Type

<input type="checkbox"/> Office	<input type="checkbox"/> Warehouse	<input type="checkbox"/> Industrial	<input type="checkbox"/> Retail	<input type="checkbox"/> Resturant	<input type="checkbox"/> Multi-Family
<input type="checkbox"/> Hospitality	<input type="checkbox"/> C-Store / Gas	<input type="checkbox"/> Car Wash	<input type="checkbox"/> Mixed-Use / Other		

**NOTE: If this is a Gas station / C-Store please complete Application Page 4**

Collateral Address: \_\_\_\_\_

Building Structure:  Concrete Tilt-up     Concrete Block     Wood Frame     Steel     Other

Bldg Size: [sqft]     Land Size: [acres]     Year Built:

Date of Purchase:     Purchase Price:     Date Last Renovated:

Estimated Current Market Value:     # of Employees Before Financing:

Source of valuation     # of Employees After Financing:   
 Percent Owner Occupied:

### USE OF LOAN PROCEEDS

Land & Bldg Acquisition:	<input style="width: 100%;" type="text"/>
New Bldg Construction:	<input style="width: 100%;" type="text"/>
Land Acquisition (if construction)	<input style="width: 100%;" type="text"/>
Contingency for Cost Overruns: [10%]	<input style="width: 100%;" type="text"/>
Construction Loan Interest:	<input style="width: 100%;" type="text"/>
Soft Goods: [ Arch. Engineering, etc]	<input style="width: 100%;" type="text"/>
Building Renovations & Improvements:	<input style="width: 100%;" type="text"/>
Purchase of Mach & Equipment:	<input style="width: 100%;" type="text"/>
Purchase of Furn & Fixtures:	<input style="width: 100%;" type="text"/>
Value of existing Business:	<input style="width: 100%;" type="text"/>
Value of existing Inventory:	<input style="width: 100%;" type="text"/>
Purchase of New Inventory:	<input style="width: 100%;" type="text"/>

Debt Refinance - 1st TD:	<input style="width: 100%;" type="text"/>
Debt Refinance - 2nd TD:	<input style="width: 100%;" type="text"/>
Debt Refinance - Cash out/Other:	<input style="width: 100%;" type="text"/>
Closing Costs:	<input style="width: 100%;" type="text"/>
Other:	<input style="width: 100%;" type="text"/>
Other:	<input style="width: 100%;" type="text"/>
Other:	<input style="width: 100%;" type="text"/>
Other:	<input style="width: 100%;" type="text"/>
Other:	<input style="width: 100%;" type="text"/>

<b>TOTAL ESTIMATED PROJECT AMOUNT:</b>	<b>\$ -</b>
Less Applicant's Cash / Equity Injection:	<input style="width: 100%;" type="text"/>
Less Seller Financing [explain below]:	<input style="width: 100%;" type="text"/>
<b>TOTAL REQUESTED LOAN AMOUNT:</b>	<b>\$ -</b>

Source of Equity Funds and Seller Financing [detailed]


# Preliminary Loan Application

Date: \_\_\_\_\_

## Collateral Property Analysis

Applicant: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Property Location: \_\_\_\_\_

**NOTE:** If this application is for NEW CONSTRUCTION, please enter projected income & expense values  
 If this is a REFINANCE or NEW PURCHASE of an existing property, enter actual values

Date of Purchase \_\_\_\_\_  
 Purchase Price \$ \_\_\_\_\_  
 Cash Investment \$ \_\_\_\_\_

Current Land Value \$ \_\_\_\_\_  
 Current Building Value \$ \_\_\_\_\_  
**TOTAL PROPERTY VALUE** \$ \_\_\_\_\_

Personal Property /  
 Business Value \$ \_\_\_\_\_

Your Current Income \_\_\_\_\_  
 Tax Bracket \_\_\_\_\_

### Current Debt Overview on this property (for Re-Finance)

1st Trust Deed \$ \_\_\_\_\_  
 Current Interest Rate \_\_\_\_\_  
 Variable  Fixed  
 Monthly Payment \$ \_\_\_\_\_  
 Maturity Date \_\_\_\_\_

2nd Trust Deed \$ \_\_\_\_\_  
 Current Interest Rate \_\_\_\_\_  
 Variable  Fixed  
 Monthly Payment \$ \_\_\_\_\_  
 Maturity Date \_\_\_\_\_

### INCOME & EXPENSE

**ANNUAL INCOME**  
 Annual Rent/Income \$ \_\_\_\_\_  
 Common Area & Other Income \$ \_\_\_\_\_  
 Less Vacancy 7.00% (\$ \_\_\_\_\_ )  
 Other charges (\$ \_\_\_\_\_ )  
**GROSS OPERATING INCOME** \_\_\_\_\_

**ANNUAL EXPENSES**  
 RE Taxes \$ \_\_\_\_\_  
 Long Term Debt [Mortgages] \$ \_\_\_\_\_  
 Utilities \$ \_\_\_\_\_  
 Insurance \$ \_\_\_\_\_  
 Maint \$ \_\_\_\_\_  
 Advertising \$ \_\_\_\_\_  
 Property Management \$ \_\_\_\_\_  
 Supplies \$ \_\_\_\_\_  
 Other \_\_\_\_\_ \$ \_\_\_\_\_  
 Other \_\_\_\_\_ \$ \_\_\_\_\_  
 Other \_\_\_\_\_ \$ \_\_\_\_\_  
 Other \_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL OPERATING EXP** \_\_\_\_\_

Please explain any additions, enhancements and / or problems which are material facts regarding this property

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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\_\_\_\_\_

LOAN AGENT:

Please FAX / Mail completed application to:

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