

# Steps to Secure a Small Business Loan

## Step 1: Make a Plan

Getting a small business loan starts with clearly defining your purpose. Where and how do you plan to use the money? This plan isn't about convincing a lender. It's about ensuring the funding aligns with your goals.



## Step 2: Prepare Your Finances

Most lenders will look at financial and operational indicators, including your credit score, time in business, annual revenue, cash flow, and existing debt. Knowing how lenders evaluate your finances allows you to prepare and fix any issues in advance.



## Step 3: Shop Lenders and Loans

Not all lenders (and not all loans) are created equal. Depending on your business's needs and financial profile, you'll want to select a lender that matches your priorities and choose a compatible financing product. Find a lender with experience in your industry and a good customer service reputation.



## Step 4: Organize Your Financial Documents

Most lenders will request several key records to evaluate your eligibility and determine your loan terms. Having these ready upfront saves time and demonstrates that you're a responsible borrower. Pull together your profit and loss statements, balance sheets, tax returns, business licenses, or formation documents.



## Step 5: Apply

Many applications can be completed online in under an hour, especially with alternative lenders. Fill every field accurately and double-check all financial figures before submitting your application. If you're applying to multiple options, group your applications within 14 to 30 days to minimize any negative credit impact.



## Step 6: Review Carefully Before Accepting

If you receive one or more loan offers, don't jump at the first one. You are still shopping for the best option for your business. Focus on the total cost of borrowing. Pay attention to additional fees, loan amount and disbursement timeline, collateral, or personal guarantee.



## Step 7: Accept and Follow the Plan

Once you've chosen the right offer and signed the agreement, funds can hit your account quickly within 24–72 hours, depending on the lender. Use them exactly as planned. Avoid the temptation to dip into loan proceeds for non-essential spending or to cover unrelated gaps.

