

A background image showing a group of business professionals in a meeting. A man in a blue suit is shaking hands with another person, while others are visible in the background. The image is semi-transparent, allowing the text to be overlaid.

BUSINESS BEYOND

LIMITS

BUSINESS CREDIT BASICS

SECTION 1

Section 1

INTRO: WHAT IS BUSINESS CREDIT



and how to structure
your business to build
with it



SECTION 1

Section 1

INTRO

What is business credit?

Whether running a small corporate or a tycoon, every businessperson comes across the term "business credit." However, if you have your first business you may find yourself wondering what that term means exactly.

Business credit, as the name implies, works similarly to personal credit but is only available to businesses. This credit gives businesses the ability to buy things now and pay later just as you would with a personal line of credit. There are eligibility requirements to get business credit just as there is with personal credit.

The lenders who issue business credit depend on a company's foundation and revenue to determine how much credit or what limits a business will be approved for. Business credit is beneficial for every business owner as it allows them the opportunity to purchase business essentials or scale their companies without paying immediately. You must have a certain number of tradelines established and be making payments routinely. These are called "payment experiences". Payment experiences will determine what types of accounts you can qualify for.

Before you proceed with opening any business credit accounts, you will need to set up your business properly. This will help you establish a strong foundation and increase your ability to qualify for business credit. Once you have established your business you will begin working through the tier system to build a strong profile.



SECTION 1 *Section 1*

PROPERLY STRUCTURING

your business to build business credit...

·Make Your Business Separate and Legal To qualify for business financing, it is suggested that you make your business a separate entity such as an LLC or Corporation. Doing so will provide you with specific tax benefits and protect your own personal assets should you be sued. If your state requires other registration/licensing you will need to also complete that.

·Obtain a Physical Address Once you have established your business, you need to have a physical address. This can be a virtual address, but it needs to be a physical building, not a PO Box. This adds a layer of credibility to your business and keeps your personal information like your home address protected.

·Request Employer Identification Number Your EIN number works to identify your company just like your SSN identifies you. Obtaining an EIN number is free and you will use it when filing/paying taxes for your business. You will also use it when you apply for business credit. This will keep things separate from your own, personal credit and SSN.

·Get a Business Phone Number Once you have also opened a business bank account, it is necessary to get a business phone number. You don't have to spend a lot on the phone service, but you should have a dedicated phone line. This will make your business look more reliable to banks and financial institutions at the time of credit approval.



SECTION 1

Section 1

BUSINESS CREDIT REPORTS

and how to access them...

For you to successfully build your business credit you should have access to all of your business credit reports. These reports are housed separately from your personal credit and are not tied directly to one another unless a personal guarantee is used to build business credit. When you have access to all of your reports, you can watch your credit build in real-time and see when new payment experiences report. This will help you know when to move to the next tier.

Make sure you follow these steps to obtain your business credit reports:

Be sure to apply for a DUNS number from Dun & Bradstreet (D&B) by [clicking here](#). Almost every credit application will ask for this number. It is one of the most important steps and is completely FREE to apply for. D&B is the biggest of the three major business reporting agencies, so you should get set up with them above all others. You'll be able to access your report directly through their website.

IMPORTANT NOTE: When you enroll for D&B credit monitoring, you'll usually get a call from Dun & Bradstreet Credibility trying to sell you their "credit builder" program. You do not need this service. Their program only adds references to your report and it will not actually give you access to any real, useable credit.

Experian is the second most popular reporting agency. It is not essential to get your monitoring set up with them but many creditors do report there so we suggest it. [Click here](#) to access your business credit reports by Experian.

Equifax is the least commonly used for business credit reporting, but some credit issuers do report to them. If you need to access this report, you can do so by [clicking here](#).

Another powerful tool is called Nav. When you are on their paid plan, it gives you a complete picture of all of your scores and it also reports a positive business credit tradeline helping you build. You can open an account [here](#).



SECTION 1

Section 1

BUSINESS CREDIT REPORTS and how to access them...

The two scores that you will need to know to understand the tier system we discuss in the next chapters come from D&B and Experian.

With Dun & Bradstreet, they assign you to a late-pay risk category. This is important to creditors and lenders because they want to know whether you may pay on time or not. You should know that your Paydex score gets very, very specific. For example, a score of 98 means that you usually pay 28 days before payment is due and a score of 79 means that you generally pay two days late. Dun & Bradstreet's posts their more specific Paydex Value Chart on their website. Mostly you just need to know that a Paydex score of 80 or above means you're low risk, while a score below 50 marks you as high risk. To move seamlessly through the Tiers you should have an 80 or higher Paydex score. Your business should be easy to find in public records, and all of your data points should match across all platforms. Below is D&B's basic chart.

Paydex Score	Risk of Late Payment	Avg. days to payment
80-100	Low	Before or on due date
50-79	Medium	1 day-1 mo. after due date
0-49	High	More than 1 mo. after due date

Experian's Intelliscore model also uses a scale of 1 to 100, but it works quite differently than the Paydex scoring system does. Experian uses a lot more factors to determine whether or not you'll make late payments. They include the following:

- Outstanding balances
- Credit utilization
- Typical repayment
- Liens, judgments, and bankruptcies
- Business age, industry, and size

So when you see your score, you will want to see the number as close to 100 as possible. A score closer to 100 shows the lowest risk and a score closest to a 1 shows the highest risk. Depending on your score, you will end up in one of their "tiers", indicating a risk somewhere between low and high.

SECTION 2

Section 2

WHAT IS AN EIN NUMBER



and why is it important
to build business
credit



SECTION 2

Section 2

EIN VS. SSN

building business credit the best way

There are a couple of ways to build business credit such as using your social security number (SSN) or your Employer Identification Number (EIN). Though it is easy to get business credit approved using your SSN when your own personal credit is in good standing, receiving business credit using your EIN has its own significant benefits. Even small businesses should apply for an EIN number.

How to Apply For An EIN Number

To apply for an EIN, you must be doing business within U.S. or U.S. territories and you should hold a taxpayer number that is valid to date. It could be an EIN, ITIN, or SSN. While filling the application online, complete it in one sitting as it can't be saved for later and the session logs out after 15 minutes of inactivity. Once you are done filling in your details, submit your application. This will assign you an EIN immediately; you should also download this application or print a hard copy. You cannot access this information on the website again.

Why Applying for Business Credit with Your EIN Number is Preferred

There are several advantages to using your EIN instead of SSN. The primary reason is that people don't want their credit score to be affected or prevent them from obtaining business credit. Your EIN helps you keep your personal credit and business credit separate. Many financial issues might occur while running a business; people don't want these issues to affect their credit score. If you use a personal guarantee when obtaining business credit and any issue happens with repayment, you will be held personally responsible for it.

SECTION 2

Section 2

EIN VS. SSN

building business credit the best way

Should You Give Personal Guarantees?

In many cases where a business doesn't get approved for business credit using an EIN, business owners often sign a personal guarantee. This means that you take a business loan using your social security number rather than your EIN, which has its downsides.

It is not recommended to get a business credit while being personally liable. You should first understand its risks, and only when you are okay with the conditions should you go further. Unless it is your last option to support your business, you should not use personal guarantees.

In businesses, things can be more unpredictable than in your personal life. If in any given month your cash flow is low and your expenditure is high, you may face difficulty in repaying the creditor on time. When you're using a personal guarantee, late or missed payments would affect your personal credit score and report. Therefore, you should always opt for business credit using your EIN and not your SSN.

The solution to avoiding using your SSN is to build business credit is through a series of tiers. It will take a lot of organization and discipline, but the lines of credit that will become available to your business are worth the trouble.



YOUR SUCCESS
REQUIRES AN
INVESTMENT.

-unknown

SECTION 3

Section 3

TYPES OF CREDIT FOR BUSINESS FINANCING

and how to use the
tier system to build it
with your EIN



SECTION 3

Section 3

TYPES OF CREDIT

What accounts you can open?

There are many types of business credit that you can apply for, even when you are a startup or small business. Here we bring you the four primary accounts to choose from.

Installment Accounts

These are also known as commercial installment accounts. Here your business gets a fixed amount of money as a loan that you repay as a fixed payment within a fixed timeframe. The repayment remains fixed and the interest rate doesn't change.

Revolving Accounts

This option allows you to choose two credit accounts: revolving and small business credit. With revolving credit, you get a fixed amount of money as the limit is preset. Once you repay the borrowed amount, you become eligible to use the limit again. So here, the account remains open to use again.

A small business credit account sets up an agreement for the amount, but it is a one-time agreement. Once you have repaid the loan, the account gets closed. It is recommended that while paying, you at least pay the outstanding amount and not the minimum amount. This way, you will be able to repay the account faster without paying additional interest fees.

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TYPES OF CREDIT

What accounts you can open?

Charge Accounts

Charge accounts are often associated with having a revolving credit card account. The major difference between a credit card and a charge card is that the credit card can carry a balance, whereas the charge card must be paid in full each cycle. If the balance is not paid on time and in full, penalty fees will be added on a credit account. A charge card is a form of credit that is advantageous against accumulating credit card debt.

Vendor Accounts

Vendor accounts are also known as Net-30 accounts. As the name suggests, a business can borrow the money to buy the business essentials and repay the amount within 30 days. However, you might have heard of other terms as well, such as net-90, Net-60, and even Net-15; these terms require you to repay according to the number of days mentioned. An example is with a Net-90 account, you are eligible to repay within 90 days of borrowing the amount. This kind of account can be beneficial as it adds a positive tradeline to your business credit score without interest fees.



SECTION 3

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BUSINESS FINANCING

and their requirements

Corporate Business Credit Cards

This type of business credit card account requires businesses to satisfy certain rules. This is a strict process that not every business can go through and become eligible. Also, the issuers often fix a certain amount of margin that your business should generate to be eligible. Several businesses still go for this choice since it doesn't demand a personal guarantee. You have to be a C-Corp, S-Corp, LLC, or an LLPs registered in the U.S. to be eligible to apply for this type of card. If you are a sole owner, you would have to show a more significant profit/capital to qualify.

Corporate Store Credit Cards

Most store credit cards do not require a personal guarantee which makes them an excellent choice for even small-scale businesses. You can use this card at stores like Staples or Office Depot to fulfill your office supply needs. These cards also offer plenty of discounts and rewards regularly.

Corporate Gas Cards

Some gas/fuel cards do not require a SSN to obtain. Often these accounts will allow you to spend in places other than the gas station as well. We will give you a list under the resources section of this book of different companies that do not require a SSN to qualify for their cards.

Prepaid Business Credit Cards

You can also employ the concept of a prepaid business card. As the name implies, the card allows you to fill up the amount in advance and use it as per your needs. These are low-risk cards and don't require a personal guarantee. These cards also let you track your spending without being in debt. However, they can't be used to build business credit no matter how much you spend. But these cards are great when you don't want to use your SSN and don't want to mix up your credit with your business credit.

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BUSINESS FINANCING

and their requirements

Above, we mentioned some types of accounts that not every small business qualifies for. In this section, we are going to discuss the alternative ways by which you can obtain business credit without using SSN.

Some creditors or lenders do not need any personal guarantee and can provide your business credit based on your EIN. Every creditor or lender has different income and credit requirements. Fewer of these accounts require a personal guarantee. You will first find these creditors through their websites. Then do a quick check of their requirements (they change often so please do your due diligence). Once you know they do not require a personal guarantee and you meet their requirements, you can apply for business credit with them.

Here we are presenting you our most current list of creditors that require no personal guarantee but only your EIN.



Business Credit Cards

Below are the business cards that any business can easily be approved for. Even freelancers can apply for these business credit cards. These cards do not need any personal guarantee.

- Sam's Club Business Credit Card
- Office Depot/OfficeMax Business Credit Account
- Shell Small Business Gas Card
- SuperAmerica Fleet Credit Card

Corporate Credit Cards

Below are the corporate cards that do not need a personal guarantee; however you might need to meet their revenue requirements to apply. You may also need to be an S or C corporation. However, in some cases, LLC might allow you to qualify.

- Brex Rewards Card
- Stripe Corporate Card
- ScaleFactor Visa Charge Card
- Bremer Bank Business Card
- American Express Corporate Cards
- Capital One Corporate Cards
- Citibank Corporate Cards
- JP Morgan Chase Corporate Cards
- Wells Fargo Corporate Cards

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Business Loans

You may also get a business loan from some of these lenders. You might need to submit your SSN at the beginning of the application just to ensure that you meet minimum credit requirements as a prerequisite only. These lenders do not need a personal guarantee when the final paperwork is drawn up.

- Kabbage
- Fundbox
- StreetShares

Traditional Financing

A bank loan is the most common example of this kind of financing, and they often require an excellent credit history to approve your loan application. They need to check your credit history, and they may also request income statements and tax returns with additional information.

Other Options

Many businesses that need funding take the help of personal credit instead of business credit. However, this step should only be taken when you have no option of funding from any direction. This is because personal credit is limited and is not as rewarding as business credit. Plus, it also affects your credit score!

Another option is to ask your friend or family member who is willing to invest in the business and who can accept repayment in installments. It is recommended to have a contract drawn up in these cases. Proceed with this option carefully as business plans gone wrong have been known to ruin relationships.

There may also be business grants available to help with start up costs. They invest money into your business based on the quality of pitch and outline of your business plan. You will have to present them with a detailed and profiting plan typically in a format they outline on an application. If you are awarded funding, it is free money you do not have to pay back.

We have a list of possible grants available for purchase should you choose to explore this option for your business.



SECTION 4

Section 4

USING THE TIER SYSTEM

to build credit without
using your SSN



SECTION 4

Section 4

USING THE TIER SYSTEM

to build credit without using your SSN

To establish business credit using your Employer Identification number (EIN) and without using your Social Security Number (SSN) as a personal guarantee, you will want to understand the Tier system. By applying this knowledge you'll be able to build business credit and be approved for larger amounts of cash credit for your business while leaving your personal credit unaffected. These are the beginning Tiers.

Tier 1: The Vendor Credit Tier

This is the starting point for any person who doesn't have any business credit yet. At this Tier, you are only eligible to purchase the things from specific vendors. These vendors often extend a Net-10 to Net-30 account where you can pay over time with no interest to get you started.

You will want to do the following before establishing Tier 1 vendor accounts:

1. Be sure your business is structured properly as discussed earlier in this book.
2. Create an organized plan to keep track of your accounts, due dates and payment amounts (see the worksheet at the end of this book as a guide).
3. Sign up for business credit monitoring through Dun & Bradstreet and Experian

Then you will do the following:

1. You will first begin by locating 3-5 vendors that report to the business credit reporting agencies.
2. You will apply using your EIN number (not your SSN even though they will usually ask for it). To avoid giving them your SSN, make a small, \$50-100 purchase from them. Most of these vendors will then extend a Net-30 payment term to you.
3. Pay your bill in-full and on-time so that your business scores will be established.
4. Be sure you check your business credit reports often to see that they are reporting. This process can take up to three billing cycles (30-90 days).
5. You will want to establish at least five payment experiences. A payment experience is the payment reporting of an account to one reporting agency. This does not mean three months of payments, it's strictly payment experiences so you could make five payments on five purchases in one month to meet the requirements of the next Tier.
6. Once you have established five payment experiences and they are reporting on your business credit reports, you can move to the next Tier which is revolving store credit.

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USING THE TIER SYSTEM

to build credit without using your SSN

Tier 2: Revolving Store Credit

The Tier 2 vendors require an established business credit score to offer you a line of credit. While working on Tier 1 requirements, you were building eligibility for Tier 2. This is why it is especially important to pay attention to payment experiences and be sure they are reporting on your business credit report. Tier 2 vendors offer revolving credit at most major stores.

You will want to do the following before establishing Tier 2 store accounts:

1. Be sure you have at least five payment experiences reporting on your business credit report from Tier 1.
2. Be sure you have an established business credit report/profile with at least Dun & Bradstreet and Experian.

Then you will do the following:

1. Locate the stores where you want to apply for credit and where it makes sense to (because you will be making purchases for your business).
2. Research the requirements (usually an established credit report and good score, which you have done in the steps for Tier 1) and methods of applying. Most of this can be done online through their websites.
3. Complete the store credit business application and do not use your SSN. Every application will ask you for your SSN, however, with established business credit they will pull your business credit report using your EIN number. If your business credit number meets their requirements then they will approve you without your SSN being given, which means there is no personal guarantees being used.
4. You will then purchase from the store using your new business credit account. The same method applies - they are looking for payment experiences before graduating to the next Tier. Be sure to pay on time and in full.
5. Check your credit reports to ensure the new accounts are on your report. It can take up to three reporting cycles (around 30-90 days) for your new accounts to show up. Monitor them closely so you know when you can move on to the next Tier.
6. You will establish at least 10 payment experiences during this time, using your new vendor and revolving store credit accounts. This will help you get approved for the next tier which is cash credit.

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USING THE TIER SYSTEM

to build credit without using your SSN

Tier 3: Cash Credit

This Tier is the "goal" for most business owners. All the work you did in Tier 1 & 2 will pay dividends in this Tier. Here is where your business can qualify for large credit accounts with companies like Visa & Mastercard. They often extend credit from \$5,000-\$10,000 or more! These cards can be used just about anywhere!

You will want to do the following before establishing Tier 3 credit accounts:

1. Be sure you have at least ten payment experiences reporting on your business credit report from Tier 2 and your five payment experiences from Tier 1.
2. Be sure you have an established business credit report/profile with at least Dun & Bradstreet and Experian.
3. Be sure that at least one of the accounts on your report has a high limit of at least \$10,000. You may need to spend some time building to this amount on your Tier 2 accounts - ask for increases if they are not offered to you.

Then you will do the following:

1. Locate the cash credit companies where you want to apply for credit. These types of accounts can be difficult to find when you are trying to access the line of credit without the use of your SSN.
2. Research the requirements (usually an established credit report and good score, which you have done in the steps for Tier 1) and methods of applying. Most of this can be done online through their websites or by phone.
3. Complete the business credit application per their requirements. Many will require that you have an established business credit profile and good business score for approval. They will also be looking for at least 10 reported payment experiences and at least one account with a limit of \$10,000 or higher for approval. Remember to leave your SSN off the application. If your business credit number (EIN) meets their requirements then they will approve you without your SSN being given, which means there is no personal guarantees being used.
4. Check your credit reports to ensure the new accounts are on your report just as you did with the previous Tiers.
5. Make your payments on time and in full to experience the full benefit of these cards. They often come with rewards and credit line increases over time.

BUILD YOUR BUSINESS CREDIT

TIER 1

- [Ohana Office Products](#)
- [Uline](#)
- [Creative Analytics](#)
- [Quill](#)
- [Grainger](#)
- [Business Shirt Club](#)

TIER 2

- [Staples](#)
- [Office Depot](#)
- [Shell Fleet Plus](#)
- [Home Depot \(Commercial Account\)](#)
- [Behalf](#)
- [Marathon](#)
- [United Rentals](#)
- [Amazon Business Line of Credit](#)
- [TigerDirect](#)
- [Summa Office Supplies](#)
- [Crown Office Supplies](#)
- [Shirtsy](#)

TIER 3

- [Various Citi Store Cards](#)
- [Sears](#)
- [Best Buy](#)
- [Northern Tool](#)
- [Divvy](#)
- [Newegg](#)
- [WEX Fleet Card](#)
- [Supply Works](#)
- [Global Voice Direct](#)

SECTION 5

Section 5

DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES

and what types of
purchases should be
avoided



SECTION 5

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DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES?



Business credit gives you leverage to scale with other people's money.

- Unknown

As a business owner or startup, you might be wondering if significant purchases like vehicles or a home are possible with business credit. Well, the answer is yes!

When your business has started generating revenue and you have graduated through the Tier system, you will become eligible to make significant purchases using your business as a guarantee.

However, you should know that using business credit for buying a car or home might need more time and effort than applying for vendor/store/cash credit accounts. This is because most lenders check both your business and personal credit, even when putting them in your business name, requiring a lot of documentation.

These lenders thoroughly check your credit score and the behavior of repayment to determine if you should be approved for a larger purchase or not. Only when there is no history of defaulting and you can show how your business will remain in a good financial condition, will your application for the larger purchase be approved.

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DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES?

These are some of the steps, you will need to follow for the purchase of a vehicle using your business credit:

Build a Strong Credit Score

While applying for any credit, the lenders may check your credit history. This is why it is important to first build your personal credit score. Those who have a solid credit score have more chances of approval from the lenders. You can establish a good credit history by properly using credit cards, utilizing small loans, and repaying all the installments on time. If you need a credit consultation, schedule today!

Have a Stable Business

Secondly, a lender checks your business's revenue to determine if the request should be approved. You should have a stable business that generates the minimum amount of revenue as required by the lender. If you are able to demonstrate that your business is stable and making money consistently over time, you have more chances of approval.

Verify Your Credit Report

Before you apply for a vehicle loan using your business credit, check for any errors in your credit report. By doing so, you will be able to correct any mistakes before applying for the large purchase. To do this, you will need to check your business credit rating & reports. You can utilize agencies such Dun & Bradstreet and Experian Business; Equifax Business is also an option. However, if you are the *sole owner of the business*, check the credit reports of your credit as well. Often lenders will check both personal and business credit scores even when the loan is going financed under your EIN only. This is why we stress structuring your business properly from the very start.

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DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES?

Prepare a Loan Proposal

Why? This tells the lender why you need a vehicle. The reason you state should be valid and presentable as it will improve the loan approval possibility. Include the details about your business such as what your business is about, how much you want to borrow, and the amount you have as a down payment.

Compare Different Lenders

To make sure you find a perfect lender, you need to compare the loan rates and conditions of several lenders. You can often find their requirements online or call them to answer your questions. This process may take some significant research to find the perfect lender for your business needs. You may check with your bank itself as a starting point, but other commercial lenders may be a better fit because they are more familiar with business auto loans. Once you have found all the lenders and checked their conditions, you may start the application process.

Provide Proper Documentation

Different lenders might need different documents to proceed with the application. Once you have found the lender, get to know their documentation needs and collect all such documents beforehand. These documents often include your business or personal tax returns, incorporation documents, business tax identification numbers (EIN number), income and expense reports, and bank statements. The lender might also ask for your details such as date of birth, proof of personal income and your Social Security number.

Complete the Loan Application

Once you have all the documents in hand, submit them to the lender online or in person. Sign all the application forms after carefully reading them. Keep in touch with the loan officer to get updates about the progress. Upon loan approval, documents will be signed and the funds to purchase the new vehicle will be provided to you.

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DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES?

Business Lines of Credit

When you want the lenders to check only your business credit, then apply for a Business Line of Credit. They provide you a certain credit limit that you use and repay like a revolving credit account would. There may be some lenders that request a personal credit report. It is best to keep both of your reports strong before applying for a real estate loan.

A drawback of the Business Lines of Credit is a significant one. The interest rates, are not as attractive as they are with an SBA Loan; Business Lines of Credit charge you interest rates anywhere from 8% to 35% based on your credit history. Your credit limit also depends on the same factors; the stronger your company is, the more credit you get.

Credit Cards

It may be a rare case, but many real estate businesses use this approach where they buy an entire property using their business credit card. However, it doesn't mean that someone has made the best choice by buying a property using a credit card.

It is not recommended! When you open a credit card account, you need to adhere to the rules. An issuer rarely includes the purchase of real estate in their terms. So when you spend a huge limit on buying a property, the credit card issuer might close your account or block it. Be sure about the terms of your card issuer before making such a purchase. Keep in mind, there are more drawbacks to benefits to using your business credit card to purchase real estate. You should not make such decisions because of a few benefits such as cutting down your usual approval period of 30–60 days down to an immediate approval as a credit card provides you instant funds. Using a credit card for such a significant purchase can provide you with big reward points, miles, and other benefits but leave you with a high credit utilization, enormous interest rates and the possibility of you defaulting becomes significantly higher. Rarely are the credit limits high enough to purchase an entire property as it is. Using credit cards to make major purchases is **NOT** an ideal way to use your business credit.

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DOES BUSINESS CREDIT HELP YOU MAKE LARGE PURCHASES?

Good business credit also makes you able to buy real estate or obtain commercial loans, just like buying a vehicle. There are many lenders to research that offer property loans at varying interest rates. Shop around to determine which one is best.

Here the goal should remain to use *business credit* to purchase a property. Keep in mind, your personal credit score, your business credit score and overall available credit will be a major factor in getting approved for real estate. This is because lenders check your past property loans and your repayment history as a part of their approval process. You may find a lender who checks your personal credit score as well. The better your personal and business credit scores, the better the interest rates will be.

Solely using business credit for real estate purchases lowers the risk of impacting your personal credit history. Having a properly structured business with exceptional business credit history/scores increases your chances of approval and speeds up the whole process. It is possible to be approved for real estate even if your personal credit is not in great condition, but it will take research, time and capital.

These are some of the ways, you may be able to purchase real estate using your business credit:

SBA Loans

One can apply for SBA loans to finance a commercial property; however, it cannot be used for personal usages. The SBA 504 Loan and the SBA 7a Loan are the two programs that help you finance commercial real estate. These lenders consider both personal and business credit, so it might be challenging to be approved if your personal credit isn't in good standing. People like SBA loans because of their interest rates (4.5-9.5 percent). One drawback to an SBA loan is the length of time it takes to be approved. It typically takes 60-90 days for the approval process.

SECTION 4

Section 4

THE ROADMAP TO

Success



IN CLOSING

In Closing



IN CLOSING...

Obtaining business credit is essential for businesses. It allows them to grow and scale while keeping personal assets safe. It is essential to build business credit using your EIN rather than your SSN if at all possible so that you can keep your company and personal finances separate. This also helps protect your personal credit score. This is not always possible, so maintaining an excellent personal credit score also becomes important.

By following the steps outlined in this book, you should be able to obtain business credit solely in your businesses name. By making sure you structure your business properly, file for your EIN and DUNS number, you become eligible for business credit. You build business credit by working through a tier system and repaying the credit spent. Monitor your business credit report to be sure your accounts are reporting properly. Making on time payments and continuing to use your credit accounts will make more credit accessible to your business. Making large purchases with business credit should be done cautiously.

If you're ready for your business credit consultation, please schedule with us today! We can assist with the entire process or direct your steps through the journey.

”

*Let me remind you, credit
is the lifeblood of
businesses, the lifeblood of
prices & jobs.*

- Herbert Hoover

BONUS SECTION

Bonus Section

BONUS TRACKERS



to keep you organized
on your journey



