



Serving Pinellas County, Florida

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Credit Strategy Suggestions for Small Business

Here are some suggestions for small businesses that are considering an application for traditional bank financing. Please note that this list is not comprehensive.

- Discuss goals and related financing needs with bankers early. Do not wait until days or even weeks before application to discuss ideas
- The experience of the applicant in the industry sector is very important to underwriters when reviewing an application
- **Underwriters are requesting *complete* business and personal financial records, reports and statements. Be prepared to submit balance sheets, income statements, business and personal tax returns and a personal financial statement to support an application**
- Expect to personally guarantee any credit facility
- Be reasonable. Unreasonable applications are often dismissed quickly by underwriters
- The applicant's credit performance must be excellent. Underwriters are reviewing performance history carefully for signs of weakness
- The level of capitalization or "liquidity" of the applicant is very important. Moreover, underwriters expect the applicant to make a substantial personal investment in any potential project or venture being analyzed
- Review potential credit strategies with tax advisors. An unprofitable business will experience difficulty securing credit from banks

A small business that considers these suggestions when developing credit strategy will enjoy better opportunities to secure traditional bank financing.

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