Newly Released

Ultimate Business Credit & Financing Guide 2016

CREDITSUITE

Contents

Business Credibility…Make Sure Your Business Meets the Lending Criteria… Before You Apply

Lenders and creditors have very specific requirements of what they want to see to approve you for credit and financing. If you meet this criteria you'll typically be approved, but you'll be denied if you don't. You've probably been turned down before due to not meeting one of these criteria. But in this section we'll reveal the lender's secret formula for approval, so you can know you'll get approved before you apply.

The first step in building business credit is to insure you have "**a business entity** setup. Per Wikipedia: "A business entity is an entity that is formed and administered as per commercial law in order to engage in business activities, charitable work, or other activities allowable. Most often, business entities are formed to sell a product or a service."

Setting up your entity is what allows you to do business legally with your state and the Federal government so it's an absolute necessary first step. Any entity can build business credit but to eliminate your personal liability, you'll need to choose an entity such as a ***Corporation or LLC***.

After your entity is setup, next you'll need to get your EIN number for the IRS. **An Employer Identification Number** or **EIN** (also known as Federal Employer Identification Number or FEIN) is the corporate equivalent to a Social Security Number, although it is issued to anyone, including individuals, who have to pay withholding taxes on employees. In order to do business legally, you must have an EIN.

Get your EIN number here: http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-%28EIN%29-Online or just Google "how to get an EIN number", and look for the irs.gov link ONLY. Do NOT use any other link other than irs.gov. Other links will try to charge you, but **your EIN number IS FREE**, so don't pay a company for it!!!

Your Business Name- If you are just choosing a name, try to choose as basic and loose of a name that you can that doesn't peg you into one industry. There are a lot of industries that fall on "restricted" lists. General consulting type names work best as nobody will deny you then, any other industry specific name very well might restrict your ability to get money with some lending sources and credit issuers.

When applying for business credit insure you use a ***real physical address***. You can't use a PO Box or UPS address. If you don't have a business address, do NOT use your home address instead get setup with a Virtual Address at a place like Regus, http://www1.regus.com/.With a company like Regus you're setting up an address that you get your mail at that is a real physical address. So you get the benefits and perception of being in a big office building, without needing to incur the cost of this. This is a great alternative to having a real physical address.

You need a ***BUSINESS phone-*** don't use a personal home phone or cell phone. YES, lenders WILL know!!! So don't even try applying for money without a real business phone. Voice Over IP numbers are okay.You should have a toll free number, unless you only deal with local business such as a pizza shop. You should have a fax number. Your number MUST be listed with 411. Try listing yourself for 411 listing.

Insure you also get setup with a toll-free number and insure you get a fax number. Through Ring Central you can get all of these with one number, even for less than $10 monthly. And use a service such as "List Yourself" to get your phone listed in 411; this is VERY important to get approved for initial, starter business credit.

Setup a ***professional website*** that looks good and describes your products and services. And setup your professional email address, such as yourname@yourcompany.com. You can get both through a service such as Go Daddy for $12 or so. Also, insure your business has the proper licenses required for your industry, county, state, and Federal government. You won't get money or credit if you're not properly licensed. And make sure your name is listed properly and exactly the same on all of your documents including bank statements, utility statements, and corporation papers.

Being a ***home owner*** increases your chances of being approved. It shows a greater level of maturity and responsibility. Plus, it shows you can manage a higher monthly payment. And your home might even be used as collateral for some financing such as SBA loans.

Lenders love assets because they love collateral so when you are asked on an application about the ***assets*** you have, what the lender is really looking for is what you can use as collateral for the debt.

The more collateral you have, the better chances you have of being approved with many types of financing. SBA loans REQUIRE the lender to take ALL assets you have in your business as collateral and if still not enough they will take personal assets such as your home.

Some lenders, such as advance lenders, don't need collateral. It still helps them feel more secure in lending you money if you do have assets to show. Many things can work as collateral such as 401k and stocks, real estate, inventory and equipment, purchase orders and receivables, and other items that are easy for a lender to sell and get their money back in case of default.

The l***onger you're in business*** the better your chances of getting approved for almost all types of financing. This is because EXTENSIVE statistics on this show that the majority of businesses fail in early years, three years or less of being open. The longer a business is open the more their chances of failing decline. So longer standing businesses have a much less risk of going out of business than shorter standing ones do. Being open less than one year makes it tough to get financing and you can get unsecured personal and business cards with no issues.But advances are tougher, and loans are nearly impossible to secure.

Some business credit vendors, stores, and cash credit sources also might not approve you if you have been open one year or less. Three years or more is what most sources prefer and this is part of the reason that SBA loans require 2-3 years of financials.

Having good ***stable revenue*** can be one of the main reasons you get approved for some funding products, such as merchant or revenue advances. Just in having consistent revenue alone can get you approved. But almost all sources do require that you have revenues coming in for approval. Some sources such as personal and business cards won't require verification. Other sources such as lenders to lend advances will verify your cash flow with your bank statements.

Most lenders issuing loans and credit lines will require tax returns on top of P&L statements and bank statements to verify your income. Your tax returns must show good profits, the amount you show will determine the amount of money you are approved for.
You must show ***increasing profits from year-to-year,*** not declining profits. Declining profits are a sign of trouble, and most lenders will RUN away from any deal where the applicant has revenues or profits declining from year-to-year.

There are many "high risk" industries lenders don't prefer. The list of high risk industries is different for each lender and funding type. Some lenders have been burned by one type of industry and "black list" it, while other lenders offering similar products are okay with that industry. Some industries are almost always seen as high risk no matter what lender you apply through."Vices" are almost always seen as high risk such as gambling and porn. Other industries such as "financial services" are restricted with many lending sources, but not all.

Financial services can include credit repair, lenders, accountants, insurance agents, mortgage brokers, realtors, and anyone else dealing with any type of financial transaction. Always ask upfront if the lender views your industry as "high risk".

Business Credit… Everything You Should Know About Your Corporate Credit

When you apply for business financing there is actually three types of credit that are reviewed for your approval.

No matter what you're told… ***Personal Credit*** ALWAYS matters… unless it isn't being looked at. For example, when applying for business credit you can use your EIN to get approved and leave your SSN off the application. When you do this your personal credit isn't even looked at nor is it used for the lending decision but this is about the only exception in the business funding space.

All other funding types including advances look at and care about your personal credit. YES, you can get approved for cash flow financing and merchant advances with bad credit but your repayment terms won't be nearly as favorable then if you had good personal credit.

SBA loans, conventional loans, most other long term loans, and credit lines do require good personal credit for approval in most cases. Collateral and asset type based financing doesn't care about personal credit as much. This is if financing only looks at collateral for approval, not financing where collateral is required for approval.

With ***Bank Credit,*** your bank rating is mostly based on the amount of money you keep in your bank account over the last 90 days. High 5, account balance of $70,000-99,999, Mid 5, account balance of $40,000-69,999, Low 5, balance of $10,000-39,000, High 4, 7,000-9,999, Mid 4, 4,000-6,999 and Low 4, 1,000-3,999.

Business credit is credit in a business name that's linked to the business's EIN number.

This is credit a business owner can obtain that is not linked to their SSN.

When built correctly, the SSN isn't even supplied on the application meaning there is no personal credit check to obtain this kind of EIN credit.

When you apply for something such as an auto loan, the lending institution pulls your personal credit using your name, address, and social security number.

This information is sent to the consumer credit reporting agencies, and they supply the lender a credit report with all the information they have relating to someone with a similar name, address, and SSN.

With this type of credit an inquiry is then put on your consumer credit report, and your report is used to make the lending decision. Plus, the credit you obtain will then be reported to the consumer reporting agencies.

When you apply for something such as a business loan, the lending institution pulls your **business** credit using your name, address, and EIN number.

This information is sent to the **business** credit reporting agencies, and they supply the lender a credit report with all the information they have relating to a business with a similar name, address, and EIN.

With this type of credit an inquiry is then put on your business credit report, and your business report is used to make the lending decision. Plus, the credit you obtain will then be reported to the business reporting agencies.

It's important to note that when applying for financing and credit using your business credit, you should NOT supply your social security number on the application, even though it will be requested.

When you do this, NO personal credit can be pulled because the lender can't pull your personal credit without your SSN.

This forces them to only pull your EIN credit as you supplied your EIN not your SSN. This means you will be approved ONLY on the merits of your BUSINESS credit report… your personal report isn't even reviewed.

Why Every Business Should Have Business Credit

When done properly, business credit is obtained without the SSN being supplied on the application. This means there is no credit check from the business owner to get approved. This also means that anyone who has bad, even horrible personal credit can still be approved for business credit.

Business credit reports to the business credit reporting agencies, not the consumer reporting agencies. So as business credit is used it has no adverse impact on the owner's consumer credit because it's not reported to consumer agencies. This means utilizing the account, even over 30%, won't have any adverse impact on the personal credit scores. And there are no inquires on the personal credit when you apply for business credit as long as you don't supply your SSN.

30% of your total consumer credit score is based on utilization, so if you use your personal credit to get credit cards for your business and if you use those cards you will lower your scores. Using more than 30% of your limit WILL result in a score decrease. So if your limit is $1,000, having a balance above $300 lowers your scores. This means 40% of your total score is damaged just by applying and using the credit you obtain using your consumer scores. With true business credit, 0% of your score is affected.

10% of your total consumer credit score is based on inquiries, so if you are using your personal credit to apply for business loans and credit, your scores will go down as a result of those inquiries. Plus, those inquiries can remain on your credit for an extended period of time affecting your ability to borrow more money. And some unsecured business lending sources won't even lend you money if you have two inquiries or more on your personal credit reports within six months.

But with business credit, the credit doesn't report to the consumer agencies, so neither inquiries nor utilization have any effect on your consumer credit scores. This is one more reason every highly successful business has business credit.

Business Credit Scores are Easy and Fast to Build…

Business credit scores are based only on whether the business pays its bills on time. As a result, a business owner can obtain credit ***much faster*** using their business credit profile versus their personal credit profile.

Personal credit scores are based on five factors: Payment History - 35%, Utilization - 30%, Length of Credit History - 15%, Accumulation of New Credit - 10%, and Credit Mix - 10%.

Paydex Score are based on Payment History:

- Expect payment may come early – 100
- Payment is prompt – 80
- Payment comes 14 days beyond terms – 70
- Payment comes 21 days beyond terms – 60
- Payment comes 30 days beyond terms – 50
- Payment comes 60 days beyond terms – 40
- Payment comes 90 days beyond terms – 30
- Payment comes 120 days beyond terms - 20

Consumer credit scores are made up of **five factors** and take years of well-disciplined borrowing to get really good scores. Business credit scores are mostly based on **payment history only**, so as long as you pay bills as agreed you will have an excellent score.

And it only takes 2-3 reported accounts for you to establish a score, and most vendors have your account reported to the business reporting agencies in 30-90 days.
This means you can build a business credit profile and have an excellent credit score in a VERY short time period.

ANYONE Who Wants Your Business Credit Report Can Pull It…

With consumer credit, someone HAS to ***have Permissible Purpose*** to pull your personal credit… basically they must have your consent to review your reports. Only certain institutions such as banks, auto dealers, mortgage brokers, and others licensed to lend money and approved for credit pulling capabilities can pull your consumer credit report.

But with business credit, this information is made public, which means ANYONE who wants your business information can easily and cheaply get it.

Think about some of the people who can see your reports as they wish whenever they want: customers, clients, suppliers, others who you might do business with and competitors.

Here is some of the ***information anyone can easily see about your business:***

- Amount of tradelines (payment experiences)
- Credit scores
- High credit limits
- Past payment performance
- Employees
- Revenues

And much more…

… Is available to ANYONE who wants it.

Pull your own credit reports to see what others are seeing about your company right now http://www.creditsuite.com/finance-suite.

Would you want to do business with a company with a similar profile?

What does your profile say about you… are you established?

How will your customers, clients, even competitors think about you with this information?

Keep monitoring your reports regularly to see what others can see about you. And keep building your business credit so you can have a credible image portrayed for anyone who wants to see your credit in the future, especially those who lend money or issue credit.

Your Banks and Creditors Thank You for Volunteering Your Personal Guarantee…

When you put your SSN on a credit application, you are almost always providing a personal guarantee. This means you are personally liable for your business debts so if you were to default on one of these obligations, the creditor will pursue your business assets first, then they'll come after your personal assets including… your home, your cars, your stocks and bonds, your bank accounts and any and all other assets.

Business owners don't expect to fail but unfortunately, 90% do fail. It makes no sense to put you and your family's financial future in jeopardy when you know going in that you have a 90% possibility of ruining it.

Remember, many times the reasons a business might fail have nothing to do with you, or things you can control, such as shifts in the economy, so don't risk it all if you don't have to.

There is no question, starting and running a business IS risky. This is why most conventional banks make it so hard to get a loan so DON'T use a personal guarantee unless you have to.

With many business loans you will need to, but with credit you DON'T need to as long as you build business credit.

What is a Personal Guarantee? Find out From Top Sources...

Personal Guarantee is an agreement that makes one liable for one's own or a third party's debts or obligations. A personal guarantee signifies that the lender (obligee) can lay claim to the guarantor's assets in case of the borrower (obligor) default.

Personal Guarantee is an agreement that makes one liable for one's own or a third party's debts or obligations. A personal guarantee signifies that the lender (obligee) can lay claim to the guarantor's assets in case of the borrower (obligor) default.

It is equivalent of a signed blank check without a date. The obligee is generally not required to seek repayment first from the obligor's assets before going after guarantor's assets. The lender's actions are usually based on whose assets are easier to take control of and sell. Once signed, a personal guarantee can only be cancelled by the obligee.

This is according to ***Business Dictionary.com.***

Personal Guarantee is "by making a guarantee you are putting yourself - and your assets - on the hook, by acting as the loan's cosigner. If your business dissolves, you will be responsible for repayment. Creditors will go after you in the event that your business fails to repay the loan"

This is according to ***Inc.***

A personal guarantee is a promise made by a specific person, an organization or other entity; to be known as the guarantor and to accept responsibility for some other party's debt in the event the debtor fails to pay it.

The usual and most common purpose of a personal guarantee is typically to allow an organization or person to obtain credit when they lack a credit history, or they do have one, but lack a credit rating sufficient to qualify for credit.

This is according to ***Wikipedia.***

In the business world, personal guarantees are requested when the business is unestablished, and lacks credit history, a credit profile, and credit score.

They are also sometimes required for larger loan amounts, or always requested for loans guaranteed by SBA, conventional bank loans, and it's also required with some other higher loan amounts in which no collateral is being pledged.

When you complete a loan application and provide your social security number, lenders will almost always pull your personal credit to make the lending

How to Devalue Your Business

Anyone who has sold or bought a business will tell you of the importance of business credit.

All potential buyers can easily obtain extensive information about your business, just by obtaining your business credit report… that anyone who wants it can get.

This means they'll quickly know details about your business including:

- Credit scores
- High credit limits
- Past payment performance
- Employees
- Revenues

And much more…

Now that you know how easy extensive credit and financial information is to get for a company, if you were a buyer wouldn't you get it?

Based on what's on your business credit report, would you want to buy your company?

Does your report reflect that your company is "established", does it show that you pay your bills, do you look like a successful company from your report?

If you could choose from two companies to buy that were the same in every way except business credit, which one would you buy…

…The one with a very limited or no credit profile… or one with a credit profile that reflects good payment performance, and one with available credit.

Business credit is essential in getting a good evaluation of a business, so insure you have checked yours recently and that it represents your business as you want and it should.

DOUBLE Your Borrowing Ability +++

A major benefit of business credit is that it more than DOUBLES borrowing ability. You already have consumer credit, now you can have a whole other credit profile with business credit also.

This means it's the only way to get multiple Staples cards, Office Depot, Lowes, Walmart, Target, and so on… in most cases.

When you have access to more store and cash credit cards, you also have access to a lot more useable money.

Plus, per SBA business credit limits are 10-100 times that of consumer limits. Obtaining business credit radically increases your available credit as a result.

An average Staples card limit on the consumer side might be $3,000, but in the business world it might be closer to $30,000.

Businesses have a need for higher limits… and higher limits they get with business credit.

This is another reason it's very hard to scale a business using personal credit only.
Plus, business credit can be obtained VERY fast. You can get approved for initial vendor credit to help your business grow within one week. That credit will typically report within 30-90 days.

Once reported you will then have reported tradelines which in turn give you an established business credit profile and score.

Once your profile is established in 90 days or less, you can then start getting real useable revolving store credit cards.

Within 120-180 days you can then get real cash credit such as Visa, MasterCard, Discover, and AMEX credit you can use anywhere.

No Financials… No Problem!

Business credit is perfect for startups. Most conventional and private lenders won't lend to companies without financials and who have been open two years or more.

The most popular cash flow type of financing requires one year in business and steady revenue. Most consumer credit card approvals are based on personal income. But with business credit, even a startup can get loads of new credit without any of these items.

<u>Business credit is perfect for businesses who don't have or want to show financials.</u> Let's face it, we write off all expenses in a business we can. This leaves a smaller net profit, which is what most lenders and investors look at most.

Business credit doesn't look at financials, or bank statements. A business even with no cash flow can be approved for high limit cards, helping them grow their cash flow. And tax returns aren't looked at either, so even if the business shows a loss they can still be approved.

Most business lending requires collateral. This is because most businesses fail, and the risk of repayment of lent money is VERY high. This is why most conventional lenders make it so hard to get money; they aren't setup for this type of risk.

This is also why SBA requires ALL business assets, and even personal assets, be used as collateral. Business credit is one of the only ways to get money without providing collateral to offset the risk.

The Steps to Building Business Credit

EVERY highly successful business in this country has business credit. Most of these companies used their business credit to get as big as they are today.

But contrary to what many believe, business credit is NOT only for big companies. ANY company can build business credit!

Big companies are typically the ones who enjoy the benefits of business credit the most because they have CFOs who know how to obtain and use business credit, where most small businesses don't.

But ***YOU absolutely CAN get your hands on the exact same credit these larger companies have***… if you know <u>the formula</u> to obtain it.

You can get vendor credit immediately, starting NOW. It'll take those accounts 30-90 days to report, giving you a profile and score.
With that profile and score you can then start getting store credit. And in a total of about 4-6 months after starting the process, THEN you can start to get cash credit.
90% of vendors in this country do NOT report the credit they issue you. This is why so many business owners think they have established business credit when they don't.
So you'll need to find vendors who DO report to the business credit reporting agencies.

This IS the hardest and most challenging part of building business credit. But once you get past this major hurdle, it's much easier to take the rest of the steps to get corporate credit.

You must start a business credit profile and score with ***<u>starter</u>*** vendors. ***<u>Starter</u>*** vendors are ones who will give you initial credit even if you have no credit, no score, or no tradelines now.

Most stores like Staples will NOT give you initial starter credit so DON'T even try applying.

Building business credit can be done as simply as finding the credit you want, apply without using your SSN, get approved, and start using your credit and PAY YOUR BILLS EARLY.

If you followed the steps you should be well on your way with establishing business credit.

Step 1… Obtain Vendor Accounts

When establishing business credit, there are actually three types of credit you can get:

- ***Vendor credit***, starter accounts that offer Net 30 terms.
- ***Store credit***, revolving credit cards available in retail stores.
- ***Cash credit***, revolving credit cards such as Visa and MasterCard that card issuers or banks approve you for.

You star with vendor credit or starter accounts that offer Net 30 terms, then you move on to store credit which are revolving credit cards available in retail stores, and finally you get cash credit which are revolving credit cards such as Visa and MasterCard that card issuers or banks approve you for.

The biggest mistake entrepreneurs make when building business credit is that they try to apply for store or cash credit first, and skip vendor credit.

But stores and banks will NOT approve a business owner for credit until their EIN credit profile and score are established. If you try to apply for store or cash credit without an established business credit profile and score, you'll be denied… 100% of the time.

You must get approved with vendors first who offer Net 30 terms. Then after you use those accounts and pay your bills the accounts will get reported to the business credit reporting agencies.

Then and only then will you have an established business credit profile and score. Once your business credit's established, you can start to get approved for store revolving credit next.

You should seek out vendors who will approve a business for credit, even if none is established yet. There are actually many vendor sources who are well known for this: Uline, Quill, Reliable, and Laughlin and Associates, just to name a few.

Starter vendors are ones who will give you initial credit even if you have no credit, no score, or no tradelines now. Most stores like Staples will NOT give you initial starter credit so DON'T even try applying. Check out some real starter vendors…

Laughlin Associates deals with corporate setup and compliance. They report to **Experian Business**. You'll only need your phone listed with 411 and an EIN number to get approved. This vendor account reports to the business bureaus in 30-60 days and offers you Net 30 Terms, even as a brand new startup business.

Quill Office Supplies offers office, packaging, and cleaning supplies. Their business credit account reports to Dun & Bradstreet. To get approved initially you must place an initial order of $50 or more, unless your D&B score is already established. You may actually need to submit 2-3 orders before getting the Net 30 account, but make sure you apply first to either get approved or declined. Then only if you are declined should you pay for the order, then try again following the same steps.

Gempler'sis a work supplies and products company. They report their business credit account to Dun & Bradstreet. To get approved place an initial order over $50 and select the "Invoice me" option. They will pull your business credit, and if you don't have much established they'll require you place some orders first. If not approved, pre-pay for order and keep purchasing $50 or more and choosing "invoice me" option until approved for Net 30 account.

Reliable Office Supplies sells office supplies and promotional products and reports to D&B, Experian, and Equifax.Place an initial order, and then request your order be invoiced or billed to your company and they will pull your credit. If not approved, keep ordering and requesting to be invoiced or billed. The more orders you place the better your chance of approval for Net 30

Uline Shipping Supplies sells shipping, packing, and industrial supplies and reports to D&B. You must have your DUNS number and they will ask for two references and bank reference. For the first few orders you might need to pre-pay to initially get approved for Net 30 terms.

To start business credit, you first should get approved for accounts with these vendors.

Some will require you purchase their products first and some will have you make three orders and pay before they'll issue you a line-of-credit. But all of the sources I listed will approve a brand new business, even if you have no credit now.

You'll want to insure you have a total of **five** payment experiences reported before you even think of applying for store credit. A payment experience is the reporting of an account to a business reporting agency.

So Quill, for example, reports to both D&B and Experian that means that one account will count as two payment experiences. Laughlin only reports to Experian, counting as one payment experience.

Once you have five payment experiences reporting, next you can start to secure revolving store credit cards for your EIN.

KEEP IN MIND, all applications will ask for your SSN but you do NOT need to provide your SSN on the application. If you do supply your SSN, they WILL pull your personal credit… and if it's bad you'll get denied.

When you leave the SSN field blank, they'll pull your business credit. And once they see that you have business credit established and at least five payment experiences reporting, then you'll start to get approved for store credit.

Make Sure You Monitor Your "Payment Experiences"

Building business credit is all about tradelines, or what's called "payment experiences". A payment experience is the reporting of an account to a business bureau so if an account reports to Dun & Bradstreet and Experian, it counts as two payments experiences. But if an account only reports to Experian, it only counts as one payment experience.

To effectively build business credit you have to be able to monitor your business credit reports to see these payment experiences being added
You'll need to see this so you know when it's time to apply for more credit to build your credit profile and score.

For example, you'll need to have five payment experiences before getting revolving store credit such as Dell, Best Buy, and Amazon. So you'll need to be monitoring your credit so you know when you have five reporting.

You should be monitoring your credit through Experian and D&B. You can go to their sites directly to enroll for credit monitoring.

You can also use a service such as Creditera to get a snapshot of your reports, but if things don't look right there you'd still need to get full reports from the bureaus.

Step 2… Business Store Credit Cards

Once you have five vendor accounts reporting to the business credit reporting agencies, next you can start to secure revolving store credit cards for your EIN. Most major retailers do offer business credit as well as consumer credit. Staples, Office Depot, Home Depot, Lowes, Target, Walmart, Costco, Sam's Club, Radio Shack, Best Buy, BP, Chevron, Amazon, Shell, and most other stores offer business credit.

Some sources like Home Depot might have more stringent approval requirements and want to see big revenue and three years in business for approval of no personal-guarantee credit. But most sources don't have these requirements, if you have business credit established.

WARNING!!! Do NOT put your SSN on the application. Do NOT apply for revolving store credit without having at least five payment experiences reporting to the business credit reporting agencies. If you do either of these, you'll be denied or you'll have to give them your personal guarantee.

KEEP IN MIND, all applications will ask for your SSN but you do NOT need to provide your SSN on the application.If you do supply your SSN, they WILL pull your personal credit and if it's bad you'll get denied.

When you leave the SSN field blank, they'll pull your business credit. And once they see that you have business credit and at least five payment experiences you'll start to get approved for established reporting, then store credit.

Most major retailers do offer business credit as well as consumer credit. Staples, Office Depot, Home Depot, Lowes, Target, Walmart, Costco, Sam's Club, Radio Shack, Best Buy, BP, Chevron, Amazon, Shell, and most other stores offer business credit.
Most stores will give you no PG credit, IF you have your business credit established.

The key is to have a credit profile and score established, or you won't get approved for no PG credit at stores or with banks.

Remember, a PG is needed when credit isn't established but once it is, you can get approved with most sources regardless of your size or time in business, except for a few exceptions.

Now you're starting to uncover the secret formula for business credit building, so let's revisit what NOT to do.

- Don't apply for store credit first, you'll get denied
- Don't start with cash or bank credit first, you'll get denied
- Don't put your SSN on the application to start your business credit building, they'll pull your personal credit and require a personal guarantee

How to Get Approved for a Dell Business Credit Card… With No Personal Guarantee

Dell is a computers and computer accessories business, and reports to **D&B.**

Dell's looking for a 75 Paydex or higher for approval. An 80 Paydex score reflects you pay your bills on time so to get approved you'll need to have your vendor accounts reporting, have an established profile and score with Dun & Bradstreet, and have your bills paid on time.
You should also be in business for six months to get approved, or they will typically then ask for your personal guarantee. Since you spent 90 days building vendor accounts, even if you just started your business you won't be forced to wait too long to get this account.

You really should have multiple accounts reporting to D&B with good scores, if not they'll want to see your personal credit for approval. This is why you building the vendor accounts is so important.

They will ask you for your company name, birth date, mother's maiden name, and ID numbers including your Driver's License # and EIN number.

To get approved you can call 800-999-3355 and ask for the Commercial Account department.

This is a revolving account, NOT a Net 30 account.

Also keep in mind, they usually issue VERY high limit accounts, but they'll also match your current limits so the higher vendor limits you have before applying the more credit you'll get.

How to Get Approved for an Amazon Business Credit Card… With No Personal Guarantee

Amazon.com is online shopping including books, and much more. It reports to **D&B, Experian**, or **Equifax**.

To get approved with no personal guarantee you must have an EIN number and be in business for three years but you CAN get approved not being in business for three years depending on the quality of your business credit profile. If you're a new business and have little to no payment experiences, they'll ask you for a PG.

But initially don't give them your SSN as you can get approved without a PG if you have good business credit reporting, multiple payment experiences, and good scores with D&B and Experian. If you were to give them your SSN, they would then also report your account to TransUnion.

Even if you have to go this route, this is still a great starter account that will really help you grow your business credit. You could then always cancel the account and re-apply again using your EIN once your business credit is more established… if you apply initially without having enough.

Credit limits are usually between $500-2,500 and all new accounts will get called back by Amazon.com to verify authenticity. The call will probably come from their underwriter which is GE Capital. This is a true revolving account, not a Net 30 account. How to Get Approved for a Walmart Business Credit Card… With No Personal Guarantee

Walmart is a retail Mega Super Store and reports to Experian or Equifax.

To get approved you should have business credit established with both D&B and Equifax. Your Paydex with D&B should be 75 or higher reflecting you pay your bills on time and apply without your SSN initially.

If you have enough multiple paid-as-agreed business accounts reporting you should get approved without a personal guarantee. If you don't get approved due to lack of credit, they'll then give you the option of re-applying with a personal guarantee.

To get approved you'll need to apply in a store or through fax and this is a revolving credit card, not a Net 30 account.

Step 3 Cash Credit

Once you have a total of **10** payment experiences reported to the business bureaus, then you can start to get cash credit cards. Cash cards are those issued by Visa, MasterCard, even AMEX, and are cards you can use anywhere, not just cards you can only use in one store.

It's recommended that at least one of your 10 payment experiences has a high limit of $10,000 or more before applying for cash credit. Dell is a revolving store source who regularly approves business owners with established business credit for an account with a limit of $10,000 or more.

Key Bank and Home Depot are two sources that offer revolving cash credit cards you can use most anywhere, many banks offer these also. Just keep in mind, before applying you MUST have at least 10 payment experiences… and one account should have a limit of $10,000 or higher.
When you follow these steps, your business can have an established business credit profile and score.

This profile and score can then be used to get you credit in your business name, regardless of your personal credit, and without a personal guarantee.
Then you'll want to continue building business credit, applying and getting more credit, using that credit, and getting approved for higher, and higher credit limits.

Business Lending Decoded

There are a lot of different financing options available today. There are so many options that you might not be sure where to start. Let's dive into some of the available options you have to see what works best.

Most business owners try to first apply for financing at their ***bank*** but according to the Department of Revenue, only about 1.1% of all business funding comes from ***conventional banks*** such as SBA loans. Your bank can help you with credit lines and loans, but you MUST have financials and good credit for approval.

Google "SBA loan approval checklist" to find this page https://www.sba.gov/content/business-loan-checklist. This list is all that you will need for conventional loan approval.

MOST business financing that happens today comes from ***alternative lenders***, NOT the big banks. These are lenders who have carved out "niches" in the business funding world.
They typically focus on only one aspect of your business to make a lending decision. If that one area of your business is strong, you can get approved even if you are weak in other areas. This is very different from SBA loans that look at the whole picture.

Alternative lending is much easier to secure than conventional loans and you can usually get approved and funded much faster also. The terms typically aren't as favorable as conventional financing, but you can often get approved when your bank would tell you "no".

I group alternative lending into **3 categories**, credit, collateral, and cash flow.

We have discussed several funding types that are available based on your credit.

Some use your business credit for approval while others use your personal credit for approval.

You can't go into your bank and get multiple business or personal cards. But there are lenders who focus on this type of financing only, and can get you ***multiple high-limit business credit cards*** that report to the business reporting agencies and have great incentives such as low intro rates. Remember, you must have good personal or business credit to be approved and you can be approved even if you are a startup.

Collateral based lenders are also called asset based lenders. They can approve you for money even if you have bad credit, and in many cases if you just opened your business. The key is you need acceptable collateral to get approved.

Acceptable collateral includes 401k and stocks, inventory, equipment, real estate, a book-of-business (insurance agents only), a car lot inventory, purchase orders and account receivables (if from another business), commercial signs and graphic wraps, and other viable types of business collateral.

Vehicles are depreciating assets and typically won't qualify. Rates and terms on collateral based funding are VERY good, sometimes better than conventional loans. It's not uncommon to get rates of 5% or less, even with bad credit. If you default, the lender just takes your collateral, so the risk isn't as high as with other types of business funding.

Most advances are forms of ***cash flow based*** financing. This is the fastest and easiest money you can get your hands on and you can get approved with bad credit and no collateral.

But you will need to show bank statements that prove you have over $10,000 in monthly deposits and at least six monthly transactions. You can usually get as much as 12% of your annual revenues advanced to you.

These are cash advances so the rates are not great, ranging from 8-45% depending on risk and you will usually be approved for a 6-18 month payback.

Once you prove yourself with your first advance, terms get MUCH better on future advances. This is why we find that over 70% of those who get their first advance come back and get more money ongoing.

There is A LOT of money available for business owners, more now than there has ever been in the past.You just need to know what type of financing to go after, once you know that you can more easily find what you need.

3 of The Most Popular Types of Business Funding

Credit lines are what most business owners want access to. They are also one of the hardest types of financing to qualify for. To get approved for real credit lines you must supply business financials in almost all cases

Financials include your business tax returns for 2-3 years. You might also be asked for P&L statements both current and projected, bank statements, a business plan, and more.

Your approval amount will be based on the profits you show on your returns and your tax returns also should show that you have increasing profits.

Your personal and business credit will be reviewed and both should be good to get approved. Lenders like to see that you have open credit lines now with very high limits. Approval amounts might also be linked to your existing limits now

Business loans are available at a lot of places including SBA loans offered from conventional banks. Many lenders also provide business loans and some other types of collateral based financing also offer loans such as book-of-business financing for insurance agents.

Many loans are for shorter terms, usually 3-5 years, and others might go as long as 20 years or longer.

Rates vary based on risk, with some being two percent over prime rate and others being as high as 10%. To get long terms loans you will almost always need financials, and in many cases collateral.

Merchant and revenue advances are becoming increasingly common in the business funding arena. These are just like cash advances in the consumer world. They are much easier to secure than loans and credit lines. In most cases you can get approved with no business financials being provided, including no tax returns.

Advances usually close very fast, within a week, when loans and credit lines take 30-90 days to close. The terms aren't as favorable on advances, but the scope of who qualifies is very broad.

Business Credit Cards Available for You Now

There are a few types of ***credit cards*** you can secure in the business funding world.

Most of these cards work exactly as consumer credit cards do, but with additional benefits. The provided benefits depend on the type of cards you are getting.

You can get credit cards for your business through Visa, MasterCard, AMEX, and discover that you can use them almost anywhere for almost any purpose.

These cards are secured by you having a good BUSINESS credit report and score; you usually need 10 payment experiences and a Paydex score of 80 or higher to be approved.

These card limits will mimic your highest business credit card account limits now. Rates are similar to consumer cards and no personal guarantee from you is required.

You can ***use your personal credit*** to get approved for real business credit cards instead of using your business credit. These accounts will require you to provide a personal guarantee.

To get approved you must have VERY good, near flawless personal credit with less than two inquiries in the last six months and utilization below 30%.

You can typically get five times the amount of credit of your highest limit reporting card now, this will come in the form of five separate cards and these cards usually only report to the business credit reporting agencies and offer intro rates of 0% for 6-18 months.

You can use your personal credit to get approved for real business credit cards instead of using your business credit. These accounts will require you to provide a personal guarantee.

To get approved you must have good credit, but you won't need as good a credit as Business Unsecured cards. You might need less than 10 inquiries in the last 90 days and utilizations can be near 60% and you can still get approved.

You can typically get five times the amount of credit of your highest limit reporting card now, this will come in the form of five separate cards.

Underwriting Timeframes and Due Diligence

The higher dollar amount loan or line you secure, the longer it will take to underwrite no matter what type of financing you are applying for.

Loans usually take 30-90 days or more. Credit lines usually take about 30-90 days or longer. Advances are very fast, usually can be secured within seven days or less. Credit cards usually take three weeks or less to secure.

All lenders will do a "due diligence" check on you and your application. They will look to see if you have other outstanding loans you neglected to mention on your application.

They will check to make sure your lease or mortgage is in good standing, they will look to see if you are going out of business and they will even look at your online reputation.

The purpose of this check is to find "hidden" risks that they couldn't find on the application and the other purpose is to see if you left information off of the application intentionally.

So make sure you disclose everything you are asked to, otherwise lenders WILL find out about it. These checks usually only take 1-3 days to complete.

Cash-flow Based Financing… Fast, Easy Money

From Wikipedia: *"**Revenue based financing or royalty based financing (RBF)** is a type of financial capital provided to small or growing businesses in which investors inject capital into a business in return for a percentage of ongoing gross revenues. Usually the returns to the investor continue until the initial capital amount, plus a multiple (also known as a cap) is repaid."*

Revenue based financing is often described as sitting between a bank loan, typically requiring collateral or significant assets, and angel investment or venture capital, which involve selling an equity portion of the business in exchange for the investment.

In an RBF investment, investors do not take an upfront ownership stake in the business. With this type of financing you are basically selling your future revenue for a fee (a discount).
Revenue based financing goes by many names:

- RBF
- Revenue based funding
- Revenue based loans
- Revenue financing
- Cash flow financing
- Cash flow based financing
- Cash flow loans
- Bank statements loans
- ACH financing
- Royalties based financing

Take a look at some actual Revenue Based Financing Advertisements:

"Cash Flow Financing… Do You Have 10K p/mo Gross Sales? Quick & Easy","Cash Flow Finance… Fast & Simple Online Application Need $150K+ in Sales, Profitable"

"How to get business financing when banks turn you down", "Bad credit business loans… 24 Hour Approval. No Startups Great Rates. Up to $500K Quick!"

"Fast small business loans… 24Hr Approvals. Online Application. Min $10K/Mo in Sales to Qualify!"

Qualifying for RBF… The Most Popular Form of Alternative Lending

Revenue financing is NOT a loan; it's an advance off of your revenue.

It's very similar to a cash advance in the consumer world where:

1. Your current pay is analyzed
2. You are then lent money based on the stability and amount of your pay
3. Then you have a short time to pay back what has been borrowed

With revenue financing the lender will look at two main forms of documentation: your bank statements, and your merchant statements, if you have a merchant account.

They'll also want to see a driver's license which is usually required, rent, lease, or ownership information for the property is also verified.

You can qualify even if you have a home-based business.

Lenders are looking for very specific requirements when qualifying you.

The bank statement is analyzed for consistent deposits **8-30** per month. Lenders do NOT want to see only a few big deposits. Instead they want to see many smaller deposits, such as a retail store would have not a real estate agent.

Positive ending bank balances are also important. If you don't have money left over each month now, lenders know it will be tough for you to pay them back so they are looking for positive cash flow each month.

They want to see that the bank account is managed responsibly, with little to no

NSF charges. They also don't want to see a lot of charge-backs which could reflect unexpected future expenses.

The longer time you have been in business the better your chances of being approved.

Most lenders require you to be in business for 12 months or more. There are some lenders who will lend you money if you have been in business for only six months. But in those cases they usually want to see compensating factors.

Personal credit is not a big factor of approval, but will tie into the terms you will pay.

Lenders often approve business owners with scores as low as 500. Lenders are most concerned with you being in current trouble such as an immanent bankruptcy or very recent liens and judgments.

If you don't have those types of issues you can get approved, even with recent collection accounts and late payments. This is one of the best types of financing to secure with credit issues.

How Fees Work for Revenue Based Financing…

Revenue based financing is not a loan, so there is no standard interest rate you will pay. Instead you are selling your future revenue for a "discount" fee.

For example, you might get a loan for $100,000. The lender then might charge a discount of 20% and your total payback would be $120,000.

If the lenders were to finance the $120,000 over 12 months, your payback would be $10,000 monthly.

Payments are withdrawn from your bank account ***DAILY***, usually Monday-Friday.

So you would payback $500 per day, Monday-Friday, until the total amount is paid back 12 months later.

The $500 is automatically deducted each day, so in many cases you won't notice it gone.

You will usually be given choices where you can pay more of a discount and get a shorter term or pay less of a discount and get a longer term.

Each option has a different daily payback amount. Usually the payback amount is 8-12% of the actual revenue.

What You Should Know About Revenue Based Financing

With revenue based financing, loan amounts vary based on the current revenue of your business.

You can usually secure as much as ***10-12%*** of your annual revenue.
So if you make $500,000 per year in revenue you could secure approximately $50,000.
Most loan amounts won't exceed $500,000 for most small businesses.
You must have at least $120,000 in annual revenue to qualify.

There are no upfront charges with revenue financing. You will be charged a discount based on risk.

This discount varies wildly based on risk factors. Rates commonly range from 8-45%, 20-30% rates are common and charges are tax deductible.

Factors that affect risk include:

- Time in business
- Bank account management
- Positive cash flow
- Industry
- Personal credit score
- If you have past successfully paid advances

Revenue financing is very easy and very fast to secure. Due to limited document requirements, you can get your initial approval within 24 hours. Once you sign the term-sheet a due-diligence process takes place for 24-48 hours.

During this process they are looking for potential issues such as: having outstanding advances you didn't mention, signs you are going out of business, and verification that your renting/owing arrangements are in good standing.

If due-diligence is good, you can close once this period expires, 24 hours to underwrite initially, 24-48 hours for typical due-diligence, 72 hours to get funding, and expect 7 days in case of unexpected delays .

SBA Loans and Qualifications

SBA Loans are the main types of business loan offered by most conventional banks. These are great loans for business owners who have what it takes to qualify. Keep in mind most business lending comes from alternative lenders who don't have these types of requirements.

But conventional banks and SBA really focus on offering loans with minimum risk to them. As a result, much more is required to get approved versus a conventional loan.

SBA has put together a checklist of what you'll need before applying. Check out some of the details…

To get approved for conventional loans you must have excellent personal credit, with no derogatory reported items, excellent bank credit keeping over $10,000 liquid in your accounts, and excellent business credit with a good Paydex score, typically 70 or higher

You'll need to have excellent financials that show good net profits increasing from year to year. You'll need to show you manage that cash flow good per your business and personal bank statements. And you'll need substantial collateral to offset what you're borrowing, sometimes equal to 100% of what's being borrowed.

Other items you'll need to provide for approval include: profit and loss (P&L) statement that must be current within 90 days of your application and include supplementary schedules from the last three fiscal years, and current and projected financial statements that include current and a detailed, one-year projection of income and finances and attach a written explanation as to how you expect to achieve this projection.

You'll also need…

- Original business license or certificate of doing business
- Loan application history which include records of any loans you may have applied for in the past
- Income tax returns that include signed personal and business federal income tax returns of your business' principals for previous three years
- Resumes for each principal
- Personal background information
- Business plan
- Business credit report
- An explanation of why the SBA loan is needed and how it will help the business

Per SBA pertaining to your personal credit report…*"Your lender will obtain your personal credit report as part of the application process. However, you should obtain a credit report from all three major consumer credit rating agencies before submitting a loan application to the lender. Inaccuracies and blemishes on your credit report can hurt your chances of getting a loan approved. It's critical you try to clear these up before beginning the application process."*

Notice, they mention it's critical to clean up any "blemishes" on your credit. You'll truly need EXCELLENT credit to get approved.

You also need to provide business lease, bank statements, and proof of collateral.

You'll also be asked to provide…

- Business bank statements
- Your lease
- Business licenses and registrations required for you to conduct business
- Articles of incorporation
- Copies of all contracts you have with any third parties
- And franchise agreements
- Proof of collateral

SBA are great loans if you meet the requirements for approval. But even if you don't, we can still help you obtain alternative financing even if you have credit issues, no collateral, or don't have cash flow for your business.

Asset Based Financing… The Lowest Terms of All Business Funding Options

If you have assets that can be used as collateral for business financing you have some AMAZING options available to you with great terms.

And, you can get great terms regardless of your personal credit in most cases.

Acceptable collateral for collateral-based financing include account receivables, stocks, bonds, and other securities, inventory, purchase orders, equipment, 401k, commercial real estate, floor plan and book of financing.

Account receivable factoring: 80% of your receivables can be advanced within 24 hours, the other 20% when the invoice gets paid. You need to be in business for one year or longer and your receivables must be from another business or the government. Interest rates range from 1.25-5%.
Securities-based credit lines: You can get 70-90% loan-to-value of stock or bond value. Rates are as low as 2-3% and you get a working capital line-of-credit.

Inventory Loans: If you have $300,000 in inventory you can get financing for up to 50% of your inventory value. Rates are normally 2% monthly on the outstanding loan balance. This is a great finance solution for retail stores, factories, and other businesses that have large amounts of inventory.

Purchase Order Financing: Get $5,000-500,000 in purchase orders paid. You can get up to 95% of your existing purchaseorders advanced to your suppliers through letters of credit.

Equipment Sale-leaseback: You can borrow against existing equipment you own IF you don't already have a lien. You should have a single piece of equipment that's valued at $10,000 or more to apply. Loan amounts go up to $2million.

401k Financing: Your 401k or IRA can be used as collateral for business financing. Rates are usually less than 5% and you can borrow as much as 100% of the current value of your 401k.

You are basically investing your 401k into your own business, instead of buying stocks in other businesses. There are no tax ramifications, and this is based on proven IRS strategies.

House-Flipper Financing: Get financing for up to 65% of the after-repair value of your investment properties and get the money you need to purchase and rehab the property. Your credit scores should be over 660, you should have flipping experience and you'll need to be liquid $25k or more to get approved.

Commercial Real Estate Financing: Get loans of $75,000-20,000,000 and get up to 55% loan-to-value for refinances of your commercial real estate. You can get 20-30 year loans with rates of 4-8% if your FICO score is 650 or higher. Conventional and SBA 504 loans are available.

Book-of-business Financing: This type of financing is exclusive for insurance agents only. Use the commissions from the book of business as collateral and get 3-5 year loans with great terms.

These are some of many asset and collateral-based financing options we have for your business. Contact us today to learn more.

Credit Based Financing… No Doc Funding that's also Perfect for Startups

In the business lending arena there are two main types of financing. Secured financing… this includes money that requires some type of asset be pledged as collateral for the loan. Unsecured financing… this includes money that doesn't require any collateral for approval.

Unsecured financing is financing that is not secured by any kind of collateral… meaning it is money that's "unsecured". Nothing is pledged as collateral for the debt. If the borrower defaults, the lender can pursue the borrower legally and their assets. But they don't have a right to just take certain assets just due to the default.

Per the Bureau of Labor and Statistics…1 out of 5 business fail within their first year of operation and within 5 years nearly 50% will have closed their doors. In **15 years, 75%** of businesses will have closed down… for good. Most businesses do fail… making the business lending space VERY risky.

With secured financing, the lender would just take back the asset that was pledged as collateral. This helps them quickly get back part of their loss. Since the risk isn't as high with secured financing, borrowers can often get really good interest rates… as low as 2-5%.

Unsecured financing is the most risky type of business lending because if the borrower defaults the only way the lender can get back their loss is to pursue legal action. Legal action can be very costly, and not something any lender wants to pursue. This is part of why unsecured financing is so high risk, and why some of the rates you'll see will be much higher than with secured financing.

Most banks offer unsecured business credit cards. Most of them do report to the consumer credit reporting agencies. They all require a personal guarantee from you. You can get approved usually for one card max as they stop approving you when you have 2 or more inquiries on your report.

Business Credit Cards You Should Consider

Take a look at some of the hottest business credit cards available today…

Chase Ink Plus… Get 50,000 points ($625) when you spend $5,000 in your first 90 days and no annual fee your first year with 15-24% APR, 19.24% cash advance.

Chase Ink Cash Business Card gives you5 points for every $1 you spend on office supplies, 2 points for every $1 you spend on gas and dining, 1 point per $1 everywhere else with13.24% APR, 24.99% cash advance APR. You can visit their site: https://creditcards.chase.com/ink-business-credit-cards/ink-cash-card

Capital One Spark Miles for Business, Spark Cash Select for Business, or Spark Miles Select for Business with 1.5-2 miles per dollar spent, 12.9-20.9% APR, 24.9% APR for cash advances. You can visit their site: http://www.capitalone.com/credit-cards/business/spark-miles/

American Express Simply Cash Business Card, The Enhanced Gold Rewards Card, the Blue for Business Card with 1-3 points per $1 spent and 11.24-19.24% APR, 23% APR for cash advances. You can visit their site: http://www.offers.com/americanexpress/simplycash/offer

All of these types of business credit cards do require good credit for approval… but we offer other programs that don't.

Reach out and let us know how we can help you get money for your business!

Unsecured Business Financing (UBF)… the Hidden Gem of Business Financing

Typically, when you apply for a credit card you put an inquiry on your consumer report. When other lenders see these, they won't approve you for more credit because they don't know how much other new credit you have recently obtained.

So they'll only approve you if you have less than 2 inquiries on your report within the last 6 months… and more will get you declined.
With UBF, you work with a lender who specializes in securing business creditcards.

This is a VERY rare, very little know about program that few lending sources offer. They can usually get you 3-5 times the approvals that you can get on your own. This is because they know the sources to apply for, the order to apply, and can time their applications so the card issuers won't decline you for the other card inquiries.

The result of their services is that you usually get up to 5 cards that mimic the credit limits of your highest limit accounts now. Multiple cards create competition, and this means you can get your limits raised typically within 6 months or less of your initial approval.

With UBF they actually get you 3-5 business credit cards that report only to the business credit reporting agencies. This is HUGE, something most lenders don't offer or advertise. Not only will you get money, but you build your business credit also. So within 3-4 months, you can then use your newly established business credit to get even more money.

The lender can also get you low intro rates, typically 0% for 6-18 months. You'll then pay normal rates after that, typically 5-21% APR with 20-25% APR for cash advances. And they'll also get you the best cards for points, meaning you get the best rewards.

Just like with anything, there are HUGE benefits in working with a source who specializes in this area… the results will be much better than if you try to go at it alone.

Approval limits will mimic that of your personal cards now. Approvals usually range from $2,000-50,000

You'll usually get 3-5 cards, so that means you can get up to 5 times that of your highest credit limit accounts now. Approvals can go up to $150,000 per entity such as a corporation.

You must have excellent personal credit now, preferably 700 + scores… the same as with all business credit cards. You shouldn't have ANY derogatory credit reported to get approved.

You must also have open revolving credit on your consumer reports now. You'll need to have 2 inquiries or less in the last 6 months reported.

All lenders in this space charge a 9-12% success based fee. You only pay the fee off of what you secure.
Remember, you get a ton of extra benefits and about 3-5 times more money with

this program than you'd get on your own… which is why there's a fee… the same as all other lending programs.

You can get approved using a guarantor. You can even use multiple guarantors to get even more money.

There are also other cards you can get using this same program. But these cards only report to the CONSUMER reporting agencies… not the business reporting agencies. They are consumer credit cards versus business credit cards.

They provide similar benefits including 0% intro APRs and 5 times the amount of approval of a single card but they're much easier to qualify for.

You can get approved with a 680 score and 5 inquiries in the last 6 months. You can have a BK on your credit… and other derogatory items.

These are much easier to get approved for than UBF business cards.

Contact us today to get business credit for your business.

4.

Building Business Credit…

With most business credit cards you need to have good CONSUMER credit to get approved. But what if your personal credit isn't good, and you don't have a guarantor?

This is when BUILDING BUSINESS CREDIT makes a ton of sense. Even if you have good personal credit, building your business credit helps you get even more money… and without a personal guarantee.

Business credit is credit in a business name, that's linked to the business's EIN number… now the owner's SSN. When done properly, business credit can be obtained with no personal credit check and no personal guarantee… something all other cards mentioned can't deliver.

Business credit is credit in a business name, that's linked to the business's EIN number… now the owner's SSN. When done properly, business credit can be

obtained with no personal credit check and no personal guarantee… something all other cards mentioned can't deliver.

How to Start Building Business Credit…

Most consumer credit starts with secured credit cards or an account that has a well-established co-signer but co-signed accounts and secured accounts really aren't popular or widely used in the business world. Most business credit starts with VENDOR accounts instead.

VENDOR accounts are accounts that typically offer terms such as Net 30, instead of revolving so if you get approved for $1,000 in vendor credit and use all $1,000 of it, you'd need to pay that money back in a set term… such as within 30 days on a Net 30 account.

A Net 30 account would need to be paid in full within 30 days

In contrast, a Net 60 account would need to be paid in full within 60 days. Unlike with revolving accounts, you have a set time you must pay back what you borrowed or the credit you used.

So to start your business credit profile the RIGHT way, you need to get approved for vendor accounts that report to the business credit reporting agencies.

Once you've done this, you can then use the credit, pay back what you used, and the account gets reported to Dun & Bradstreet, Experian, or
Equifax. Once reported, then you have trade lines, an established credit profile, and an established credit score.

Using your newly established business credit profile and score, you can then get approved for store credit, and eventually store credit… without needing to supply your SSN or personal guarantee.

This is possible because now your EIN credit profile is established, and can stand on its own. So if you leave your SSN off of the application, the credit issuer then pulls your EIN credit, sees a solid profile and score, and can then approve you for real revolving credit.
Contact us today to get business credit for your business.

5.

Getting Store and Cash Business Credit Cards…

You'll need **5 payment experiences** to start getting approved for revolving store credit cards using your EIN only for approval. These are credit cards at places like Best Buy, Lowes, Staples, Amazon, Dell, Apple, Walmart, and so on.

You'll then need a total of **10 payment experiences** to get approved for cash credit such as Visa and MasterCard type credit. And to get that cash credit you'll also need to have one of those payment experiences have a $10,000 limit or higher, at least to start getting nice limits on the cash credit you secure.

Once you have 5 payment experiences reported, you can then secure STORE credit cards. These are cards offered by most retail stores such as Office Depot, Staples, Lowes, Home Depot, Walmart, BP, Chevron, Sam's Club, Costco, Best Buy, Amazon, and more.

These types of business credit store cards usually have limits of 10-100 times that of consumer credit. They function the same as consumer cards, but they don't report to the consumer reporting agencies. They do report to the business bureaus, helping you further establish business credit

You can get approved with no personal guarantee in most cases. And with initial business credit established, you can get approved leaving your SSN off of the application. This means you won't be supplying a personal credit check for approval.

Once you have 10 payment experiences reported, then you can start getting cash business credit cards. These are cards with Visa, MasterCard, and American Express that you can use anywhere, not just in specific stores. There is no personal credit check or guarantee required for approval.

Contact us today to get business credit for your business.

6.

High-Limit Credit Lines

Some conventional banks and private lenders also offer high-limit credit lines. You might see limits of $50,000-250,000. These are the types of accounts that I see MOST business owners truly want.

Approvals require good personal credit and you must have good business tax returns for 2-3 years showing increasing profits. The NET revenue on your tax returns will be equivalent to the amount you can get approved for.

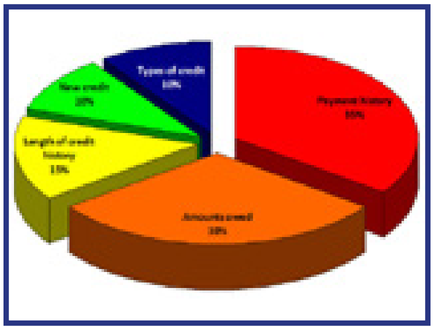
Some sources will require collateral, but most don't. You will need to supply a personal guarantee for approval.

Credit Lines and Credit Cards function almost the exact same. One big difference is that credit cards offer reward points and intro rates of 0%, credit lines typically don't. But you can use credit lines to get cash advances at much lower rates than with credit cards.

Also credit lines are single accounts with a higher limit, where as credit cards usually have lower limits… but you can get more cards. Having a higher limit and low rates for cash advance are the main benefits. But this is more of a FULL DOC program, where as other cards we've mentioned are more NO DOC.

Contact us today to get high-limit credit lines for your business.

Your FICO Score… How it Works and How to Control It



FICOis a business analytic software company. They are based in San Jose, California. FICO was founded by Bill Fair and Earl Isaac in 1956. Their FICO score has become the main credit score used to determine consumer credit risk.

FICO was founded in 1956 as Fair, Isaac and Company. William Fair was one of the original founders and was an engineer by trade.

Earl Isaac was another founder and was a mathematician by trade. The two met while working at the Stanford Research Institute in Menlo Park California. In 1958, FICO pitched their first credit risk analysis system to 50 American lenders.

FICO went public in 1986 and is traded on the New Your Stock Exchange under the ticker symbol FICO. The company debuted its first general-purpose FICO score in 1989.

Scores are based on credit reports and range from 300 to 850. Lenders use the scores to gauge a potential borrower's creditworthiness.

Fannie Mae and Freddie Mac first began using FICO scores to help determine which American consumers qualified for mortgages bought and sold by the companies in 1995.

Originally called Fair, Isaac and Company, this name was changed to Fair Isaac Corporation in 2003.
The company rebranded again in 2009, and is now called FICO, making their name the same as the signature FICO score they offer.

Originally it was based in San Rafael California. They moved to Minneapolis Minnesota in 2004. They then moved back to San Jose California in 2013.

The FICO Score… What You Should Know

The most widely used credit score is the FICO Score.

The FICO score is a mathematical model that is used to depict a consumer's risk of going 90 days late on an account within the next 24 months.

Lenders use the FICO Score to help them make billions of credit decisions every year. FICO calculates the FICO Score based solely on information in consumer credit reports maintained at the credit reporting agencies. FICO credit scores range from 300 to 850.

That FICO Score is calculated by a mathematical equation that evaluates many types of information from your credit report, at that credit reporting agency.

By comparing this information to the patterns in hundreds of thousands of past credit reports, the FICO Score estimates your level of future credit risk.

You have ***three FICO credit scores***, one for each of the three credit bureaus: Equifax, TransUnion, and Experian. Each FICO Score is based on information the credit bureau keeps on file about you.

The FICO Score from each credit reporting agency considers only the data in your credit reports at that agency.

Your credit score may be different at each of the main credit reporting agencies. If your current scores from the credit reporting agencies are different, it's probably because the information those agencies have on you differs.

If your information is identical at all three credit reporting agencies, each FICO Score should be very close.

For your FICO Score to be calculated, your credit report with the bureau from which you want your score must contain enough information, and enough recent information, on which to base your credit score.

Generally, that means you must have at least one account that has been open for six months or longer, and at least one account that has been reported to the credit reporting agency within the last six months.

Finally!!! The Answer to Why You Have So Many Credit Scores

There are MANY different credit scores out there. There are credit scores consumers can pull themselves through credit monitoring, mortgage scores, auto scores, and many more.

There are actually over 16 different credit "scorecards" that exist today with FICO alone. Each of these scorecards will reflect different credit scores. These scorecards are designed to help particular industries better gauge credit risk.

The mortgage industry for example is more concerned with a consumer's past mortgage history than anything else. So they weight home loan history heavier into the total score calculation than other accounts.

So a consumer's credit monitoring score might be 660, but then when they apply for a mortgage their score might be much lower due to some past negative mortgage accounts on the report. Their mortgage score might even be higher than their consumer score if they have past positive mortgage accounts.

A credit score that a consumer pulls themselves will not be the same as their ***Mortgage Industry Option Score***, the scores lenders and brokers use to access mortgage default risk.

Their mortgage score won't be the same as their auto score that car dealers pull either which is knows as the Auto Industry Option Score, because the auto score weighs past auto history heavier into the score makeup versus consumer scores.

These different credit scorecards are designed to help specific industries better determine risk. Due to there being so many industries that offer credit, there are also just as many credit scores available.

Plus, different scores are offered by different companies creating even more credit scores. FICO is the biggest provider of consumer credit scores.

But now even the credit bureaus themselves are in the credit scoring game providing their Vantage score.

The Credit Bureau's Secret Credit Score

Vantage Score is the credit bureaus' own credit score, designed to compete with FICO.

Vantage Score was unveiled by the three bureaus on 14 March 2006. All three main credit reporting agencies use the same formula to calculate the Vantage Score.

Vantage Score has scores as high as 990 while FICO scores can only be as high as 850. So even though a 700 FICO score reflects good consumer credit, a 700 Vantage score reflects below average personal credit.

Here are Vantage Score 2.0 risk levels: "A" credit scores range from 900–990, "B" credit scores range from 800–899, "C" credit scores range from 700–799, "D" credit scores range from 600–699, and "F" credit scores range from 501–599.

Obviously, scores going up to 990 versus FICO scores going up to 850 have created an issue with lenders. This is one of the main reasons that Vantage Score hasn't become widely accepted.

So the bureaus have now changed their score range with Vantage Score 3.0 which was released in 2013. With the new Vantage Score scores only go as high as 850, mimicking the FICO top score.

How Credit Scores Are Calculated - The Inside Scoop

Fair Isaac and Vantage Score hold their credit scoring formulas as a close secret much like the formula for Coca-Cola or your grandma's legendary double chocolate-chip cookies.

This can be very frustrating for consumers when they see remarks on the credit report like "too many revolving debt accounts" and not knowing exactly what that means.

Fortunately, Fair Isaac and Vantage Score have issued some public information about how they calculate credit scores.

Payment History: The top rated factor for both models is payment history. This is because lenders want to know a person's payment history past and present.
This category can be broken down into three subcategories:

Recency – This is the last time a payment was late. The more time that passes the better.

Frequency – One late payment looks a heck of a lot better than a dozen, and Severity –A payment 30 days late is not as serious as a payment 60 or 120-days late. Collections, tax liens, foreclosures, repossessions, charge-offs, and bankruptcies are credit score killers.

You can improve this aspect of your score by paying your bills on time. Also, the more accounts you have paid as agreed to offset the ones you don't will also help your score.

So if you do have late payments reporting on your credit, you can offset these by adding new positive accounts and making sure you have a lot of accounts you are paying as agreed to offset the accounts not paid as agreed.

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How much is owed: The score looks at the total amount owed on all accounts as well as how much you owe on different types of accounts (mortgage, auto, etc). Using a higher percentage of the credit limits will worry lenders and hurt the credit score. People who max out their limits have a much greater risk of default.
Utilization: When it comes to revolving debt-credit cards, the formula looks at the difference between the high limit and balances. For example, let's say your customer has a MasterCard with a credit limit of $10,000 and they have spent $2,000 of it.

This is a 20% utilization ratio. <u>The lower the ratio, the higher the credit score.</u> So, if you are looking for a quick credit score boost, pay down any accounts you can.

With FICO, 30% of your credit score is based on utilization, while 35% is based on payment history. Utilization is the 2nd highest weighted aspect of your scores. This means if you are over utilizing your revolving accounts you can damage your scores as much as if you were paying your payments late each month.

Anything over 30% of your limit being used will lower your credit scores. Adding credit cards to your report with high limits can also SIGNIFICANTLY and quickly raise your scores, sometimes as much as 100 points or more.

One more important tidbit, CLOSED ACCOUNTS do not help and can hurt if there is a balance remaining. A long perpetuated myth has been to close accounts that are not in use but this will hurt consumers in several ways.

As you now know, overall and individual account utilization plays a major role in credit scoring. If consumers close old accounts, your overall utilization rate will increase which will cause their score to decrease.

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Length of credit history / Depth of credit: This is less important than the previous factors, but it still matters. It considers (1) the age of the oldest account and (2) the average age of all your accounts.

It is possible to have a good score with a short history, but typically the longer the better. Young people, students, and others can still have high credit scores as long as the other factors are positive. With FICO, this is the 3rd largest aspect of the score calculation.

If a person is new to credit then there is little they can do to improve a credit score. No newly added accounts can be back-dated to improve this score aspect.

You can get added as an authorized user to a family member's account that has been in long-standing, and that can improve this aspect of your score.

Average age of accounts is another important reason to keep all accounts open. If a consumer has multiple accounts that they've had for some time but don't use, they are still benefiting from the average age of the accounts open in their credit file. Also make sure you use each of your accounts at least once every six months.

Credit issuers must reserve the money offered in credit limits for their clients' use, so they don't like having accounts sitting dormant that are not making them money, if an account sits dormant for a long enough time, many creditors nowadays will cancel the account due to inactivity.

Additionally, credit reporting agency will calculate an account as inactive if there has not been any activity in the most recent six month period of time, an inactive account does not benefit your score as much as an active account.

New Credit / Recent Credit: New credit is not always a bad thing. However, opening new accounts can hurt a credit score, particularly if a consumer applies for lots of credit in a short time and doesn't have a long credit history. The score factors in the following: How many accounts the consumer applied for recently, how many new accounts the consumer has opened, how much time has passed since the consumer applied for credit, and how much time has passed since the consumer opened an account.

The model looks for "rate shopping." Shopping for a mortgage or an auto loan may cause multiple lenders to request your credit report many times each, even though a person is only looking for one loan. Auto dealers are notorious for running 3 to 15 credit reports. This is called shot gunning the credit.

Luckily, to compensate for this, the score counts multiple auto and mortgage specific inquiries in any 30-day period as just one inquiry. The specific calculation for cut-off dates and types is confusing; we will go over that in detail in upcoming chapters.

For most people, a credit inquiry really won't have an impact on your credit score. Groupings of inquiries WILL adversely affect your scores. However, inquiries can have a greater impact if you have few accounts or a short credit history.

Large numbers of inquiries also mean greater risk. According to MyFico.com, people with six inquiries or more on their credit reports are eight times more likely to declare bankruptcy than people with no inquiries on their reports.

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Types of credit you use / depth of credit: Both models want to see a healthy mix of credit, but they are vague on what this means. They recommend you have a balance of both revolving debts like credit cards and installment loans like auto loans or a mortgage.

The preferred number of credit cards reporting is three. You shouldn't have more than two mortgages reporting. More than two auto loans are too much. Installment loans also score better if you have two or less.

Here again is how your FICO score breaks down: **35%** of your score is based on payment history, **30%** of your score is based on utilization, **15%** of your score is based on length of credit history, **10%** of your score is based on new credit or inquiries, and **10%** of your score is credit mix.

FICO 9… What You Should Know…

FICO's newest credit score is known as FICO 9. This new score includes many changes from prior FICO models.

One change is that medical collections are no longer scored the same as regular collections, they are weighted much less. FICO anticipates that a consumer with the median credit score of 711 whose only negative collection issue is medical-related will see their score increase by 25 points.
Other changes to the model will better gauge the ability of a consumer who has a limited credit history, known in the business as a thin file, to repay a prospective debt. These types of people might not have a score in the past, but will now with the new version.

Non-traditional credit, such as your residential rental history, will be taken into consideration. This means that consumers who have little to no credit history but pay rent on time will get a boost.

Paid-off and settled collections will be ignored with FICO 9. Under the previous FICO model, if you let an account go into collection, your credit score would take a hit for as long as that collection is on your credit report (seven years).

Now, as long as the collection has a zero balance, it will be ignored. This is HUGE as paying off collections used to actually prolong how long the account stayed on your reports and resulted in more damage.

5 Quick Tips to Raise Your FICO Score

Check out these tips to raise your FICO credit scores:

Pay your bills on time and beg for forgiveness if you pay late.

Have lots of positive credit on your report, and make sure you are using it at least every six months, don't forget a good credit mix.

Have open credit cards, three preferably, and keep your balances very, very low. Also, get the highest credit limit accounts you can get.

If your credit file is new, get added as an authorized user but only on a FAMILY MEMBER's account.

Do NOT apply for too much credit all at once unless buying a car or home, then you need to do your shopping within a 30-day time period.