

Business Loan Approval Checklist

Use this checklist to make sure you're fully prepared before applying for a small business loan. It reflects what most lenders evaluate when reviewing applications. Being organized, transparent, and proactive gives you the best chance of securing favorable terms.



Time in Business

At least 2–3 years in operation is preferred. If less, prepare to show stability through contracts, customer history, or consistent growth.



Monthly Revenue

Use a dedicated business bank account and ensure all true revenue is effortlessly identifiable, stable, and easily verifiable.



Cash Flow Health

Demonstrate ability to cover loan payments plus a buffer for unexpected costs using a cash flow forecast or monthly statement summary.



Use of Funds

Define a clear, ROI-positive use of funds. Ideal: hiring, inventory, equipment, or marketing expected to generate more than the cost of capital.



Credit History

Check and monitor both personal and business credit reports. Be ready to explain any negative items and highlight responsible recent behavior.



Industry Risk Mitigation

Understand how your industry is viewed by lenders and proactively explain how your model reduces risk (e.g., contracts, recurring revenue, etc.).



Outstanding Debt

Avoid stacking. Be transparent about current loans and provide a schedule or payoff plan. Show responsible debt management.



Clean Bank Statements

You'll need to provide at least 3–4 months of statements, possibly up to 12. Make sure they demonstrate good stewardship. Avoid overdrafts, ATM deposits, and unexplained transfers. Keep them business-only and easy to interpret.



Legal & Organizational Documents

Ensure you have a valid EIN, business license, articles of incorporation/organization, and operating agreements—ready and up to date. Also be sure your Secretary of State filing is up to date.



Your Business Story

Tell your story clearly and confidently. What makes your business special? Where are you headed? Why now? Connect the loan request to your growth vision.



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