



SOCIAL MEDIA POSTS

1

A *Limited Liability Company (LLC)* is a form of business whose owners enjoy limited liability, but which is not a corporation. A limited liability company is a flexible form of enterprise that blends elements of partnership and corporate structures. An LLC is not a corporation; it is a legal form of company that provides limited liability to its owners. LLCs do not need to be organized for profit.

In certain US states, businesses that provide professional services requiring a state professional license, such as legal or medical services, may not be allowed to form an LLC but required to form a very similar entity called a *Professional Limited Liability Company (PLLC)*.

A *Limited Liability Company (LLC)* is a hybrid business entity having certain characteristics of both a corporation and a partnership or sole proprietorship (depending on how many owners there are). An LLC, although a business entity, is a type of unincorporated association and is not a corporation.

The primary characteristic an LLC shares with a corporation is limited liability, and the primary characteristic it shares with a partnership is the availability of pass-through income taxation. It is often more flexible than a corporation, and it is well-suited for companies with a single owner.

2

Shelf corporations are not looked upon unfavorably by regulators, lenders, or the business reporting agencies. Many say they are unethical, borderline illegal, and some call them a fraud.

From Dun & Bradstreet... "It is unclear whether it is legal to use shelf corporations to access credit. It is clear, however, that this is a deceitful, unethical maneuver that serious entrepreneurs should avoid." If the credit bureaus learn about the company being under new management, they will list it on their reports, effectively "re-aging" the company.

"Shell and shelf companies can be created domestically or in a foreign country. Shell and shelf companies are often formed by individuals and businesses to conduct legitimate transactions.

However, they can be and have been used as vehicles for common financial crime schemes such as money laundering, fraudulent loans and fraudulent purchasing. By virtue of the ease of formation and the absence of ownership disclosure requirements, shell and shelf companies are an attractive vehicle for those seeking to conduct illicit activity.” FDIC Special Alert, April 24, 2009.

3

Many lenders now look at the bank account start date as the corporation start date. Most shelf corporations don't come with established bank accounts. Some shelf corporations have actual credit problems making it harder to get funding, not easier. Most lenders know what to look for to see if the corporation is a shelf corporation. Things like your business Bank Rating could tip them off. Public records also show the change in ownership which raises red flags.

4

Many business owners think they have items reporting on their business credit reports that really aren't reporting. But over 90% of trade vendors don't report to the business credit reporting agencies. So chances are good that the negative information you think is on your report might not even be there.

5

You might have already heard of the FCRA. The Fair Credit Reporting Act outlines consumer's rights to dispute inaccurate information on their credit reports. But it's essential to know that this law does NOT apply to business credit repair. There are currently no laws which outline business owner's rights regarding credit disputing.

6

If you see accounts or details you don't recognize or you feel are inaccurate on your business credit reports, request a debt validation for that account using a debt validation letter. A debt validation is where you solicit the creditor for verification of the account details they are reporting. They will typically send you back details of your account that they are reporting. The FCRA and the fair debt collections practices act apply to consumer debts, not business debts. So you can send a debt validation letter, but the creditor is not required by law to respond to your dispute.

When sending a debt validation request, your request must be sent to the creditor in writing. Also insure you dispute the debt with the credit reporting agencies if the creditor doesn't respond to your request. If no response is received within 30 days of mailing the letter directly to the creditor, then you should then dispute the account

with the business credit reporting agencies.

7

iUpdate from Dun & Bradstreet provides US based small businesses and non-publicly traded companies convenient access to D&B's information on their business. Registered users can view, print, and submit updates to their D&B Business Information Report.

8

Equifax business also has an online system for credit disputing that they provide through their online credit monitoring platform in their member center under "Disputes".

Keep in mind, the business credit reporting agencies may not be allowed to release the name of the person making the negative reference on your report. REMEMBER, you don't have the same rights as you do with consumer credit reporting as there is no fair

9

Business credit scoring is based on how you pay your bills. If you pay the majority of reported accounts on time or early, you will have a good score. Most business owners have little to no credit reporting. So, even one negative account can have a BIG impact on their business credit score.

It is essential that you continuously build your business credit profile just as you do with your consumer credit. One of the best ways to battle negative information on your report is to offset it with LOTS of positive information. So continuously build your business credit profile just as you do with your consumer credit.

10

A corporation is a separate legal entity that has been incorporated either directly through legislation or through a registration process established by law. Incorporated entities have legal rights and liabilities that are distinct from their employees, shareholders, and members, and may conduct business as either a profit-seeking business or not-for-profit. Despite not being human beings, corporations, as far as the law is concerned, are legal persons, and have many of the same rights and responsibilities as natural people do.

11

SBA loans are also tough to qualify for because the lender and SBA will evaluate ALL aspects of the business and the business owner for approval. To get approved all

aspects of the business and business owner's personal finances must be near PERFECT to ever get approved.

12

Private money financing includes Equity Investors, Private Financing and Crowdfunding. Contribute money in exchange for a percentage of equity, or ownership, in your company. Think Shark Tank, percentage of ownership based on risk, typically 20-60% is a viable option for startups as no tax returns are typically required, the "idea" might be enough to attract an investor. Investors will want to see value, such as a product with patents. In many cases they would prefer to see a tested and proven concept over just an idea.

Private money often serves as SBA fall-out financing for loans that are close, but can't qualify for SBA. Collateral is required, although often only 10-30%. Tax returns are required for two years, so no startups. An Executive Summary is required. Lenders are looking for average credit of 650 +. Loans can be in the millions, even billions of dollars. Loan times take 30-90 days to close and receive funds. Interest rates are usually 7%+ depending on risk.

13

Crowdfunding is another great financing option for small businesses. With Crowdfunding you use the collection of finance from backers—the "crowd"—to fund an initiative. Crowdfunding models involve a variety of participants including the people or organizations that propose the ideas and/or projects to be funded, and the crowd of people who support the proposals. Crowdfunding is then supported by an organization (the "platform") which brings together the project initiator and the crowd.

Crowdfunding allows good ideas which do not fit the pattern required by conventional financiers to break through and attract cash through *the wisdom of the crowd*. If it does achieve "traction" in this way, not only can the enterprise secure seed funding to begin its project, but it may also secure evidence of backing from potential customers and benefit from word of mouth promotion in order to reach the fundraising goal.

14

You can use collateral you already have to qualify for collateral based financing. Acceptable collateral includes account receivables, stocks, bonds, and other securities, cash-on-hand, inventory and purchase orders. Acceptable collateral also includes

equipment, 401K, some real estate and book of business.

15

Doing Business As (DBA) denotes a business name used by a person or entity that is different from the person's or entity's true name. Filing rudiments vary and are not permitted for some types of businesses or professional practices. DBAs can be sole proprietorships or can be used by corporate entities to reserve "brand names", such as those of chain stores owned and operated by a holding company or other "umbrella".

The phrase "doing business as" (abbreviated DBA, dba, d.b.a. or d/b/a) is a legal term used in the United States and Canada, meaning that the trade name or fictitious business name under which the business or operation is conducted and presented to the world is not the legal name of the legal person(s) who actually owns the business and is responsible for it.

16

The Equifax Business Failure Score predicts the likelihood of a business failure through either formal or informal bankruptcy within a 12-month period. The Equifax Business Failure Risk Score is built using financial services and trade payment data, providing a higher degree of predictability. The score range is from 1,000 - 1,880 and it returns up to four reason codes, 0 indicates a bankruptcy.

17

Equifax's payment index value is a dollar-weighted indicator of a business's past and current payment performance based on the total number of financial and non-financial payment experiences in the Equifax Commercial database. On the report, there is a chart shown that provides a suggested interpretation of the Payment Index value.

18

Equifax's proprietary model for business credit scores looks at many factors to derive the score, several of which are not displayed on the summary report. Factors include, but are not limited to an increased trend in delinquency, the presence of derogatory public records on the business profile, such as liens, judgments and bankruptcies, an increase in the number of credit inquiries, the number of accounts on file, balances outstanding, payment habits, credit utilization and related trends over time.

19

Crowdfunding websites helped companies and individuals worldwide raise \$89 million from members of the public in 2010, \$1.47 billion in 2011, \$2.66 billion in

2012, and \$1.6 billion of the 2012 amount was raised in North America. In 2012, more than one million individual campaigns were established globally and the industry was projected to grow to \$5.1 billion in 2013.

20

Dun & Bradstreet is the biggest and major business credit reporting agency. Commonly known as D&B, the agency provides information on businesses and corporations for use in credit decisions. Dun & Bradstreet is a publically traded company with a headquarters in Short Hills New Jersey, and trades on the New York Stock Exchange.

21

Dun & Bradstreet has a massive presence worldwide. Of over 200 million records they had on file in 2012, they reported over 54 million were from Europe while only about 33 million were from North America. Another 12 million records were from Latin America, while only 27 million records were from Asia Pacific .The lowest volume of records on file was in Africa, with only about 1.1 million records on file, and the Middle East, with only about 1 million records on file.

22

A corporation may be either a Subchapter S Corporation or a C corporation. An S corporation is a corporation that makes a valid election to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code. In general, S corporations *do not pay any federal income taxes*. Instead, the corporation's income or losses are divided among and passed through to its shareholders. The shareholders must then report the income or loss *on their own individual income tax returns*.

23

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.

24

ChexSystems is an information sharing network for banks, to help banks screen account applicants.

25

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.

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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.

26

Incorrect information reported to ChexSystems could prevent you from opening another bank account.

27

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.

28

LexisNexis is a huge company that provides a variety of information types to a variety of corporate and government customers.

29

In addition to providing information for screening in the areas of employment, health care, insurance, and other key areas, LexisNexis is also the primary source through which the credit bureaus obtain and verify public records. LexisNexis obtains public record information electronically through PACER, and also has field workers who input data directly from courthouse records.

30

Good business credit will save you money. Your business will save money on loans, credit cards, lines of credit, and even insurance. How much might it cost you in the long run to ignore business credit? It could add up to thousands.

31

Keep your business credit and finances separate from your personal credit and finances to the greatest extent possible. It should go without saying: mixing the two can mess up both your business life and your personal life. So keep these two financial worlds separate.

32

If your business doesn't have a credit report yet, it means that you haven't taken important steps to build your business credit yet.

33

If a particular supplier doesn't show up on your business credit reports, it probably means that they are not reporting your payment history. Not all suppliers and vendors report credit, and some that do fail to do it consistently. If you're building business

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credit, every bit of positive reporting will help your cause. You may want to send a letter to your suppliers asking them to report.

34

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.

35

Building credit for a business is rather simple at the core of it. Sure, there are details. But the process isn't rocket science, and is perfectly achievable for those willing to put forth the necessary effort.

36

The number one thing that your banker won't tell you is that the credit scores they use are not the credit scores that are available to you. Banks use multiple credit scores in determining your creditworthiness for loan and account purposes. Unfortunately, the scores they use are NOT the same scores that you can purchase online through the credit bureaus' websites.

37

A 2012 Consumer Finance Protection Bureau (CFPB) study analyzed 200,000 credit files from the "big 3" credit bureaus, comparing the lender FICO scores for each report with the "educational" credit scores provided directly by the credit bureaus. The result? About 1 in 5 consumers got scores that were different enough to place them in two different categories. In some cases the score differences were dramatic.

38

The Vantage score is a collaboration of the major credit bureaus with a stated goal of a more accurate and standardized grading system, and (arguably) an unstated goal of replacing FICO scores altogether and capitalizing on the credit scoring marketplace.

39

The FICO Score is made up of these factors: Payment History: 35%, Amounts Owed: 30%, Length of Credit History: 15%, Types of Credit: 10%, Recent Credit (incl. inquiries): 10%

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40

The Vantage Credit Score is made up of these factors: Recent Credit: 30%, Payment History: 28%, Credit Utilization: 23%, Account Balances: 9%, Types of Credit (“Depth”): 9%, Available Credit: 1%

41

Approximately 10% of people actually read the terms and conditions of their credit card accounts. That means as many as 90% of credit card users don’t know the true details behind their own credit cards!

42

Vendor credit is a very useful type of unsecured credit for businesses, both for managing cash flow and for building credit. Most vendor credit accounts have terms of 7, 10, 15, or 30 days. Some longer terms do exist, and there are even revolving vendor credit accounts that don’t have to be paid in full each month.

43

In 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.

44

A fixed interest rate can still go up. The credit card company must give you notice, but they can still raise your fixed interest rate to a higher one.

45

Make sure that all business loans and credit accounts are in the business name, and that the business name is consistent across all accounts and government agencies. You want to consistently use the same name and information on all accounts, and get as many vendor credit and other accounts as possible in the business’s name.

46

Don’t close unused revolving credit card accounts, your credit limits and credit utilization can affect your ability to get credit. If you close, say, an unused business line of credit with a \$5,000 limit, you may inadvertently hurt your credit by making it look as if you’re using up more credit and therefore in worse financial shape!

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47

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.

48

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.

49

You can use real estate, revenue, and other business assets to qualify for specialized funding to help you get money for your business

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Many of our clients obtain \$50,000 in business credit within only 6 months

51

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.

52

SBA backs, or insures about 80% of the loan while the lender lending the money takes on about 20% or so of the risk

53

With Securities Based Loans you will continue to receive the benefit of any dividends, interest or capital appreciation

54

Business credit with no personal credit check or guaranty is available through Shell, Sam's Club, Costco, Radio Shack, and more

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- 55 The longer 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.
- 56 There are no application fees and no out-of-pocket costs with Merchant Cash Advances
- 57 Equipment financing leverages your equipment as collateral for the debt
- 58 The type of corporation you list, type of ownership, and years in business all factor in to getting you APPROVED for business credit
- 59 When applying for business credit it is essential that your phone number is listed in places the creditors will look.
- 60 Knowing which of the thousands of creditors to apply for and in which order to apply are essential when applying for business credit
- 61 Securities Based Loans are NON-recourse, and not recorded and the borrower retains full beneficial interest
- 62 With Receivables Financing you are selling your outstanding invoices to a factoring company
- 63 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.
- 64 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.
- 65 Equipment Leasing is one of the most common types of equipment financing available today

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- 66 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.
- 67 The real secret to business credit is getting approved for credit with vendors who will report to the business reporting agencies
- 68 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.
- 69 Experian's business credit reports include uniform Commercial Code filing information, Banking, insurance and leasing information
- 70 Over 90% of all business owners know nothing about business credit or business credit scores
- 71 With a good business credit profile, even if you have personal credit issues, you can still qualify for business funding
- 72 Crowd funding is similar to angel investing as investors don't require any principals returned or interests paid
- 73 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.
- 74 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.
- 75 Having finance options makes it easy for you to obtain financing based on the strengths of your business while ignoring the weaknesses

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- 76 With 401k financing you can lower business overhead while aggressively growing your retirement account
 - 77 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.
 - 78 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.
 - 79 The Paydex score assess a business's lending risk much the same as a consumer credit score reflects a consumer's individual credit risk
 - 80 Though many companies have had difficulties getting approved for business loans, private equity financing has always been available
 - 81 Most business owners have not heard of a DUNS number, Paydex score, Intelliscore or Duns and Bradstreet.
 - 82 Entreprenauer.com reported that less than 10% of business owners have any knowledge whatsoever of business credit
 - 83 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.
 - 84 There is no FCRA in the business world, so lenders will never disclose to you that they pull your business credit when you apply for business financing. But they DO pull your business credit!!!
- Just think, you are applying for money for your business, and your business has its own credit profile and score. So of course they will want to see how the business pays

its bills on top of how you do as the owner.

Not having established business credit makes you look like a rookie, a startup, a “non-established” business. This will lead to denial so insure you have at least 5-10 reported accounts and that you are paying them as agreed.

85

With business credit established you can qualify for more loans, leases, and government contracts

86

When applying for business credit insure your office phone number listed with 411

87

You actually have three types of credit: Personal Credit, Business Credit and Bank Credit. All three should be good to give you the best chance of approval.

88

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.

89

When a business issues another business credit, it's referred to as trade credit

90

As a business owner you can review the credit standing of your own business and take steps to build your corporate credit file

91

Business credit is one of the best kept secrets in business, and can be one of your company's most valuable assets

92

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.

93

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.

94

Most major companies including most major Fortune 500 companies utilize some form of Accounts Receivable Financing

95

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.

96

By using equipment financing you can keep your normal cash flow and avoid the major expense incurred by purchasing the equipment outright

97

Business credit doubles your borrowing ability while lowering your risk

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As you utilize your business credit you get approved for higher credit limits, and more unsecured credit with Visa and MasterCard

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99

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".

100

There are 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.

101

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) and other viable types of business collateral.

102

Merchant Cash Advances and Merchant Lines of Credit are perfect for businesses who process credit card payments

103

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.

104

SBA backed Loans are still one of the most popular financing options available today

105

Per the Bureau of Labor and Statistics, 1 out of 5 businesses 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.

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106

In 1997 the British band Marillion even funded their entire tour through crowd funding

107

When applying for business credit insure you have a business website and email setup

108

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%.

109

With equipment financing you can deduct the interest you pay on the lease and you won't need a large down payment to be approved

110

If you accept credit cards for your clients, a merchant advance can be the perfect way for you to obtain a lot of money fast

111

With UBF, you work with a lender who specializes in securing business credit cards. This is a VERY rare, very little known 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 that 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 five 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.

112

Experian's business credit model is designed for companies that provide goods and services to small businesses

113

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.

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114

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 tradelines, an established credit profile, and an established credit score.

115

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.

116

Experian provides both consumer and business credit risk models, but there are considerable differences between the two

117

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.

118

Purchase order funds can commonly be delivered within a week after approval, and interest rates and terms are typically very good

119

The Data Universal Numbering System (DUNS) is a business identifier code provided by Dun and Bradstreet

120

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.

121

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, whereas 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.

122

The DUNS number is a randomly assigned number issued by Dun & Bradstreet is used to identify the business

123

Accounts Receivable Financing increases your cash flow by providing an advance of cash against the value of your outstanding invoices

124

One main benefit of business bank accounts is that you can easily delegate responsibilities such as making deposits because it's easy to add on other people to the account.

125

Crowd funding is a great financing source for new startup businesses who have a limited budget

126

80% of U.S. businesses use equipment lease financing to acquire equipment for their businesses

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- 127 Setting up a business bank account is one of the first things any business should do. Here's the actual order of setting up a new business:
1. Setup your entity such as your LLC or corporation
 2. Get your free EIN number from the IRS
 3. Use your corporation papers and EIN to setup your business bank account.
- 128 Modern usage of the DUNS number typically omits dashes, and shows the number in the form such as 150483782
- 129 Most Angel investors choose to spread their risk out over many people and many businesses to insure they get a safe return
- 130 To build business credit, make sure you pay business bills that report to the business credit reporting agencies ahead of the due date
- 131 With over 250,000 active angels in the country you may want to consider an angel investor network for private funding
- 132 It's essential you setup your business bank account quickly because many lenders and credit issuers see your bank account setup date as the date your company really opened, its start date.
- They used to look at your entity inception date, but due to so many "fake" company setups such as shelf corporations, now your bank account is what's used for your business inception date in many cases.
- 133 Merchant Cash Advances use your past and current credit card history to determine how much financing you can be approved for
- 134 Experian's business credit reports include Bankruptcy filings, Judgment filings, Tax lien filings
- 135 Dun & Bradstreet is the primary company used to evaluate business credit and issue a credit score known as Paydex

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- 136 More than 50 global, industry, and trade associations recognize, recommend, or require the Dun & Bradstreet DUNS number
- 137 Every legitimate financing and funding option available for your business is in one place with us
- 138 Your business credit score is only based on 1 factor, how have you paid your accounts over the last 12 months
- 139 It's easy to setup a business bank account, even if you've defaulted on personal bank accounts before and are in ChexSystems.
- 140 Every bank has a service they'll recommend to get checks for your business bank account.

On your first order, they might try to charge you \$150+ but BE CAREFUL as you won't need all that they "package" in with your checks.

Usually on your first order they'll give you a starter kit with a binder, deposit bag, company stamp/seal for endorsements, and other perks.

You do NOT need all of this and can order most of it online much cheaper anyways. Also watch out for the amount of checks they're giving you, and start with as few as you can, you might not want or need 250 or more to start.

Not only should you not pay these absorbent fees for the checks, but you can also skirt past most bank fees by finding a free or nearly free business checking account.
- 141 Merchant Advance Loans are a great source of capital for your business
- 142 Unsecured funding is where the bank will lend you money or approve you for a credit line with no security required
- 143 The secret to business credit is to work with the vendors and merchants who report to the appropriate business credit reporting agencies

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144

Here's a pretty cool article about getting a free business checking account: <http://www.nerdwallet.com/blog/banking/find-free-business-checking-account/>

145

A business can secure more business credit quickly as long as it has a minimum of one bank reference and an average daily account balance of at least \$10,000 for the past three months. This yields a "Bank Rating" of Low-5 (meaning an ADB of \$5,000 to \$30,000).

A lower rating, say a High-4, or balance of \$7,000 to \$9,999 won't put a stop to the business's application, but it will slow down the approval process.

This rating is the average minimum balance maintained in the business bank account over a three (3) month period. A \$10,000 balance will rate as "Low 5", \$5,000 rates as "Mid 4", \$999 rates as "High 3" and so on.

The main goal should be to maintain a minimum "Low 5" bank rating (\$10,000) for at least 3 months. Unfortunately, without at least a "low 5" rating, most banks will assume the business has little ability to repay a loan or a line of credit.

146

Building excellent business scores means you have many accounts reporting as paid-as-agreed

147

You can get money for your business quickly by borrowing against your future credit card sales

148

To be approved for business credit your approval is sometimes based on the exact number of employees you claim on your application

149

Bank credit is not only based on monthly deposits, balance rating, and check history, but also includes: the age of the account, the bank products the business uses, and any savings account or investments the business has.

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A DUNS number is sometimes formatted with embedded dashes to promote readability, such as 15-048-3782

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151

The secret to success with business credit is to start building credit with vendors who report to the business credit reporting agencies

152

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.