

Your Business Acquisition Loan Checklist

A step-by-step checklist to ensure you're fully prepared for loan approval.

Acquiring a business is a major investment, and securing the right financing is crucial. This checklist will help ensure you have all the necessary documents and steps completed before applying for a business acquisition loan. By preparing in advance, you can speed up the approval process and improve your chances of getting the best financing terms.

1. Personal Financial Documents

- Personal Credit Report - Ensure your credit score is 680+ to qualify for competitive loan options.
- Personal Tax Returns (Last 3 Years) - Lenders review tax returns to assess financial stability.
- Bank Statements (Last 3-6 Months) - Demonstrates cash flow and financial health.
- Personal Financial Statement (PFS) - Summarizes your net worth, liabilities, and assets.

2. Business Financial Documents (For the Business Being Acquired)

- Profit & Loss Statements (Last 3 Years) - Evaluates the business's profitability.
- Balance Sheets (Last 3 Years) - Provides insight into the business's financial position.
- Business Tax Returns (Last 3 Years) - Verifies revenue and tax compliance.
- Business Debt Schedule - Details outstanding loans and financial obligations.
- Year-to-Date (YTD) Financial Statements - Shows current financial standing.

3. Business Acquisition Documents

- Business Purchase Agreement - Signed agreement outlining purchase price and terms.
- Letter of Intent (LOI) - A non-binding agreement showing buyer's intent to purchase.
- Valuation/Appraisal Report - Determines the business's fair market value.
- Owner's Resume & Experience - Demonstrates industry experience and ability to run the business.
- Business Plan - Includes financial projections, market analysis, and growth strategy.
- Revenue Projections (3-5 Years) - Supports loan approval by forecasting financial growth.

4. Collateral & Legal Documents

- Collateral Documentation - Details on assets used to secure the loan.
- Entity Formation Documents - Includes Articles of Incorporation, Operating Agreement, or Bylaws.
- Business Licenses & Permits - Verifies legal compliance.
- Lease Agreement (If Applicable) - If the business operates in a leased space, lenders require lease verification.

5. Loan Application & Lender Forms

- SBA Form 1919 - Borrower information form (if applying for an SBA loan).
- SBA Form 413 - Personal financial statement required for SBA applications.
- SBA Form 159 - Disclosure of loan-related fees.
- Lender Pre-Approval Letter - Indicates your eligibility for financing.

Final Steps: Submitting Your Application

Once you have completed this checklist, submit your loan application through a trusted lender. Typical approval timelines range from 30 to 90 days, so be prepared for follow-up requests from your lender.

Need Help? Contact Us!

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