

SBA Loan Checklist - Business Acquisition Guide

Your Step-by-Step Guide to Preparing for SBA Loan Approval

Use this checklist to ensure you have all necessary documents and requirements in place before applying for an SBA loan to acquire a business. Proper preparation will speed up the approval process and increase your chances of securing funding.

1. Personal Financial Documents

- Personal Credit Report - Ensure your credit score is 680+ for better approval odds.
- Tax Returns (Last 3 Years) - Personal federal tax returns for all business owners with 20%+ ownership.
- Bank Statements (Last 3-6 Months) - Helps lenders verify cash reserves and financial stability.
- Personal Financial Statement (PFS) - Outlines your assets, liabilities, and net worth.

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

- Profit & Loss Statements (Last 3 Years) - Demonstrates profitability and cash flow trends.
- Balance Sheets (Last 3 Years) - Shows business assets and liabilities.
- Tax Returns (Last 3 Years) - Verifies revenue and tax compliance history.
- Business Debt Schedule - Lists all outstanding business debts.
- Year-to-Date (YTD) Financial Statements - Provides an updated financial snapshot of business operations.

3. Business Acquisition Documents

- Business Purchase Agreement - Signed contract outlining the purchase price and terms.
- Letter of Intent (LOI) - If applicable, an initial agreement between buyer and seller.
- Valuation/Appraisal Report - Determines the fair market value of the business.
- Owner's Resume & Experience - Demonstrates industry experience and management capabilities.
- Business Plan - A crucial document including financial projections and marketing strategies.
- Revenue Projections (3-5 Years) - Helps lenders assess future growth potential.

4. Collateral & Legal Documents

- Collateral Documentation - If required, details on any assets securing the loan.
- Entity Formation Documents - Articles of Incorporation, Operating Agreement, or Bylaws.
- Business Licenses & Permits - Ensures compliance with industry regulations.
- Lease Agreement (If Applicable) - If the business operates in a leased space.

5. SBA Loan Application & Lender Forms

- SBA Form 1919 - Borrower information form required for all SBA loan applicants.

- SBA Form 413 - Personal financial statement used to assess financial position.
- SBA Form 159 - Fee disclosure form required by the SBA.
- Lender Pre-Approval Letter - Shows eligibility for SBA funding.

Final Steps: Submitting Your Application

Once all documents are ready, submit your application through an SBA-approved lender. The process typically takes 30-90 days, so be prepared for lender follow-ups.

Need Help? Contact Us!

Email: info@boomerbizloans.com

Website: <https://boomerbizloans.com>