

CHAPTER 1

Powerful Business Financing Methods for Your Success

You want to start, or buy, a business of your own. And you need money to get started in your own business or income real estate! How can I say this? ***Because you're reading this book.*** And, as a reader of my book, you're my friend. I'm here to help you get the money you need to start, or buy, a business or real estate property of *your* choice.

When I talk to, or about, ambitious people such as yourself, I refer to them as *beginning wealth builders* (BWBs from now on). In each chapter of this book I'll be your BWB mentor and I'll show you dozens of ways to get the money you need for your chosen business or—in later chapters—income-producing real estate. In some cases I'll even consider being an investor or private lender for your business or real estate.

And if you're an *experienced wealth builder* needing money, I call you an EWB. I'm also here to help you as much as I help BWBs find the money they need, in 30 days or less.

So let's get started getting you the business money you need as quickly as possible—even with not-the-best credit. In showing you how to get the money you seek, I'll introduce you to some unusual methods. Please don't ignore them because they ***do*** work! They've worked for thousands of people around the world. And—hopefully—they'll work for you, too.

Smart Borrowing Techniques for Any Business

You've heard, I'm sure, the expression, "Knowledge is power." The concept that knowledge is power can easily be applied to getting the money you need for your business. "But how do I get the knowledge to get the power?" you ask.

Your answer is simple. You become a part-time "loan student." Why? Because you can get more loans for yourself if you become a part-time loan student who learns as much as possible about the art of getting business and/or real estate loans. In your part-time study you'll learn to use smart borrowing techniques. These techniques are given throughout this book. And these methods give you powerful, clever, and adroit ways to get loans for yourself. What are some of these techniques? They are:

1. **Apply to lenders** who make your type of loan. Don't go to a real estate lender for a business loan!
2. **Know in advance** that your chosen lender *is* lending. Some lenders stop lending for a few days when they're waiting for the loan demand to change.
3. **Keep your money request in line** with your lender's guidelines. Don't ask for \$10 million when the lender's top loan is \$5 million.
4. **Type, or prepare on computer**, all loan documents. Doing so increases your chances for approval by 25 percent. How do I know? Because I'm both a public and private lender dealing with business loans every day of the week. I spent years as a loan officer for a large lender, approving millions of dollars in loans to people just like yourself. Typed loan applications always get more attention, sooner, from myself and loan officers at every type of lender!
5. **Don't bug your lender for a fast answer.** Allow the lender time to evaluate your loan application and make a decision.
6. **Accept your lender's terms** for the loan. Don't haggle over a one-quarter point difference in interest rate. And don't try to stretch the term of the loan. Accept the term (number of years for loan payback) and plan on extending the loan after a few years of on-time payment history, if you want to reduce your monthly payments. Any lender will be glad to work with you at that time!

7. **Repay your loan on time**—and in full. If you can make a few advance payments, do so. Then if you're a month late on a payment you won't be penalized. Further, your "late" payment won't go on your record because it is really early for the following month!
8. **Inform your lender** of any address or name changes. When lenders feel that you want to keep them informed about your business, their opinion of you soars. This makes getting your next loan a lot easier!
9. **Be ready to have your lender offer you** a new loan, or extended terms on your current loan, after you've made your 24th payment on a 60-month loan. Accept the offer if it makes financial sense to you. If it doesn't, politely tell your lender you'd like to stay with your current terms because you're so happy with their excellent services. They'll love you!

In my work as a professional and private lender adviser I've seen hundreds of capable BWBs get loans using the techniques listed here that they learned as a part-time loan student. You, too, can do the same. Or you can consult this book and its author, who is a full-time loan student who can help you get the business loan you need, using these techniques.

Find Lenders Having Borrower-Sympathetic Terms

We all know what a sympathetic person is—someone who listens to us and helps us with our problems. So suppose, good friend of mine, that *you* could find a sympathetic lender. This would be a lender whose terms might be sympathetic, such as:

- **Personal loans** and business loans from the same lender.
- **Fast approvals**—often in just one day.
- **No collateral needed** for many of the loans made.
- **Paperwork** of the usual type is not needed.

Wouldn't such a lender delight you? I'm sure it would. Working with such a sympathetic lender to get your business loan would be a pleasure, instead of a pain. You could obtain your business loan sooner, with less paperwork and fewer explanations.

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And what's more, such lenders sometimes offer an affiliate program in which you can recommend its services to potential borrowers (including yourself). You'll receive a nice fee when that borrower obtains a loan from the lender.

To be eligible to become an affiliate of such a lender:

- **You must** have an Internet site of a type approved by the lender.
- **You must** run a banner ad supplied by the lender on your Internet site.
- **You must** obey certain simple, and logical, rules the lender sets for you.
- **You must** sign an agreement to abide by the lender's business rules.

These requirements are simple and are normal in any business relationship. Thus, when you agree to borrow from, or represent, another business, that firm:

- **Expects you** to behave in an acceptable business manner.
- **Expects you** to respect its history and its long-established procedures.
- **Expects you** to use its applications and other materials in the way its employees do.
- **Expects you** to treat its employees and customers politely and fairly at all times.

Given these simple requirements and the sympathetic views of such lenders, how should you act toward these lenders to obtain the loan you seek? Here are winning steps to find and get your loan from a sympathetic lender:

1. **Look for lenders** who feature in their print and online ads the sympathetic terms listed earlier. You'll find such lenders in the *International Wealth Success (IWS) Newsletter*, described in the Appendix.
2. **Find out which type of loan** your sympathetic lender prefers to make by calling the lender on the phone.
3. **Tailor your loan** to the sympathetic lender's terms.
4. **Give the lender** all the info requested. Don't hold back. The lender wants to make a loan to you.

Deal with a sympathetic lender and expect to get the results you seek.

That's what a sympathetic lender wants to do for you—make the loan you seek!

Become a Loan Expert to Get Your Business Loans

You've heard the saying, "If you can't beat them, join them!" This is what you can do when you're trying to get a business loan for yourself. So how can *you* "join them" to get your loan? You can:

1. **Become** a loan originator for a local lender.
2. **Become** a finder for loans for yourself and clients.
3. **Become** a financial broker for client business loans.

Let's look at each way you might "join them" to get your business loan while becoming a loan expert.

Become a Loan Originator

As a loan originator you can expect to perform the following important and knowledge-building tasks that will blow your mind with business loan data:

- **You find borrowers** (including yourself) in your area for business loans for a local lender, such as a bank.
- **You act as an independent contractor;** you are not on the lender's payroll. All your expenses are paid by yourself.
- **You will earn a commission** on each loan closed for a person (including yourself) that you send to your lender.
- **Your commission can vary.** But the typical payment you'll receive is 40 percent of the lender's loan fee. The lender pays you your commission.

As a loan originator you will get an inside look at how business lending works. You will see which loans are approved, and you'll see which ones are rejected. With your insider's know-how and expertise you will learn how to tailor your business loan for fast approval.

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Become a Loan Finder

Work with a variety of lenders—both local and distant. As a finder:

- **Your commission** is paid by your client borrower. Lenders rarely pay finders a commission.
- **You're an independent contractor** working only for yourself and your clients.
- **You can earn much higher commissions** as a finder because the loan deals tend to be larger than those for loan originators.
- **You can work** nationally or internationally as a finder.

As a finder you quickly learn who's lending for what kinds of businesses all over the nation. This valuable information can give you the know-how you need to get the business loan you seek.

Become a Financial Broker

Raise money for companies, help with financing mergers and acquisitions, take a company public. As a financial broker you have a much wider role than as a loan originator or finder. Again, you gain priceless information on who's lending for what kinds of businesses. With a few deft strokes on your loan application you can get the loan you seek.

Become a loan expert and get your business loan sooner, with fewer challenges. Learn what the "ideal business loan is" and make your loan that loan!

Here's a letter from a reader describing his experience as a financial broker:

After reading the materials I ordered from you I decided I was interested in becoming a financial broker. I started part-time and within 90 days I placed my first loan. It was for a real estate deal for just \$24,000, but I received 8 percent, or \$1,920. This wasn't too bad for the first time.

(By letter from Virginia)

Another reader writes:

I want to thank you for getting me started as a financial broker. I closed my first deal for a \$32,000 commission. I was working with another broker in a co-broker arrangement and realized \$16,000 with a 50/50 split. Thank you for your personal service and many books. Using ideas from your books, I bought and rehabbed my first property using the HUD 203(k) program. I got one loan that covered the cost of purchase and rehabbing.

(By letter from North Carolina)

Get an SBA Guarantee for Your Business Loan

The Small Business Administration (SBA) guarantees loans made to small businesses, such as the one you want to start or buy. Your loan is made by a bank or other SBA-approved lender.

The SBA does not make the loan itself; instead it guarantees a large portion of your loan. Hence, your lender is happy to make your loan. Why? Because if you fail to repay, the SBA repays your lender. It's a win-win for your lender.

Four types of SBA loan guarantees could help you get your business loan faster today. The four guarantees you should look into for your business loan are:

- **The basic 7(a) loan guarantee** that can go as high as \$2 million with a fixed or variable interest rate. For your working capital loans, the maximum term (duration) of your loan will be 7 years. Loans for your business equipment, such as machinery, and for your business real estate have a maximum term of 25 years. The interest rate on these loans is tied to the prime rate. The 7(a) loan is great for a business in which you have a factory and machinery.
- **The SBAExpress loan** guarantee covers your business loans up to \$350,000 and can be for a revolving line of credit. The

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turnaround time for your decision (yes/no) is 36 hours—hence the name *Express*. These loans are made for a variety of business purposes.

- **The SBA Microloan Program** provides guarantees for your business loans up to \$35,000, with the average loan being \$13,000 at this writing. Loans are made to you by local lenders, with the decision being made by your lender.
- **LowDoc Loan** guarantees are for loans requiring a minimum of paperwork (usually just one sheet on two sides). Such loans are usually smaller than the 7(a) loans and are made for your business start-up or purchase.

You must, of course, qualify for any SBA-guaranteed loan. But most lenders will be more considerate of you when you apply for an SBA-guaranteed loan because the lender has the solid security of the government guarantee on most of the loan.

SBA makes a number of other loan guarantees. These include Export Working Capital Loans, International Trade Loans, Export Express, and many others. You should look into the many loan guarantees available to you by calling the SBA at 1-800-827-5722, or go to the SBA web site at www.sba.gov. You can also contact a local SBA office in your area. See your telephone “Government” pages for its location and telephone number.

My company, IWS, Inc., buys the guaranteed portion of SBA loans as an investment. Why? Because the interest rate is higher than for certificates of deposit (CDs). Further, the government guarantees repayment of the loan!

If you’re interested in having us buy the guaranteed portion of your loan (through a brokerage house), you might find it encourages your lender to make the loan to you. Call me to discuss. You’ll find full information on how to contact me in the last paragraph of Chapter 8.

Crack the Secret of Good Business Loans for Yourself

There’s a little-known source of loans for business and real estate that you should know about. In some cases this source also makes grants for moneymaking business and real estate activities. This source? Your

state, county, or city economic development department. The name may vary from one region to another, but the function of the group is the same—to encourage business and income real estate development within the borders of the entity.

Let's take a quick look at some of the types of loans made by various state and county economic agencies. Not all agencies make every type of loan you'll find in the following list, but most of them make many different types of business and income real estate loans you might need:

- **Small business loans.** These loans can range from \$50,000 up to \$1 million, depending on the agency making the loan and how much you need.
- **Minority, women, veteran, and disabled borrower loans.**
- **Energy conservation** (often called *green*) loans and solar energy loans.
- **Export-import loans** for various types of active businesses.
- **Pollution-control loans** for air, stream, ground, and environmental impact loans of various kinds.
- **Seasonal line of credit** for businesses needing quick funds.
- **Short-term lending** for businesses needing quick loans for pressing needs.
- **Business and industry** loan programs for machinery, personnel training, raw materials, advertising, hiring new help, and so on.
- **SBA loans, 7(a)** general loans, disaster loans, export loans, micro loans, and so on.
- **Farm loans** for both beginning and experienced farmers.
- **Real estate loans** for factory, industrial, office, and similar buildings.
- **Plus many other types of loans** for businesses in the area served by the agency.

So how can you, good friend of mine, get one of these loans? Contact your state, county, and city economic departments. If you can't find yours, contact me, as a subscriber to one of my newsletters. We'll find the agencies in your area and give you their name, address, telephone, fax, and e-mail address in just a day or two. Remember that your "asset" is being a local business that's entitled to the type of help previously listed.

To Get Needed Business Money, Go for a Specific Loan

“And what do you mean by a *specific loan*?” you ask. A specific loan is one you get for a named purpose, such as:

- **Purchase of** new machinery for your business.
- **Acquisition of** a truck, airplane, or ship for your business.
- **Improvements for** your factory building or space.
- **Inventory** that you have marketing plans for selling.
- **Purchase of a factory,** warehouse, office building.

Why do we suggest you apply for a *specific* loan? For several important reasons, all of which benefit you:

1. **When you apply for a specific,** defined loan, your lender knows exactly what you want.
2. **Lenders for specific loans** are specialists and they can quickly see if your loan will “fly”—that is, be approved.
3. **Since all lenders want to make loans** (that’s their job in life), your loan officer can advise you how your loan application can be improved so it has a greater chance of being accepted.
4. **You increase your loan approval chances** by dealing with a lender that knows your field of business and can offer help to you.

So how can you find lenders for specific loans? You take a number of simple steps, namely:

1. **Write out the type of loan you want to get.** Be specific; use one of the reasons shown earlier, or a variation of it. Thus: You want to buy a new vehicle for your business use. Or: You want to buy inventory to sell. Remember: A lender won’t be too interested in talking to you if you don’t know the specific type of loan you seek.
2. **Write out the amount of money you need.** Try to name your amount in round numbers. We lenders (yes, I am a private lender and I’m the director of a large lending organization) think in round-number terms. Thus, lenders fully understand

your needing a \$100,000 loan. But if you ask for \$98,450, as some borrowers do, a lender will be puzzled and his/her thinking will be delayed. Likewise with \$846,237 as opposed to a simple \$850,000, which any lender can understand in a split second.

3. **Search in any of the sources listed in the Appendix of this book** for lenders making your specific type of loan. Or you can call me as a subscriber to one of our two newsletters, and we'll prepare—free of charge—a list of lenders for *your* loan.
4. **Use the lender's loan application.** Your loan officer is familiar with it and knows where to look for the “goodies”—the reasons for *approving* your loan application. If what he/she wants to see is in your loan application, you have an excellent chance of having your specific-need loan application approved quickly.

Why 100 Percent Financing Is Good for You

When you get 100 percent financing for your business you do not put up any of your own money to buy, start, or expand your business. Thus, you:

1. **Do not draw money out of** your checking or savings account to pay for the business.
2. **Do not sell any assets**—such as stocks, bonds, real estate—to raise money to pay for the business you're buying or starting.
3. **Do not take cash out of** any present holdings to provide the money needed to buy or start your business.

Instead of taking any of these steps, or any others in which you use your own hard-earned money, you:

1. **Borrow the money you need** for the down payment or start-up funds for the business you plan to buy or take over.
2. **Keep your bank accounts** exactly as they are, not removing any money from them to buy the business.
3. **Use OPM—other people's money**—for the down payment and long-term loan for your start-up or purchase costs.

Remember this: With 100 percent financing you usually have two loans: (1) your down payment loan, which is usually 25 percent of

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your purchase price or start-up cost; and (2) your long-term loan, which is usually 75 percent of the purchase price or start-up cost.

“Does 100 percent financing really work?” you ask. It surely does. And 100 percent financing has worked for years. It’s a way for you to get started in your own business when you have little or no start-up or purchase funds. Thus, one reader writes:

We started our newest venture, a vocational school, using your ideas. We ran one ad in a local medium-size-city newspaper for a 6 percent loan with a 5 percent finder’s fee. We got two \$100,000 offers within one week.

(By letter from Ohio)

The reasons why 100 percent financing is good for you apply to almost everyone:

- **You get started sooner** than if you waited to save up the same amount of money for your down payment or start-up funds.
- **You can often borrow more** than you can save from your salary or other income. Thus, some banks now offer a \$100,000 line of credit on their credit cards. Having one of these cards allows you to tap into a relatively large sum of money. With access to funds like this you can get started fast!
- **You work harder at your business** to repay the money you borrowed. Your business then has a better chance of being successful.
- **You improve your credit** as you pay down your loan. Your improved credit means you can borrow more money for your next deal, making future OPM easier to get! Yes, 100 percent financing *does* work! And 100 percent financing can make you rich!

Get Business Loans Using Your Credit Cards

One of the easiest ways to get business loans today is to use your credit card lines of credit. Why is this? Because many credit cards

offer very large lines of credit to BWB card holders. There are many advantages to using these lines of credit:

- **Credit cards may offer a minimum of \$5,000** with a maximum of \$50,000 on personal credit cards.
- **Business credit cards offer you** lines of credit from \$15,000 to \$100,000.
- **Your application** for your business credit card is simpler than for a loan for an equivalent amount of money.
- **You can often obtain** several credit cards with high lines of credit, thereby increasing your overall business borrowing power.
- **You never have to say** what you will use the money in your line of credit for, making it easier for you to get the business money you need.
- **The interesting aspect of all this is that** a bank that refuses to make you a business loan of \$50,000 may be gladly willing to issue you a business credit card having a \$50,000 line of credit!

So how can you get the business, or personal, credit cards you need? The answer is simple, and here it is:

1. **Start with a plan** showing how many credit cards you'll need to give you a total line of credit equal to the amount of loan money you seek.
2. **Find banks or other credit card issuers** in your area that offer business or personal credit cards with suitable lines of credit.
3. **Call, write, or e-mail local card issuers.** Ask for their credit card application. You *must* use the card issuer's application. They will *not* accept another card issuer's application.
4. **Make copies of the application to work on.** Why? Because you want your final application to be beautiful—clean, neatly typed, with a professional appearance that shouts "Approve!"
5. **Talk to your card issuer** on the phone, or in person. Tell him/her that you want to discuss your application *before* any credit checks are made. Why? Because you want to avoid excessive credit checks since they can lower your credit score. Insist on this with your contact person at the bank. Almost all will respect your request and wait until they've seen your application. And that's what you want!

6. **Alter your application** if your contact at the card issuer suggests that you do so. Follow any pointers you're given to improve your application. Doing so will raise your chances for approval enormously. *Remember:* A dollar from a credit card line of credit is the same as a dollar from a loan!

Use Rented or Borrowed Collateral for Business Loans

People like you, with great ideas for a business, may sometimes have less money than ideas. Right? So how can you, or a friend of yours you want to help, get the money needed to start or buy a good business? Here's a way that has worked for many years:

1. **Borrow or rent collateral** that you can pledge for a loan you need, paying a one-time borrowing or rental fee.
2. **Your rental fee** will typically be 5 percent of the amount of the loan the collateral allows you to obtain. Thus, if you get a \$100,000 loan using the rented collateral, your one-time fee will be \$5,000. This money comes out of your loan.
3. **Any rental fee** is paid *after*, not *before*, you get your loan money. Never pay any money before you get your loan. This is called an advance fee, and you may never see your advance fee again—or the collateral you're seeking. So *never pay an advance fee, also called front money, for any loan!*
4. **You borrow or rent** collateral from someone who owns it. The collateral you use can be actively traded stocks, bonds, certificates of deposit (CDs), bank accounts, real estate, autos, boats, planes, and so on. There is *no* change in ownership of the collateral. There's just a piece of paper showing that the collateral has been pledged to back a business loan. So the owner of the collateral can keep using it. Most borrowed or rented collateral today is in the form of stocks or bonds. Why? They're easy to use at low cost.

Your job, then, is to find someone with an item you can use as collateral for your business loan. How and where do you find someone with suitable collateral to pledge? You can take any of several steps. These steps are:

1. **List your relatives, friends,** business associates who might have suitable collateral to pledge for your loan. Ask each of those having suitable collateral if they'd be willing to allow you to pledge it for a business loan. Offer them the fee I've suggested, 5 percent. If you can negotiate a lower fee—say 4 percent, 3 percent—then do so!
2. **Advertise in local and/or national papers** your need for collateral, offering a fee *after* the loan you need is obtained. Be ready with a business plan for your project. Show this to your prospects. You can advertise free of charge in the *IWS Newsletter* (see Appendix) for rented collateral if you're a subscriber.
3. **Offer an "equity kicker"**—that is, part ownership in the business, or its profits—as all or part of the fee for your use of the collateral.
4. **Get the seller of the business** you're buying to pledge an item you can use as collateral. In turn, you assign part of the business and its income to the seller until you've repaid the loan in full.
5. **Use future income** from sales or rents as your insurance against the collateral you borrow or rent. Then the person you're getting the collateral from will feel safer with you.
6. **Contact a stock broker.** Ask if he/she has wealthy clients seeking a higher return on their stocks or bonds. Present a business plan to the broker to show to interested clients.

Borrowed or rented collateral can be your ticket to future wealth. Today, explore how you can find the rented collateral you need.

Easier Business Financing for You

A new short word is being used today for easier small business financing and start-ups. This word is **SOHO**—for *small office/home office*. And today you'll see droves of lenders seeking SOHO borrowers to make loans to. For example, a large mortgage lender seeks BWBs needing business financing for a franchise business, or similar start-ups needing funding. The money will be advanced against a home equity loan on the BWB's house, condo, or other real estate, giving the BWB the money he/she needs with as long as 15 years to repay. This means that the monthly payments are much lower than for a typical one-, three-, or five-year business loan from a bank.

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What do such offers of financing for start-ups mean to you? They mean several good things for you as a BWB or EWB (experienced wealth builder), namely:

1. **Lenders are now recognizing** that major changes are taking place in the business world.
2. **No longer can lenders look only** for big companies for their loan business.
3. **Instead, there are millions of small businesses** of the SOHO type that need funding.
4. **And these SOHO businesses** have proven to be reliable, well-run organizations that repay their loans on time, and in full, without any collection expenses.

You can take advantage of these new loans today. How? By using proven approaches to raising money for your business in the form of loans. You take these easy steps:

1. **Apply to lenders offering** start-up and franchise business loans to new firms.
2. **Ask each lender** to send the loan application it uses. The lender will send you your loan application free of charge. Some lenders even have a toll-free number you can call so your request is completely free of any charge.
3. **Type the loan application.** Never fill out a business loan application in handwritten form. Why? It shouts “Amateur!” And lenders prefer *not* to lend to amateurs!
4. **Ask for a loan in a manageable amount**—that is, \$50,000, \$75,000, \$100,000, and the like. Round off your required loan amount and your approval time could be cut in half!

Yes, SOHO loans are easier to get today than any other type of business loan. And you can get SOHO money for yourself. Just follow the tips I’ve outlined.

Use Special Offers to Get Your Business Financing

Lenders often make special offers to get loans out to people needing business financing. (*Remember:* Lenders *want* to make business loans to you because that’s the way lenders earn their living!)

Special offers can be your ticket to the financing you need to start, buy, or expand your business. Typical offers may include:

1. **Loan programs for women** who want to start a business of their own. Today, in some areas of the world, more women than men are starting businesses. Lenders with this special offer welcome all women-owned businesses.
2. **Minority loan programs** offered by many banks, cities, and states to members of certain minority groups. If you're a member of such a group and want to start, buy, or expand a business, jump at the chance. Or if you're not a member of such a group but one of your employees is, you may want to form a partnership with that person and borrow the money you both need.
3. **New business loan programs funded**, or guaranteed, by city, state, or federal groups to help you start, buy, or expand your business. Check your local and national governments for such offers.
4. **Native American loan programs** funded by various government groups to members of these communities. Take advantage of all such offers to get the business money you need.

Why can such loan programs, and the many similar ones offered today, be important to you? For several key reasons, namely:

1. **Special-offer loan programs** actively look for borrowers like you who will accept the loans offered. You might as well be one of the recipients of such a loan!
2. **Managers (usually called loan officers)** of special-offer loan programs are anxious to show their bosses how effective and efficient they are. By accepting the business loan money you are helping these loan officers prove themselves as good managers.
3. **By getting in on a special offer early** you'll be one of the first borrowers. You'll get more help and free services from the loan officer you're dealing with. Why? Because at the start of the program, loan officers have more time than later on when they're besieged by applicants.

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How can you get in on one or more of these special-offer programs? There are several easy steps for you to take, namely:

1. **Decide what type of special-offer program** you can qualify for—women, minority, Native American, and so forth.
2. **Check locally** with large banks, the SBA, and city and state governments for listings of available programs. Use your local phone book for numbers and addresses. You can also find such programs on the Internet under the agencies you've selected. As a two-year subscriber to our newsletter, *International Wealth Success*, you're entitled to a free listing of such programs in your area. Just ask for it when you subscribe. See the Appendix for details.
3. **Fill out the loan application sent to you** free of charge. Be sure to type the final version you submit to the lender. (As you know, I'm a private lender and I'm director of a large lending organization. Both of us give first attention to neatly typed loan apps!) And, on your loan application, be sure to point out your superior qualifications for getting the loan you seek. We loan officers like to show our bosses how carefully we've selected the applicants to whom we make loans!

There are bundles of business money available to you via special offers. You just have to use your business smarts to find and apply for these special offers.

Go International for Your Business Loans

Do you want to do business worldwide? If you do, there's money available in the form of loans for a variety of work you might do in:

- **Energy**—power generation.
- **Industry**—manufacturing, construction.
- **Agribusiness**—farms, food, crops, and so on.
- **Education**—and training of people.
- **Investment**—financial planning and control.
- **Municipal development**—cities, towns, villages.

Loans for these and other uses are available from the multi-lateral development banks (MDBs) for various parts of the world. These banks, with their contact data, are:

Asian Development Bank: North American Representative Office, 815 Connecticut Ave. NW, Suite 325, Washington, DC 20006; telephone 1-202-728-1500; fax 1-202-728-1505; www.adb.org/naro/.

African Development Bank: Rue Joseph Anoma, 01 Bp 1387, Abidjan 01, Cote d'Ivoire; telephone 225 20 20 44 44; fax 225 20 20 49 59; e-mail Afdb@afdb.org.

European Bank for Reconstruction and Development (EBRD): One Exchange Square, London EC2A 2JN, United Kingdom; telephone 44 20 7338 6000; fax 44 20 7338 6100; www.ebrd.com.

Inter-American Development Bank: 1300 New York Ave. NW, Washington, DC 20577; telephone 202-623-1000; fax 202-623-3096; e-mail: pic@iadb.org.

The World Bank: 1818 H St. NW, Washington, DC 20433; telephone 202-473-1000; fax 202-477-6391; www.worldbank.org.

“How can I get started getting loans for my international operations?” you ask, good friend of mine. Here are the easy steps for you to take:

1. **Contact the MDB Operations** at the International Trade Administration, U.S. Department of Commerce, 14th St. & Constitution Ave. NW, Room H-11C7, Washington, DC 20230 (telephone 202-482-3399) for more information. You will be welcomed and helped fast.
2. **Ask for help in getting data on loans** you need in various overseas countries where you might be doing business or acting as a consultant for the local government.
3. **You'll receive expert guidance**—free of charge—on what you need to know, and do, to get loans and business at the MDBs. Other data you can get include free information on future opportunities, free financial support, and a guide to helpful electronic media.

Then all you have to do is present information on how your business can help overseas peoples and nations have a better life. Plenty of loans are available for your business if it can help people live a more fulfilling existence.

Use Personal Loans to Fund Your Business

Today thousands of small businesses, and some medium-sized ones, are financed using personal unsecured signature loans. Why is this? Because:

- **Personal signature loans** are widely offered by many different types of lenders all over the country.
- **Speedy approval of personal loans** is a selling feature of some lenders (thus, “the one-hour loan,” “the 60-minute loan.”)
- **Reduced paperwork** makes personal signature loans easier, and quicker, to obtain by almost every borrower.

To find suitable personal lenders in your area, you can take a few simple steps that are fast and cost almost nothing. So, good friend of mine, take these easy steps starting today if a personal unsecured signature loan will satisfy your money needs:

1. **Figure out how much money you need** for your business. Personal signature loans offered today go up to \$50,000 as the top amount. So you should be looking for that amount, or less, per loan.
2. **Locate personal signature loan lenders** in your local area by looking in your telephone Yellow Pages or on the Internet. My firm, IWS, Inc., has a list of 600-plus personal loan lenders available nationwide. You’ll find it listed in the Appendix.
3. **Write, call, or fax your selected lenders.** Ask for their lending guidelines and for a loan application. These will be sent to you free of charge.
4. **Make a copy of the loan application** to do trial work on. Why? You want your submitted application to be perfect. You can tweak your entries on the copy of the application so you get it just right.
5. **Be sure your “Use of Funds” reason** agrees with one or more of those listed by the lender. Thus, personal signature loans are made for a variety of purposes, including:
 - ◆ Education
 - ◆ Vacation
 - ◆ Debt consolidation
 - ◆ Medical/dental expenses

- ◆ Taxes
 - ◆ Weddings, engagements
 - ◆ Funerals
6. **Relate your use of funds to your business needs** so that your reason is an accurate statement of what the money is used for. This is extremely important because you do not want to be in a position of giving inaccurate information on your loan application.
 7. **Have an exact plan of how and when you will repay** the money you borrow for your personal loan. Remember that every monthly payment you make on your loan helps increase your credit score. As your score rises you will become eligible to borrow more money, should you need it.

Discover the Millions Available from Private Lenders

Many BWBs seek their business money from private lenders. Why do these BWBs search for private lenders? Because their gut tells them that private lenders:

- **Have more flexible lending rules** than most other lenders, such as banks, insurance companies, and so on.
- **Investigate the borrower less** than traditional lenders do because private lenders have fewer checking powers.
- **Make faster decisions** on loans because they do not have a large, slow credit committee or other unwieldy groups that must approve every loan.
- **Often have a greater interest** in the BWB's business success than large impersonal lenders do.

Knowing or sensing all this, a BWB will seek information on hundreds of private lenders. This is a good goal. The only trouble is that:

1. **Private lenders are not easy to find.** Why? Because private lenders often are individuals who seek to invest their own excess money in high-profit-potential ventures. *Note: It is legal for anyone to lend his/her money privately without being licensed as a loan company or a bank.*
2. **Private lenders usually make one loan** and then sit back for 6 to 12 months to watch the progress their investment is making in the business.

- 3. Private lenders**—as a result—come and go. By that I mean they're in the market to make a loan. But once they make the loan they're out of the market for 6 to 12 months. Then they come back into it again.

Knowing these traits of private lenders, you can improve your chances of getting some of the multimillions available to BWBs every year from private lenders by taking these easy steps:

- 1. Start looking for private lenders.** One excellent source is the IWS *Private Money Loan and Funding Kit* listed in the Appendix. It gives you more than 100 active private lenders. Another good source of private lenders is the Sunday business section of large-city newspapers—New York, Los Angeles, Chicago, London, Paris, and so on. Just remember: ***Never pay front money (advance fees) to any lender!***
- 2. Contact the private lenders you find.** Ask if they finance your type of business. You're much better off dealing with a private lender who knows your type of business and is sympathetic to it. Your loan application is almost half approved when the lender knows your kind of business and likes it.
- 3. Follow the suggestions given earlier** in this chapter for typing your loan application and rounding the amount of money you request. Make your application easier to approve and you're almost certain to get approval from your private lender!

Get the Loans You Need Using Specialty Finance

There's a powerful source of money available to you today, my good friend, that's often overlooked by BWBs and even EWBs. The source? It's *specialty finance*. This source:

- **Provides money for specialty or niche businesses**—such as manufacturing, textiles, publishing, environmental (“green”) activities, and so on.
- **Provides money in many different forms**—such as loans, venture capital, receivables financing (factoring), leases, and so on.
- **Provides money for just one type of business**—becoming an expert for that type of financing for start-ups, expansions, mergers, and acquisitions.

Why do I suggest that you think of specialty financing for the next source of cash for your business? For several reasons, namely:

1. **Specialty finance firms speak the language** of *your* business and its many facets of money needs and uses.
2. **There's no long period of you explaining** your business to a lender who knows little, or nothing, about it.
3. **This saves you time and energy** in obtaining your loan from a knowledgeable lender.

“What kinds of specialty lenders can I get loans from for my business?” you ask. Here are a number I suggest you check out for your business:

- **Business start-ups**—often called *seed* money.
- **Computers**—personal (laptop, desktop), mainframes, workstations, and so on.
- **Entertainment**—TV, Broadway plays, movies, stage shows, videos, and the like.
- **Estate settlements** and prize winners seeking quick money instead of waiting for final action.
- **Exports**—products and services sold to countries worldwide.
- **Home equity loans** for owners of many types of homes.
- **Home improvement loans** for single- and multifamily properties.
- **Internet projects**—web site design, launching, maintenance, and so forth.
- **Leases**—loans for companies leasing business equipment and vehicles.
- **Mail order** and direct marketing of all types—catalog, Internet, and so on.
- **Manufacturing**—auto aftermarket, aircraft, tools, homes, and so forth.
- **Publishing**—books, newsletters, newspapers, e-books, software, and so on.
- **Real estate**—mortgages of all types, construction, development.
- **Receivables** for businesses of many specialty types.
- **Taxi medallions** for cabs in many cities.
- **Plus many other** types of niche businesses.

Your whole key is getting the right lender for the type of financing your business needs. If you do apply at the right lender you'll find that your chances of approval are much better than when you go to a general lender—such as a bank.

“Where can I find specialty lenders?” you ask. Here are a number of sources:

- **Directories devoted to your business** will often list a number of specialty lenders that focus on your type of business.
- **Newsletters and industry newspapers** devoted to your industry—specialty lenders often run ads in such publications.
- **Internet sites** specializing in news of your business.
- **Financial brokers** who have raised money for others in your type of business.
- **The IWS Newsletter** will prepare lists of specialty lenders for your business if you're a two-year, or longer, subscriber to the newsletter. See the Appendix for details on subscribing.

So if you're in a specialty or niche business, check out the types of lenders listed here. You'll get your money a lot faster, and at a lower interest rate. Take my word for it, good friend of mine.

Jump into Today's New Money Competition

Money is easier to borrow for business today than in the past 25 years. And venture capital (see Chapter 3) is brimming over like never before. In short, money is chasing you—instead of you having to chase money! The reasons for this are:

1. **Banks are competing with each other** to get the money out in loans to businesses and individuals.
2. **Increased bank competition has lowered the interest rate** for almost every kind of business loan you might need.
3. **Intense competition in the field of credit cards** makes more cards available to you to use in your business. Thus, you'll see plenty of business credit cards with lines of credit up to \$100,000. Lenders consider a line of credit on a credit card as a loan to you.
4. **Lenders are chasing potential borrowers**, sending them letter after letter asking them to sign up for a business line of credit, business credit card, and so on.

5. **Venture capital firms are looking everywhere** for new, hot, growing companies they can invest in and eventually take public. More on this is in Chapter 3.

With all this courting going on, you might as well get in on it. How can you make some of these business loan dollars yours? Here are easy steps you can take that can bring big money into your business:

1. **Carefully read the “Money Available” ads** in the *IWS Newsletter*, your local large-city Sunday newspaper, and financial newspapers such as the *Wall Street Journal*. You’ll probably see one or more banks advertising business loans, lines of credit, and business credit cards. Search the Internet for suitable lenders. You’ll find hundreds of Internet lenders in the IWS “Internet Lenders” report.
2. **Contact each lender** by phone, e-mail, fax, or postal mail. Ask for their free information describing their offers for business loans.
3. **Study the material you receive.** Read every part to see how you can qualify for the loans being offered to businesses.
4. **Fill out the loan application** sent to you. Follow the suggestions given earlier in this chapter on typing your loan application, using a copy to refine your information.

There’s lots of business money available to you today. All you need to do is start searching for it, using the methods given here.

Obtain Your Business Loans from Local Sources

Many cities and states offer help in getting business loans. But BWBs are often unaware that such help exists in their area because:

- **Loan availability is not well publicized.** Why? Because the agency or group offering loans has a small (or no) budget for advertising.
- **Managers of the loan programs assume** that word will get out to BWBs because their loan offer is so good.

You can overcome this lack of information by taking some simple steps in your area. These steps are:

1. **Look in your city and state telephone lists**, and on the Internet, for a Small Business Development Center (SBDC) in your area or elsewhere in your state.
2. **Call, fax, or write** the SBDC, telling them that you need a business or real estate loan for your business. Ask who you should contact to obtain the loan you need.
3. **Contact the person or organization** whose name you're given. Ask what is needed from you to qualify for the loan you need. You will probably be asked to fill out a short application and supply a concise business plan.
4. **If a business plan is needed**—as is it probably will be—ask for help in its preparation if you have not yet written a plan. Many SBDCs offer free help in writing your business plan. All you need to do is supply information about your business, its competition, and the sales you expect.
5. **Prepare your loan application** using the free help offered by the SBDC. They will even type your loan application because they want to see you get your loan money. Follow the SBDC's advice on what to include in your loan application—these people know what they're doing!

City and state loans offer you a wide choice of financing options. Thus, in one city, the following business finance offers are available:

- **Business start-up loans** for a variety of different types of businesses useful to the community—such as child-care facilities, health clubs, high-tech firms, and so on. Loans can be small (called a *microloan*) to large, ranging from \$1,000 to \$300,000 or more, depending on the needs of your business.
- **Venture capital for businesses** that promise fast growth in the local area. Fast-growth businesses may include computer and electronics companies with promising futures.
- **Equity funds**—that is, money invested in a company in the form of stock purchases. This money never needs to be repaid to the investors.
- **Grants to businesses** that help the local area with better housing; more medical or health care; programs on the arts, theater, literature, and so on.

All this help is as close to you as your telephone or computer screen. A single, simple call or Internet search can put you on the road to the money you need for your business. Why not make that call or search starting right now. You might raise up to \$300,000 with a loan, \$500,000 (or more) with venture capital, and up to \$100,000 with a grant!



Key Ideas for Successful Business Financing

- **Smart borrowing techniques** can work for any business needing loan money.
- **Find lenders having** borrower-sympathetic terms to get your loan faster.
- **Become a loan expert** to get your business loan.
- **Get an SBA guarantee** for your business loan and you'll have your money faster.
- **Use state, county, or city** development departments for your business loan.
- **Go for the specific**, named loan and you'll get it faster.
- **100 percent financing** is good for you and your business.
- **Using your personal credit cards** can get you the business loan you need.
- **Put the power** of borrowed, or rented, collateral to work to get your loan.
- **SOHO**—small office/home office—loans are easy to get today. Try it!
- **Try special offers** lenders make to get your loan funding.
- **Go international** for your business loans—it works great.
- **Use personal loans** to fund your business.
- **Tap the millions** available for your business from private lenders.
- **Get the loans** you need using specialty finance.
- **New money competition** can put big loans into your business.
- **Use local sources** for your business loans.
- **You have a good friend** in the author, who will help you get the loan you need for your business. You'll find my contact information in the last paragraph in Chapter 8.

