

Commercial Loans – Cost Effective Way of Funding Business Needs

Article Rating: NA

Submitted by: articlediner on 2006-10-02 and viewed 28 times.

Total Word Count: 756

Author Rating:

Sample of Content:

Commercial loans are the biggest way of financing business projects. A borrower looking for commercial loans will have to prepare a good commercial loans application which is complete with all the information on the business plan, the use of loans amount and other related details. Be prepared to answer some questions. With concise, complete, easy to use details, the loan lender will make commercial loans decision in your favour. For commercial loans, you would be required to give documents like...

Content:

When your little idea, your dream starts taking a real shape – you know it is time you garnered your finances to make it grow. At times your effort fall short and there you are

filing for loans. Commercial loans can help business interests with uninterrupted capital supply.

Commercial loans can be used to buy business premises or commercial building for both new or establish businesses. They can be used to buy any business asset or to finance the expansion of any established business.

Different commercial loans lender have different way of processing commercial loans. You can start with pre-qualifying for commercial loans. This determines how much as a borrower you can afford as commercial loans and which commercial loans programme will suit the best.

Commercial loans are the biggest way of financing business projects. While providing you with commercial loans, the loan lender will look at general information as your income and existing debts. Your application will be reviewed by a loan officer.

[Commercial loans](#) lender will take keen interest in

• Credit history

• Reason for loan

• Collateral

• Ability to repay

• Your investment in the business

Documents to gather while applying for commercial loans are “

Loan request “ the amount of loan requested, how the funds will be used, loan type and amount of working capital on hand. Commercial loans lender will feel more secure knowing that you have invested your own money in the commercial plan.

Business plan - If the commercial loans are used for starting a new business, the business plan is crucial. It should include cash flow projections for first 24 months. Information should be concise and clear. Its feasibility will be fundamental in getting commercial loans approved.

Personal financial statements - In case commercial loan is used for expansion of business, it will be required for you to give business profile. Personal financial statements would be required for anyone who owns 20% or more of business. Complete information about current debts balances, payment schedules, maturity, and collateral used to secure other loans. You can be required to provide more documents during the loan process.

In case you are purchasing real estate, you might be required to submit preliminary environmental reports, area maps, title reports, property appraisals, and lease summaries.

Decisions for commercial loans take usually 1-5 days. During this time, you might be required to give further information. Commercial loans broker can help you submit your loan application to several lenders for approval. Your job is to select the most attractive offer and returning the final letter of intent. After all the conditions are satisfied, the commercial loans are approved and the lender will give a final loan commitment. At the closing, the commercial loan will be transferred with a cashierâ€™s check, draft, or electronic wire transfer.

Commercial loans are either secured or unsecured - with or without collateral. Secured commercial loans are more commonly available as commercial mortgages. Commercial mortgage are provided at better terms, interest rates and repayment options. Commercial loans are available with fixed and variable rate options. Fixed rate commercial loans will mean that your interest rate and monthly payments will be fixed at the beginning of the loan and will remain so throughout.

Businessmen apply for fixed rate commercial loans for it helps in effective financial planning because they know how much they are giving out every month. With variable rate the interest rates changes in accordance to the changes in the market. The benefit with variable rate is that they start with lower interest rate than fixed rate. But interest rate can increase during the term and therefore you will have to pay more. On the contrary fixed rate commercial loans will leave no space for change in case the interest rates drop.

Investigate before you make a commercial loan claim. Be prepared to answer some questions. Commercial loans are cost effective way of funding business needs when you need it. Commercial loans can strengthen your competitive position increase your working capital and maximum profitability. Investigate your opportunities with commercial loans and see how your business becomes a commercial success.

After having herself gone through the ordeal of loan borrowing, Natasha Anderson understands the need for good quality loan advice. Her articles endeavor to provide you the wise counsel in the most elementary way for the benefit of the readers. She hopes that this will help them to locate the loan that beseems their expectations. She works for the UK secured loan web site uk finance world. To find a Secured or unsecured loan that best suits your needs visit <http://www.ukfinanceworld.co.uk>

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