

7 Ways to Get Financing For Your Home Business

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Wednesday, 06 February 2008

Thinking about starting a home business? Do you already own a home business but need cash? Perhaps you can qualify for a small business loan.

However, before you attempt to borrow any money, you first have to figure out how much money you need. The easiest way to do this is by putting together a business plan. A good business plan is critical to your business success.

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It can be a simple one page outline or it can be many pages, but it should spell out exactly how much money is needed and what it will be used for; your potential market and customers and potential for growth; what makes your business unique from others; and a rational and conservative projection of your business's cash flow.

Your plan will also help you set business goals and define the steps necessary to help you reach those goals. It is a guide for you to refer to on a regular basis to help evaluate your business progress and help keep you focused on your priorities.

Besides, a business plan is almost always required when applying for a bank loan. If you need assistance in writing a business plan, your local library should have several

books on the subject. You can also try Amazon.com. In addition, you should be able to get help on writing a business plan from one or more of the sources listed below:

1. The Small Business Administration (SBA) offers numerous loan programs to assist small businesses. It is important to note, however, that the SBA is primarily a guarantor of loans made by private and other institutions.

<http://www.sba.gov>

2. The Service Corps of Retired Executives (SCORE) is a volunteer management assistance program of the SBA that provides one-on-one counseling, workshops, and seminars. SCORE has chapters throughout the country. Many work in conjunction with local Chambers of Commerce. SCORE and Visa have also joined forces to help home-based and small business owners. Contact your SBA office,

local Chamber of commerce, or the following websites for more information:

<http://www.score.org>

<http://www.visa.com/smallbiz>

3. Talk to your local bank. Find out what they require for a business loan application and also if they are participants in the SBA loan programs. Be diligent and shop around for the best loan packages, and make sure you fully understand the terms.

4. You may be able to borrow from insurance policies, IRAs, 401k, stocks and securities, etc. Check with your insurance agent. Also, investigate what the policies are regarding borrowing from your mutual funds or retirement account. Before borrowing, make sure you fully understand the pay-back terms and any potential penalties.

5. Apply for a home equity loan. Borrowing against the equity on your home is permitted in all states except Texas. Just make sure you're diligent about paying back the loan or you could end up losing your home.

6. If you're a woman, you may be eligible for a Specialty Loan. These types of loans are now being offered by local banks. Who knows? Filling out a one-page application just might get you an unsecured credit line or loan ranging from \$2500 to \$50,000.

7. Try borrowing from family members and/or relatives. If you have a good relationship with your family, perhaps you can make a persuasive argument for them to loan you money for your home business. Just remember, borrowing from family or relatives shouldn't be treated any differently than borrowing from a bank. It's just as important to pay them back on time as well.

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