



Getting Started

To secure financing for your business, start at the beginning: how much money do you need and for what?

Counselors at your local Small Business Development Center can help estimate your financial needs for both startup and expansion.

The U.S. Small Business Administration (SBA) offers some [tips on estimating startup costs](#).

[Bplans.com](#) has an [online startup costs calculator](#).

Funding for startup and growing businesses often depends on your stage of business and the amount of money you need. The Business Owner's Toolkit offers an [overview of business financing](#) and their [Quick Pick](#) chart identifies funding sources based on your stage of business.

You know how much money you need and the most likely funding source. Now get more information about loans, grants, and other business financial resources.

Commercial Bank Loans

Commercial bank loans don't require entrepreneurs to turn over equity or company control. In general, banks prefer to make loans of more than \$10,000. Banks like to see:

- Good personal credit
- A solid business plan
- Ability to repay the loan
- Collateral

Once you've determined that a Small Business Administration (SBA) or traditional bank loan is the right kind of financing for your business, you'll need to package your financial information in a way that makes it easy for a banker to make a favorable decision. At the most basic level, you will need to provide:

- Basic information about your business
- Basic information about the loan you are requesting
- Financial information about your business

43777 Central Station Drive • Suite 300 • Ashburn, VA 20147
Tel: 703-777-0426 • Fax: 703-771-5363

Types of Loans

- Line of Credit is an arrangement in which a bank extends a specified amount of credit to a specified borrower for a specified time period. A line of credit is best suited to help cover expenses that tend to fluctuate throughout the course of a year.
- Home equity loans are a cost-effective alternative to other types of loans because they offer good interest rates available. But you may not want to risk your family home to launch your business venture.
- Equipment lease financing gives you access too many types of equipment: computers, copiers, vehicles, etc. without tying up your cash or credit lines. Although it doesn't bring in cash, leasing reduces the amount of cash you otherwise have to raise to start.
- Cash advances from credit cards are an easy and quick way to gain access to cash. But as a long-term financing method, they can be expensive— credit card interest rates typically run much higher than rates you would likely pay on a bank loan.
- Factoring allows a company to “sell” its accounts receivables to an outside company at a discounted rate. This allows the company to receive funds immediately to fund operations and ease cash flow. This is common for government contracts.

SBA/Bank Loans

The U.S. Small Business Administration (SBA) offers a variety of loan programs for very specific purposes. Each program will have its own eligibility criteria and application process.

[General Small Business Loans \(7a\)](#)

[Microloan Program](#)

[Real Estate & Equipment Loans: CDC/504](#)

[Disaster Loans](#)

Connect with approved SBA lenders using the online SBA tool [LINC](#) or contact [Loudoun County's Small Business Development](#) Officer for information on the community banks in Loudoun County.