

- There are a number of things for you to consider before applying for finance. Applications can be declined because there is not enough information.
- It takes time to build a relationship – information helps to build that relationship
- A Lending Application Checklist has been created which is a useful snapshot of the things banks may need to see from you make an application.
[www.betterbusinessfinance.co.uk/images/uploads/BBF_factsheet -
_lending_application_checklist.pdf](http://www.betterbusinessfinance.co.uk/images/uploads/BBF_factsheet_-_lending_application_checklist.pdf)
- If you are applying for finance you should go through the checklist and tick the boxes to double check that you have gathered all of the standard information you might need.

The Lending Application Checklist

New and Existing Customers	Start Ups
First, outline what you need	
State how much you would like to borrow – because the bank needs to quantify your request	State how much you would like to borrow – because the bank needs to quantify your request
State why you would like the finance – so the bank can check it is for a suitable business purpose and decide which type of finance best suits your needs	State why you would like the finance – so the bank can check it is for a suitable business purpose and decide which type of finance is best suited to your needs
State long you would like the finance for – the bank needs to know the term of the loan to help assess affordability and ensure the right finance is suggested for your business needs	State long you would like the finance for – the bank needs to know the term of the loan to help assess affordability and ensure the right finance is suggested for your business need
Next, demonstrate your financial viability. This enables the bank to assess your ability to repay the loan. You need to provide:	
Your management accounts	Your cash flow forecast
Your cash flow forecast	Any assets
Any assets	Your business plan
Your business plan	
Any historic accounts	
Finally, disclose any information that might help your application	
Profile the owner and/or management team – this helps the bank assess your capabilities	Profile the owner and/or management team – this helps the bank assess your business capabilities and experience
The owner's investment in the business – this shows the owner's investment relative to the bank's proposed investment	The owner's investment in the business – this shows the owners investment relative to the bank's proposed investment
Whether or not security is available – this shows whether you have security to support your proposal	Whether or not security is available – this shows whether you have security to support your proposal
Other business interests – this allows the bank to assess any other commitments you have	

Why do banks decline lending applications?

Here are the main reasons why banks decline applications:

- Serviceability/ Viability
- Adverse customer information
- Management capability
- Propositions outside guidelines on security/ terms, etc
- Insufficient information - relatively simple enhancements can improve the chances of a proposition being accepted.