



# Top 10 Funding Pitfalls to Avoid

Before you borrow, take a moment to check you're not falling into one of these common traps. Each of these mistakes could cost you time, money, or peace of mind.

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Borrowing without a clear plan for how the funds will be used.

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Taking on debt before the business is ready – too early can be as risky as too late.

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Not understanding the true cost of borrowing – fees, interest, and early repayment charges add up.

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Choosing the first offer without comparing alternatives or speaking to a broker.

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Overestimating how much the business can repay – leading to cash flow pressure.

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Agreeing to a personal guarantee without fully understanding the risk to personal assets.

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Mixing personal and business finances – it creates confusion and risk.

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Assuming all lenders treat veterans equally, some may be more understanding than others.

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Using short-term funding for long-term needs – or vice versa.

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Not asking for help – even experienced entrepreneurs speak to finance experts.

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