

Your Guide to

Getting a Business Loan

A plain-language, step-by-step reference for early-stage entrepreneurs

Everything you need to know — what lenders look for, which documents you need, how to strengthen your application, and how to position yourself to receive the highest loan amount possible.

Sol Consulting LLC | solconsultingllc.com | Financial Empowerment Education

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Part 1 — What Is a Business Loan?

A business loan is money a lender gives you today, which you promise to pay back over time — with interest. Interest is the fee the lender charges for letting you use their money. Think of it like renting money instead of owning it outright.

Why would you want one? A loan gives you a lump sum of capital (money) you can use to grow your business before you've earned that amount yourself. For Sol Consulting, that could mean building out your digital products, upgrading your website, investing in marketing, or covering your time while you build your membership program.

Common Types of Business Loans

Loan Type	What It Is	Best For
SBA Loan (Small Business Administration)	Government-backed loans through partner banks.	Established businesses with some repayment history. Harder for first-stage solopreneurs.
Microloan	Small loans (usually \$500–\$50,000) from nonprofit lenders.	First-stage SBA specifically designed for underserved businesses.
Business Line of Credit	Like a credit card for your business — you borrow when you need, repay it, and borrow again.	Covering short-term cash flow gaps.
Equipment / Asset Loan	Loan specifically to buy business equipment. The equipment itself serves as collateral.	When you need physical assets like technology.
Personal Loan for Business	A personal loan used for business purposes. Based on your personal credit, not business history.	Very early stage business, with no business history.
CDFI Loans (Community Development Finance)	Mission-driven lenders focused on underserved minority entrepreneurs.	Minority entrepreneurs, low-revenue businesses.

Amanda's Tip — Start with Microloans and CDFIs

As an early-stage solopreneur with under \$1K/month in revenue, traditional bank loans will likely say no right now. That's not a dead end — it's a starting point. Microloans and CDFI lenders are specifically designed for people in your exact situation. Kiva, Accion Opportunity Fund, and your local SBA-affiliated SBDC are excellent first contacts.

A quick note on collateral: Some loans require collateral — something valuable you own (like a car or property) that the lender can claim if you don't pay. Service businesses like Sol Consulting often don't have physical collateral, so we'll focus on approaches that don't require it, or explain how to navigate this.

Part 2 — The Loan Application Process, Step by Step

Most people imagine a loan application as a single form you fill out. In reality, it's a multi-step process that happens over days or even weeks. Here's exactly what to expect — from before you apply to after you get the money.

1 Know What You Need — Before You Apply

- Decide exactly how much you need and what you'll spend it on. Lenders want specifics.
- Vague: 'I need money to grow.' Better: 'I need \$15,000 to develop two digital courses, redesign my website, and fund three months of targeted advertising.'
- Be able to explain how this investment will increase your revenue.
- Calculate the minimum amount that would actually move the needle — don't ask for more than you can justify, but don't ask for so little it won't help.

2 Research and Choose Your Lender

- Not all lenders will work with early-stage businesses. Research first.
- Good starting places: SBA.gov (find local resources), Accion Opportunity Fund, Kiva.org (peer-lending, no interest on small amounts), your local SBDC.
- Check the lender's minimum requirements before applying — wasted applications hurt your credit and your confidence.
- Consider reaching out to your local Chamber of Commerce or SCORE mentor (free mentoring for small business owners).

3 Gather Your Documents

- This is the most time-consuming step. Start gathering documents before you apply (Part 4 has the full list).
- Lenders will ask for proof of who you are, proof of your business, and proof of your financial situation.
- The more organized and complete your documents, the better you look.

4 Pre-Application or Pre-Qualification

- Many lenders offer a soft pre-qualification check — this does NOT hurt your credit score.
- A hard credit inquiry (which happens during a full application) does affect your score, so only apply to lenders you've researched and feel confident about.
- Pre-qualification tells you roughly what you might receive and at what rate.

5 Fill Out the Application

- Answer every question fully and honestly — never misrepresent anything.
- Include a business plan or statement of purpose explaining your business and how you'll use the funds.
- Some lenders have online applications (faster); others require in-person or mailed forms.
- Expect to write a personal statement about yourself and your business story. This is where your ordained ministry background, accounting studies, and personal journey are genuine assets.

6 Underwriting — The Lender Reviews Your Application

- The lender's team reviews everything you submitted. This is called underwriting.
- They may come back with follow-up questions — respond quickly and completely.
- This can take anywhere from 24 hours (online lenders) to 4-6 weeks (SBA loans).
- Don't apply for other loans during this period if you can help it.

7 Loan Decision

- You'll receive an approval, a counter-offer (different amount or terms), or a denial.
- If approved: review the full loan agreement carefully before signing. Check the interest rate, repayment schedule, fees, and any prepayment penalties.
- If counter-offered: you can negotiate or decline.
- If denied: ask for the specific reason in writing. Use it to improve and reapply later.

8 Closing and Receiving Funds

- You sign the loan agreement — this is a legal contract. Read every word.
- Funds are typically deposited into your business bank account within 1-5 business days.
- Set up a repayment schedule immediately — automate it if possible.

9 Repayment and Relationship Building

- Make every payment on time. This builds your business credit score for future loans.
- Keep records of how you spend the loan funds — this matters if you want a larger loan in the future.
- Build a relationship with your lender. They can become a long-term financial partner.

Timeline Reality Check

SBA loans: 30-90 days. Traditional bank loans: 2-4 weeks. Online/alternative lenders: 24 hours to 2 weeks. Microloans: 1-3 weeks. Plan accordingly — never apply when you desperately need the money right now. Start the process before you're in a cash crunch.

Part 3 — What Lenders Look For

Lenders have one question above all else: *Will this person pay us back?* Everything they check is designed to answer that question. Understanding what they look for lets you prepare and present yourself most effectively.

The Five C's of Credit

Most lenders — whether a bank, microlender, or CDFI — evaluate borrowers using some version of the Five C's framework. Here's what each one means and how it applies to you.

The C	What It Means	How Lenders Measure It	Your Goal
Character	Your trustworthiness and commitment to repaying the loan	Credit history, references, background, references, social credit score, clear work history, no major lawsuits	Strengthen your character by being reliable, honest, and responsible. Clear work history, no major lawsuits
Capacity	Your ability to actually make the payments	Debt-to-income ratio, cash flow, monthly net income, monthly net income, monthly net income	Keep your debt-to-income ratio below 36-48% gross as a rule of thumb. Reduce existing debt
Capital	How much of your own money you've invested in the business	Personal investment in the business, equity, savings, investments	Invest your own money. Even \$2,000-5,000 of your own money is a good start
Collateral	Assets the lender can claim if you don't pay	Property, vehicles, equipment, savings, accounts	Businesses often lack collateral. Focus on collateral-free loans
Conditions	Why you need the money, market conditions, loan purpose	Business plan, loan purpose, industry trends, specific loan purpose	Presented to measurable revenue growth

Understanding Your Credit Score

Your credit score is a number between 300 and 850 that summarizes your borrowing and repayment history. Higher is better. Here's what the ranges mean and what lenders generally require:

Score Range	Rating	What It Means for Loans
740 – 850	Excellent	Best rates, most loan types available, highest amounts.
670 – 739	Good	Most loans available. Competitive rates. Strong position.
580 – 669	Fair	Some traditional loans. Better suited to alternative and microlenders.
500 – 579	Poor	Very limited options. Focus on credit repair first. Microloans possible.
Below 500	Very Poor	Difficult to qualify. Start with credit-building steps before applying.

Check Your Credit Score for Free

Get your free credit report at AnnualCreditReport.com (the official government-authorized site). You can check all three bureaus — Equifax, Experian, and TransUnion — for free once per year. Also use apps like Credit Karma or Experian's free tier for ongoing monitoring. Look for errors on your report — about 1 in 5 people have an error that hurts their score. Dispute any errors directly with the bureau.

What Lenders Weigh Most (and How to Shift the Balance)

Different lenders weight the Five C's differently. Traditional banks heavily prioritize capacity (income) and collateral. Mission-driven lenders like CDFIs and microloans put significantly more weight on character — your story, your commitment, your community ties, and your plan. This is good news for you.

Factor	Traditional Banks	CDFIs / Microloans
Credit Score	Critical — often 680+ required	Important but flexible (580+)
Business Revenue	Critical — often 1-2 years required	Much more flexible for startups
Collateral	Often required	Often not required
Personal Story	Minor factor	Significant factor
Business Plan	Reviewed but basic	Heavily weighted — be thorough
Community Impact	Not considered	Can be a major positive factor

Part 4 — The Documents You Need

Having your documents organized and ready is one of the most powerful things you can do before you apply. Incomplete applications get delayed or denied. Think of this as building your "loan-ready folder" — a collection of everything any lender would want to see. Once it's built, you can apply to multiple lenders quickly.

Personal Identity and Background

- Government-issued photo ID (driver's license or passport)
- Social Security number
- Proof of address (utility bill, lease, or bank statement showing your name and address)
- Personal resume or biography — especially important for character-based lending

Business Formation Documents

- LLC Articles of Organization (your official LLC formation document filed with the state)
- EIN confirmation letter from the IRS (your Employer Identification Number — free to get at [IRS.gov](https://www.irs.gov))
- Business bank account statements (even if recent — open a separate business account if you haven't already)
- DBA certificate if you operate under a name different from your LLC's legal name
- Any professional licenses or certifications (ordained minister documentation, any certifications)

Financial Records

Don't be intimidated if you don't have elaborate financial statements yet. For early-stage businesses, lenders primarily want to see that you track your money and have a realistic financial picture. Here is what to prepare:

- Bank statements — personal and business, last 3-12 months (most recent)
- Tax returns — personal, last 2 years (Form 1040). Business tax returns if filed separately.
- Profit & Loss Statement (P&L;) — a simple summary of income minus expenses. Even a basic spreadsheet you create yourself is acceptable for microloans.
- Balance Sheet — a snapshot of your assets (what you own) vs. liabilities (what you owe). Again, a simple spreadsheet is fine for early-stage applications.
- List of all current debts — credit cards, personal loans, student loans, car payments, with balances and monthly payments

- Accounts Receivable — if anyone owes you money for services (invoices outstanding), list them

You're Studying Accounting — Use That

Your AA in Accounting studies are a genuine asset here. A lender sees someone actively building financial literacy and credibility. You don't need perfect books — you need honest, organized books. Even tracking your income and expenses in a simple spreadsheet for the last 3 months shows more financial awareness than most early-stage applicants.

Business Plan

For early-stage businesses, the business plan is often the most important document. It is your voice when you're not in the room. It shows the lender that you have thought carefully about your business, your customers, your revenue, and your plan. A good business plan for a loan application includes these sections:

Section	What to Include
Executive Summary	1 page. What Sol Consulting does, who you serve, current stage, and what the loan is for.
Business Description	Your services (coaching, courses, eBooks, retreats), your niche (sovereignty + spiritual development), your unique value proposition.
Market Analysis	Who your ideal customers are (age, interests, pain points). Rough size of the market. Who else serves this space?
Products and Services	List all current and planned offerings with prices. Include The Thirteenth Key, planned membership at \$50/month.
Marketing Plan	How you'll attract customers: social media (Instagram + Facebook), content strategy, organic reach, email list building.
Financial Projections	12-24 month revenue forecast. Be conservative and realistic. Show how the loan leads directly to increased revenue.
Loan Purpose	Specific breakdown of how every dollar will be spent. Example: \$5,000 website + course development, \$3,000 marketing.

Part 5 — How to Position for the Highest Loan Amount

Loan approvals are not all-or-nothing. Lenders make decisions about how much risk they're willing to take on. The more you reduce that perceived risk — through documentation, preparation, and strategic presentation — the more they're willing to lend.

1. Ask for the Right Amount

Asking for too little makes the loan not worth the lender's administrative cost. Asking for too much without justification makes you look unrealistic. The sweet spot is: *the exact amount you can justify with specific expenses and projected revenue growth*. Show a detailed use-of-funds breakdown. Show how each dollar leads to more income.

2. Tell Your Story Powerfully

Character lending — which is what CDFI and microlenders specialize in — weighs your personal narrative heavily. You have a genuinely compelling story: an ordained minister studying accounting, who walked through a decade-long controlling relationship and came out with a mission to help others reclaim their sovereignty. That is not just a backstory — it is social proof that you understand your audience from the inside. Tell it plainly and powerfully in your business plan and your personal statement.

Write a Personal Statement

Many mission-driven lenders ask for or welcome a personal statement — a one-to-two page letter about who you are and why this business matters. This is your ordained minister voice. Be real. Be specific. Connect your personal journey to your business mission. Describe the change you want to see in the world and how Sol Consulting creates it.

3. Improve Your Credit Score Before Applying

- **Pay down credit card balances.** Keep your utilization below 30% of your total credit limit — ideally below 10%. This is one of the fastest ways to raise your score.
- **Make all payments on time.** Even one missed payment can drop your score significantly. Set up autopay for minimums.
- **Don't apply for new credit right before applying for a business loan.** Every hard inquiry temporarily drops your score.
- **Dispute errors.** Check all three bureaus (Equifax, Experian, TransUnion). Errors are common and can be fixed free of charge.
- **Become an authorized user.** If a trusted person with excellent credit adds you to their card as an authorized user, their positive history can help your score.
- **Keep old accounts open.** The length of your credit history matters. Don't close old cards even if you don't use them.

4. Show Revenue Trajectory, Not Just Current Revenue

You currently earn under \$1K/month. That number alone can be discouraging — but lenders who work with startups know to look at trajectory, not just the current snapshot. If your revenue has been growing (even from \$0 to \$500), show that trend. If you launched your social media presence and gained followers, include that. If you have beta customers or expressions of interest, document them. Show momentum — the direction of travel matters as much as the destination.

5. Reduce Your Debt-to-Income Ratio

The debt-to-income (DTI) ratio is calculated as: *total monthly debt payments ÷ gross monthly income*. Most lenders want this below 43%. Before applying, pay down any high-balance debts you can — especially credit cards. Even reducing one card significantly improves your ratio.

6. Build and Show Business Infrastructure

- Separate business bank account (if you don't have one, open one today — many lenders require it)
- Business email address (not Gmail/Yahoo — @solconsultingllc.com looks professional and serious)
- A website that actually describes your services and prices (solconsultingllc.com)
- Registered LLC in good standing with the state
- EIN (Employer Identification Number) from the IRS
- At least 3-6 months of business bank statements showing transactions
- A professional invoice template — even for past transactions you can reconstruct

7. Consider a Co-Signer or Personal Guarantee

A co-signer is someone with stronger credit who agrees to share responsibility for the loan. A personal guarantee means you agree to be personally responsible if the business can't pay. These options carry risk, so understand them fully before agreeing. However, they can unlock loans or larger amounts that would otherwise be unavailable.

8. Apply to Multiple Lenders Strategically

Don't apply to everyone at once — that triggers multiple hard inquiries which hurt your score. Instead, research 3-4 lenders whose requirements you meet. If using the same type of lender (e.g. SBA microloans), multiple applications within a 14-30 day window count as one inquiry with most credit bureaus.

Part 6 — Tips Specific to Your Situation

You are an early-stage solopreneur running a digital service and education business with very low current revenue and no full-time clients yet. That is a specific situation with specific strategies. Here is what applies directly to you.

1. Start with Microloans and CDFI Lenders — Not Banks

Traditional banks and credit unions typically require 1-2 years of business history and \$50K+ in annual revenue. You don't have that yet — and that's completely normal for a startup. Microloans (under \$50K, often under \$25K) from organizations like Accion Opportunity Fund, Kiva.org, or your regional SBA Microloan Intermediary exist specifically for people starting where you are. CDFI (Community Development Financial Institution) loans are mission-driven — they care about your story and your community impact, not just your revenue numbers.

2. Leverage Your Dual Authority as a Differentiator

You are both an ordained minister and an accounting student. This unique combination is rare and credible in your niche. In your business plan and personal statement, lean into this. Lenders evaluating character-based applications respond to authentic positioning. You're not just 'another spiritual coach' — you're a minister with financial literacy serving people who want both spiritual and financial liberation.

3. Document Your Personal Investment and Sweat Equity

Even if you haven't invested thousands in cash, you've invested time — real, valuable time. Build a log of the hours you've put into Sol Consulting: creating content, studying, building your platform, writing your eBook. This demonstrates commitment. Estimate a dollar value for your time (even at minimum wage) and document it. This counts as 'capital' in the eyes of many alternative lenders.

4. Use Social Media Metrics as Proof of Traction

If your Instagram, Facebook, or other platforms are growing, that is evidence of market validation. Document your follower count, engagement rate, and growth trajectory. A lender who works with digital businesses understands that a growing audience is a business asset and precursor to revenue. Include a simple chart or table in your business plan showing your platform growth over the last 3-6 months.

5. Frame Your Digital Products as the Revenue Engine

Lenders for service businesses are often skeptical of scalability. Your digital product strategy changes that story. Explain that Sol Consulting is not purely trading time for money — you're building scalable assets: eBooks, courses, memberships. Show the financial model: once The Thirteenth Key course is built, each sale has near-100% margin. That's a business that can scale, and scalability reassures lenders.

6. Get Your Finances 'Lender-Ready' Before You Apply

Open a separate business bank account today if you haven't already. Run all business income and expenses through it for at least 3 months before applying. Keep receipts for every business expense —

software, education, equipment, marketing. Your accounting studies make this easier. Even a simple QuickBooks or Wave Accounting free account showing organized books communicates professionalism.

7. Connect with Your Local SBDC — Free of Charge

The Small Business Development Center (SBDC) offers free one-on-one business advising and loan application help. They have advisors who specialize in helping minority-owned and women-owned businesses access capital. They'll review your business plan, help you understand your credit, and often know which local lenders are most likely to say yes. Find yours at [SBA.gov/local-assistance/sbdc](https://www.sba.gov/local-assistance/sbdc).

8. Consider a Kiva Loan as Your First Step

Kiva.org offers peer-to-peer loans up to \$15,000 at 0% interest with no credit check. It requires 5 people in your personal network to lend you a small amount first (proving social trust), then the loan opens to the public Kiva community. For a business like Sol Consulting with a compelling mission and strong network potential, this is one of the best entry points for first-time borrowers. Completing and repaying a Kiva loan also strengthens your credit history and demonstrates repayment behavior to future lenders.

Part 7 — Action Checklist: Start Right Now

You don't need to wait until you're 'ready' to start preparing. Every action on this list moves you closer to a successful loan application — and many of them also strengthen your business at the same time. Work through these in order. Check each one off as you complete it.

This Week — Foundation Steps

- Check your credit score — free at AnnualCreditReport.com or Credit Karma
- Open a dedicated business bank account (if not already done)
- Locate or obtain your EIN from the IRS (IRS.gov/ein)
- Locate your LLC Articles of Organization document
- Start a simple income-and-expense spreadsheet (or set up Wave Accounting — free)
- Bookmark these resources: SBA.gov, [Accion Opportunity Fund](https://Accion.org), Kiva.org, [SBDC locator](https://SBDC.org)

This Month — Document Building

- Gather 3-6 months of personal and business bank statements
- Gather your last 2 years of personal tax returns
- Write a basic Profit & Loss statement for the last 3-6 months
- Make a list of all current debts with balances and monthly minimums
- Draft a one-page Executive Summary of Sol Consulting
- Document your social media metrics (followers, growth, engagement) with screenshots
- Write a 300-500 word personal statement connecting your story to your business mission
- Research 2-3 microlenders or CDFIs that serve businesses in your category

Next 3 Months — Credit and Traction

- If credit score is below 640, focus on paying down card balances to below 30% utilization
- Make every debt payment on time — zero missed payments for 3+ months
- Dispute any errors on your credit report (dispute at Equifax.com, Experian.com, TransUnion.com)
- Generate at least some documented business revenue (even \$200-500/month on record is meaningful)
- Complete a full business plan (use the template in Part 4)
- Schedule a free meeting with your local SBDC advisor

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- Consider creating a Kiva profile and starting a loan request
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Before You Apply — Final Preparation

- Review your business plan one more time — is every number honest and defensible?
 - Have someone you trust (SBDC advisor, mentor, or trusted friend) review your plan
 - Confirm you're applying to the right type of lender for your current stage
 - Confirm your business bank account has at least 3 months of statements
 - Know your exact loan amount and have a line-by-line use-of-funds breakdown ready
 - Understand your debt-to-income ratio and confirm it's below 43%
 - Be ready to explain any negative items on your credit report — honest context helps
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Bonus — Key Terms Glossary

You don't need to memorize these, but knowing them helps you understand what lenders are saying and what documents ask for.

Term	Plain-Language Definition
APR (Annual Percentage Rate)	The true cost of borrowing for a year, including interest AND fees. Always compare APR, not just interest rate.
Amortization	How your loan payments are split between paying down the balance vs. paying interest over time.
Collateral	Something of value you pledge as backup security for the lender. If you don't pay, they take it.
Co-signer	A person who agrees to be equally responsible for repaying your loan if you can't.
CDFI	Community Development Financial Institution — a mission-driven lender focused on underserved communities.
Credit Utilization	How much of your available credit you're using. Using \$3,000 of a \$10,000 limit = 30% utilization.
Debt-to-Income Ratio (DTI)	Your total monthly debt payments divided by your gross monthly income. Below 36-43% is generally good.
Default	What happens when you stop making loan payments. Damages credit severely and triggers collection.
EIN	Employer Identification Number — your business's tax ID number, issued free by the IRS.
Equity	Ownership. In a loan context, the money you've personally invested in your business.
Hard Inquiry	When a lender checks your credit as part of a formal application. Temporarily lowers your score by a few points.
Interest Rate	The percentage of the loan amount charged as a fee for borrowing. The 'cost of the money.'
Microloan	A small loan, typically under \$50,000, designed for new or small businesses. Often from nonprofits or SBA.
Personal Guarantee	A legal promise that you'll repay the business loan from your personal funds if the business can't.
Principal	The original amount of money borrowed, not including interest.
SBA	Small Business Administration — a U.S. government agency that supports small businesses. Offers loan programs.
SBDC	Small Business Development Center — SBA-funded centers offering free business advising and loan help.
Soft Inquiry	A credit check that does NOT affect your score. Pre-qualification checks are usually soft.
Underwriting	The process where a lender reviews your full application and decides whether to approve, modify, or deny.
Working Capital	Money for day-to-day business expenses — paying yourself, marketing, tools, operating costs.

A Final Word from Your Financial Bestie

Getting a business loan is a process, not an event. The most common mistake is waiting until you 'need' the money and then rushing the application. The best position to be in is: organized, prepared, and applying from a place of strategy rather than desperation.

You have something most loan applicants don't — a real story, a real mission, and the kind of authentic purpose that character-based lenders respond to. Your journey through a controlling relationship, your ministry, and your commitment to your accounting education are not just personal details — they are proof of resilience, discipline, and genuine calling. Use that in every conversation with a lender.

Start with the checklist in Part 7. One step at a time. You are building something real.

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