DOCUMENTS REQUIRED FOR A LOAN APPLICATION

FINANCIALS

Cash Flow Analysis: Business Impact NW needs to understand total household cash flow (both business & personal income streams) to evaluate loan affordability.

Personal Income Verification

- Your **Personal Tax Returns** provide the most comprehensive and verified documentation of your actual personal income for that year. Multiple years of tax returns help us verify that the income is stable, declining, or growing.

- Your **Personal Credit Report** shows your track record of managing debt. Payment behavior helps us predict how you'll handle business debt. We understand that there are exceptions to this, and will communicate with you about how to provide reasoning behind any delinquent debt.

- The **Personal Financial Statement (PFS)** is your personal balance sheet; it shows what your **personal** (not business) assets and debts are.

Business Income Verification

- **Business Tax Returns** show the complete financial picture: employment income, investments, rental income, and more.
- **Year-end & year-to-date financials:** Profit and Loss/Income statement and Balance sheet.
  - **Profit & Loss/Income Statement** (Revenue, Expenses, and Net income) provides the business's most recent financial information, before taxes are filed.
  - **Balance Sheet** shows the business'
    - Assets: cash, investment accounts, receivables, loans due to the business
    - Debt, as of the date of the balance sheet; credit cards, accounts payable, and long-term loans, etc.
- **Debt Schedule** shows the business's debt: source, original balance, current balance, when the loan was funded, what it is secured by, monthly payment, and interest rate.

Debt-to-Income Evaluation: The Credit Report shows existing personal debts, and the Debt Schedule shows existing business debt. Business Impact NW reviews both to assess your overall debt capacity.

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OWNER DOCUMENTS

- **Bank Account Verification**: Business Impact NW must verify that the business has an established business bank account, because we are not a consumer lender and we are not legally permitted to deposit loan funds into personal accounts.

- **Business Verification**: Business Impact NW must verify that the government has granted the business the right to operate. This is verified through the business license and registration with the Secretary of State, as required by law.

- **Identity Verification**: Instant Identity Verification (IDV) is used to confirm your identity and detect any potential fraud or identity theft issues.

- **Ownership Assessment**: Business Impact NW must evaluate who owns the business and if the owner(s) demonstrate an ability to manage and operate the business.
  - **Established businesses** (*minimum of 2 years of tax returns*): the tax returns and Operating agreements show the ownership breakdown, and their ability to manage the business is demonstrated by the business's financial stability/growth.
  - For **new businesses** (*less than 2 years of operating/financial history*): this is demonstrated through a business plan and financial projections. The business plan shows readiness and experience. Projections show anticipated expenses and income, supported by the plan.

COLLATERAL DOCUMENTS

- **Collateral Ownership**: Business Impact NW must verify the ownership of the asset/s being provided as collateral to secure the loan. For real estate, this is verified through the preliminary Deed of Trust, and for vehicles, it is verified with the title.

- **Collateral Value**: The collateral value needs to be verified to determine if it is sufficient to secure the loan.

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