

Financial documents necessary for your credit application

While preparing to apply for credit, you'll need to gather key information and required business documents to support your application. The requirements will vary greatly depending on the type and amount of credit, from basic information for a credit card to full financials for a major term loan. For more complex loans, you may need to provide additional information. For example, in the case of a commercial real estate loan you will need to provide some property related documentation.



What: Business and personal information

Why: You'll need to have all relevant names, dates, and numbers handy to complete an application — including bank account numbers and balances for business and personal accounts, as well as annual revenues for the business.



What: Business entity paperwork and permits

Why: Whether your business is a limited partnership, corporation, or some other type of entity, you may need to include the entity documents, as well as any important licenses or permits.



What: Business financials

Why: Your balance sheet provides information on your assets and liabilities at a point in time, while your cash flow statement provides a critical metric for a lender in terms of your cash flow over time. If your finances aren't well organized and you find it difficult to generate this information, then it may be a good time to re-examine your accounting practices.



What: Personal income statement

Why: Even for a well-established business, the owner's personal finances still play an important role. Your W-2, a recent paystub, personal tax return, and a statement of your annual household income reassures the lender that personal financial needs aren't likely to affect the business, and conversely, that you could help support it with your own resources if necessary.



What: Tax returns

Why: For larger loans, you'll need to provide both personal and business tax returns for the last two years. This record is important to ensure the business has the income claimed and the ability to service all debt, including the new financing.

To present a strong credit application, be sure to avoid common application mistakes: wellsfargoworks.com/application-accuracy.