FREE MONEY INSIDE

BUSINESS FINANCING SECRETS

How To Get Unlimited Business Financing Without A Personal Guarantee

Michael Senoff Interviews Foremost Business Financing Expert

By Michael Senoff

Michael Senoff's HardToFindSeminars.com

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Dear Student,

I'm Michael Senoff, founder and CEO of HardToFindSeminars.com.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

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How To Get Unlimited Financing For Your Business Without Ever Touching Your Personal Credit

Whether you own a business or are just thinking about owning one, this interview is for you. It's all about how to get financing for business ventures without ever having to dip into your personal funds. That means you'll never have to refinance your home, max out your credit cards or beg your friends and family for business money again.

In fact, according to the Money Man, if you properly separate your personal credit from your business credit, not only will you have money at your fingertips, but you'll also be getting loans at better rates – and you won't be putting your family's finances at risk if your business deals go south!

And because business credit is separate from personal credit, you can obtain good business credit no matter how bad your personal credit is. But it's not going to happen overnight. It's a process that takes a little time. So in this audio, you'll hear the steps you'll need to take in order to build a good business score. And if you do everything the right way, eventually you'll be able to get the kind of unlimited, no-hassle financing you probably thought only rich people got.

Key Concepts Discussed In The Audio

- What business entities qualify for the kind of business credit that doesn't require a personal guarantee
- How to make sure you apply for business credit correctly – if you don't cross your "T"s and dot your "I"s in just the right way when setting up your business files, your company could be red flagged by banks!
- What a personal-debt-to-income ratio is, what you'll want yours to look like and who will be checking it
- What an unsecured line of credit is – and how to get one
- How to use secured CDs as incentives for banks to lend you more money
- What trade credit is and how to use it as a stepping stone to business credit
- How to obtain a business credit score that banks will drool over

Business credit is a lot different than personal credit. It doesn't just set up itself. You have to apply for it and use it in order for it to grow.

The Money Man will assist you in every step of the business credit process. With his four-tiered system of credit building, you'll be receiving unlimited cash credit before you know it.

And because you don't pay interest until you use the money, you can have access to funds whenever that chance-of-a-lifetime business opportunity comes up. So even if you don't think you need business credit right now, you may want to give this recording a listen. Enjoy.

Michael: What are you going teach me here today during our talk?

Trent: We'll we're going to talk about how to get unlimited business financing, and eventually how to do it without a personal guarantee. I'll be the first one to mention that it's a process. Building business credit take some time, and there's certain steps that need to be followed, and it's a process.

So, to get money without a personal guarantee is not going to happen next week, nor will it probably happen next month, but it will happen if you follow the steps of building business credit.

Most importantly, what we want to start off from the very beginning is learning how to separate the personal credit from the business credit.

Michael: Who is this presentation specifically for? We don't want to waste anyone's time for them to listening to the presentation. Who would you say is not qualified to listen to this presentation, who it wouldn't really be realistic for?

Trent: Any one that's in business currently or wants to be in business in the future, really that's who this is geared for. The whole purpose for building business credit is to build credit to a business, and we'll talk about what types of entities and businesses you can build credit to, but there has to be a business there to build credit to. There has to be an income generating revenue generating business that they can build credit to, and pay that business credit back.

So, who this is for is anyone who is currently in business or wants to be in business. Who this is not for is someone who is looking for a handout or free money, because this does have to be used responsibly.

Michael: When you say without a personal guarantee, what does that mean and why is that important?

Trent: Well, what that means is the bank or the lending institution isn't going to make the business owner personally sign on behalf of the business debt, and that will take some time to do. Just like an eighteen year old that has very little personal credit history, can't go and get an American

Express Platinum card, for example, or Porsche or some fancy nice car. It's going to be the same with the business.

Most business owners, whether they've been in business or not, and we'll talk about this here shortly about establishing a business credit file, you can be in business for a number of years and not having any business credit history.

Just a couple of months ago, I helped a business who had been in business for forty years. He was just getting ready to retire and wanted to build up his business credit to sell his dental practice. He'd been in business for forty years, and had no business credit history whatsoever.

So, business credit is unlike personal credit where you get your first credit card or first student credit card or your parents' co-sign on a loan for you, and before you know it, you have personal credit. Business credit is different.

It's not set up automatically, so most business owners, they may be in business. They may have business credit cards, but they don't necessarily have any business credit history.

So, what we want to do is build that credit business history so that it can stand on its own two feet and not require the signature of the owners. As I mentioned, that takes time. It takes some time to build that history. There's a number of things that need to be done, and that's what the process is. It's building it from start to finish.

Michael: So, with this dentist as an example, as he's getting ready to sell the business, what specific reason, why did he want to increase his business credit if he was selling his business? How was that going to benefit him, if he was selling his business?

Trent: Actually, he's a unique situation. He was looking to sell his dental practice to retire and start a little side business, just to keep him busy. What he wanted to build his business credit for, was he was looking, if I remember right for about $125,000 that he needed to start his other company.

He didn't want to put in his personal money for that. So, what he wanted to do was build up the business credit and get that working capital prior to selling his dental practice.

Michael: Can we talk about some case studies of clients that you've worked with in the past?

Trent: Absolutely.

Michael: Let's take one now. Tell me a story of how one of your clients have benefited from this service of having unsecured business credit?

Trent: One example, Rhonda and Steve from California. They came to us, and they had a dry cleaners that they were running and owned in California. The dry cleaners were going well, and they were looking to expand. So, they came to us in order to build their business credit so they could get additional expansion capital to purchase additional dry cleaners.

We helped them build up their business credit, get some unsecured business lines of credit that do not show up on their personal credit file whatsoever, and they were able to buy now their second and third dry cleaners in California.

So, by building their business credit, separating their personal credit, they were able to expand from one dry cleaners to currently they have three.

Michael: How long did that take?

Trent: To build their business credit?

Michael: Yes.

Trent: In their situation, they were in a hurry, and you don't want to necessarily do this, and we'll talk what sort of time frame business credit takes and what a client can realistically expect as to when they have something. They came to us when they had an opportunity to buy a dry cleaners, and they wanted to move quickly.

So, we worked as quickly as we could, and it took them about forty days to get $150,000 and that was really cutting it close. You want to give yourself a little bit more time than that.

As I mentioned it is a process, and we want to follow the steps and not be rushed for money.

Michael: That's a great story.

Trent: A good lesson to learn from that though is don't wait until you need business credit to start building it. Start building the business credit, and have the financing available prior to needing the financing. So, you don't have to scramble at the last minute to put together the funding.

Michael: Are you partners with the IRS?

Trent: It's nice when we get these client testimonials, and these client success stories, but what we have been approved is to partner with the IRS. It's nice to have these client success stories and testimonials, but when the IRS gives you their endorsement, then you know you're dealing with an organization that knows what they're doing.

So, as you can see on our website, we have the approved logo of the IRS on our website to partner for them, because they can help a lot of business owners with some of the tax issues in setting up their business properly.

Michael: How is it you're able to use this logo, specifically? What does this mean, actually?

Trent: When we originally talked with the IRS agent and told her what we did, and what our services are, she said, "Every single business owner in America needs to learn how to separate their personal credit from their business credit, and nobody is teaching them how to do it."

So, she was pretty excited when she found out what it was we did and how it was that we helped the business owner build their business credit and separate their personal credit from their business.

At that point, they had given us approval to be a partner and put their logo on our website. So, we can exchange links and also we have a number of resources that the IRS makes available to business owners on our website by following the IRS link.

Michael: That's great. That's pretty powerful.

Trent: Yes, it's nice to have an endorsement like that. It really doesn't get much better.

Michael: What do you mean by it takes money to make money?

Trent: Every one has probably heard the quote, "It takes money to make money." I don't necessarily agree with this quote. You can definitely make money if you don't have money, but it's a lot easier to make money if you have working capital and if you have money available.

Many people have probably heard of the quote, "The rich get richer and the poor get poorer," and the reason why is in my opinion the rich have access to working capital. They have access to funding. They have access to money. When the opportunity of a lifetime presents itself, which seems to come around every couple of weeks, they don't have to scramble to refinance their home.

They don't have to run out and borrow money from friends and family. They have access to money. Whether it's their own money or other people's money, so what we want to do is make sure that every business owner out there has access to money for their business. Even though it's possible to make money without money, it is a lot easier to make money if you have available funding.

We've cracked the code to unlimited bank financing. Most people have probably the heard the statistics from the FDA. Over fifty percent of small businesses fail in the first year, and 95% within the first five years. The reason why is not because they had a bad business idea. It's not because they were unorganized or didn't know how to run a business properly.

The main reason is lack of financing, whether it was proper financing to start up the company, or whether it was a lack of financing after the first year or two to take the company to the next level. It really came down to a lack of money is why businesses fail.

So, what we want to do is show everyone what we've cracked the code on the bank financing and how to have unlimited business financing. So, that problem is never an obstacle anymore. They can have available funding anytime the business owner needs it.

One of the major problems is where business owners get most of their money from. Most everyone has either done this or known somebody who has done this. They've paid for a business expense using a personal credit card hoping to one day to pay themselves back. They dipped into savings, retirement, accounts, kids' college funds, to loan money to the business, or worse yet, they've turned to family and friends to invest money in their business, which doesn't always turn out in the best light.

So, what we want to do is teach people how to separate their personal credit from their business credit so they're not borrowing funds from themselves, from their family, from their retirement. We want to separate the personal credit from the business credit.

The nice thing about it is we did not come up with this. In 1998, Inc Magazine did an article, "How to Finance Anything," and they talked about business credit using that to properly finance a business. They also talk about too many families, over sixty percent of business owners use their personal credit card to fund their business.

It talked about a number of different examples of families who maxed out their personal credit cards for the business and when you max out your personal credit, of course everyone knows, your personal scores go down.

In many instances, these families or these businesses needed additional money, and when they went to the bank to obtain financing the bank said no because they had maxed out personal credit, and their scores were low.

So, what we want to do is learn how to separate the personal credit from the business credit so that none of the business debt shows up on the personal credit file. So, the family finances don't suffer.

It would be a good time also to mention as we talked about earlier, the personal guarantee. I'm not against giving the personal guarantee. At the beginning, it's going to be necessary, but if you separate your personal credit and your business credit properly, you can personally guarantee the business debt, and still not have it report to the personal credit file so that business debt doesn't harm the family finances.

Then, eventually, we can work on removing those personal guarantees, and obtain additional funding that does not require a personal guarantee.

The real reason why anybody wants to build business credit is to obtain business funding. It's nice to have business credit. It's nice to have business scores, but really the end goal, the end result is to be able to go to the bank and have a good personal file and a good personal business credit file and obtain lines of credit that unsecured that do not report to the personal credit file.

Let me tell you how we learned about business credit. My father and I as real estate investors wanted to maintain good personal credit. One day, we were reviewing our personal credit scores. We noticed that there were a few credit cards that were not reporting on our personal credit file.

At first, we were alarmed because we had good history. We had low balances. We always made our payments on time. At first we were alarmed because we thought we weren't getting credit for those accounts.

As we looked into it a little bit more, we noticed that those were business credit cards that were not reporting.

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Michael: Were they set up in the business name with your corporate federal ID rather than your social security?

Trent: They were set up in one of our LLC's names. Now, they did require a social security number on the application, but they were set up under the business name, and those were not reported to our file.

We also thought, "Well, if these aren't reporting, what if we went and got a business loan and a line of credit?" We started working on building our business credit and setting it up properly, and we found that if the business credit is set up properly, that business loans and lines of credit and equipment financing also do not report on the personal credit file.

We also noticed that the loans, lines of credit and credit cards on the business side almost always have lower interest rates than the personal credit cards and lines of credit. This was nice to know. We didn't really grasp the idea. We understood that they didn't report, but we really didn't understand how valuable it was until one time we went to the bank to obtain another mortgage.

We found an investment property that we wanted to purchase, and the bank turned us down. We asked them, "Why? We've got all these other properties that are rented out. We can show documentation and the cash that it's bringing in, the positive cash flow." The bank turned us down for this additional property.

Michael: Were your other properties all set up in the LLC?

Trent: No, they were all reporting to our personal credit line.

Michael: Oh, so you were financing your real estate holdings under your personal name. You weren't incorporated at that time?

Trent: No, we were, absolutely.

Michael: Oh, you were incorporated, but they were still reporting to your personal.

Trent: Exactly, and most real estate investors, even though they want to buy a property in the business name, the lender will want them to finance it personally. They can quit claim deed the property to an LLC or another type of business entity, and that helps transfer ownership, but that doesn't do anything for the mortgage.

Michael: What did you do with the bank that caused your structure to report to your personal, not a business credit file?

Trent: Well, 99% of all properties, they'll naturally report to your personal credit file, whether you're buying it for a business or not. So, what we didn't do is we didn't say to the lender, "We want the note. We want the mortgage to be in the LLC name."

Michael: Your mortgage on all your ten properties were in your personal name?

Trent: Exactly, all of them were reporting back to our personal name. That's how almost every single lender in America, that's how they'll just naturally do it.

Michael: But, you were still an LLC.

Trent: We were still an LLC, and even though we did quit claim deeded the property to an LLC, we can have the LLC own the property that didn't do anything for the note, for the mortgage. The mortgage was still reporting under our personal name.

So, what we found out is you can go, and we searched for a long, long time, and anyone who is a real estate investor will know, it is not easy to find a lender who will lend a residential property in the LLC name.

When we finally learned how to properly build the business credit up so that the corporation qualified, and we found a lender that would lend in the LLC name, we refinanced all of those properties out of our personal name, and put them into the LLC name.

So, the note, the mortgage actually was out of our personal name. It was no longer reporting on our file.

Michael: So, you had to do research and find special lending institutions that were experienced in doing this.

Trent: Exactly, and they're not a lot. They were very hard to come across because most of them want it to report on the personal credit file.

Michael: Tell me from the bank's perspective why do most of the banks want it to report on the personal credit file, because it gives them more leverage of getting their payments?

Trent: Yes, exactly. So, as soon as we learned how to separate the personal credit from the business credit and get all of those properties out of our personal name, we were able to go to the bank and qualify for additional properties. When we went to the bank, they pulled our personal credit file and none of those mortgages showed up. So, they never had a problem with it because they didn't even show up on the personal credit file.

Michael: So, when you went back to the bank, did you want to buy more properties using your personal names, since your personal name didn't have anything reporting back, or did you want to do it now in the business name?

Trent: We wanted to and we always still do, do it in the business name. However, the bank, especially because of the Patriot Act nowadays, they will still look at your personal credit file just to make sure you are who you say you are, and you're not a terrorist.

They'll still want to look at it, but you can still buy it in the LLC name. So, as soon as we learned to refinance those out of our personal name into the LLC, we were able to get into the next level of real estate investing. We started building commercial properties.

Michael: As you built them and as you invested, now you were doing it all in the business name where nothing was reporting back to the personal name.

Trent: Exactly, and those were residential investment properties.

Michael: You've got them in the corporate name. You started building your business credit, and then you went to the next level of commercial properties.

Trent: Exactly, we started building properties. As you can see in the slides, we built one. We built another.

Michael: So, this address 5113 was a property that you built.

Trent: 5113, we built from ground up, and we started leasing or renting the properties, or in certain cases, we turned around and sold them, and we built another one and another one, and then another one. The last one there, the big office-

Michael: With the cars in the front.

Trent: Exactly, that one has got over forty executive offices in it that we rent out, and that one is hugely profitable. We would've never been able to do that if we didn't learn how to separate the personal credit from the business credit.

Michael: What did that cost to build?

Trent: Ground up, I think that one was maybe about $3.6 million. The last time we had it appraised was a while ago, and it's doubled in value. So, we've got a lot of equity in that building, and we literally used the business credit to finance any out of pocket expenses we had at the beginning to fund the construction and the building process.

Michael: So, all these loans were all in the LLC name, and had nothing to do with your personal name, and they're all unsecured.

Trent: Well, the unsecured lines of credit are different than the real estate funding. So, the unsecured lines of credit are just what we have for the business name. Then, we get additional financing that actually covers the real estate, and the real estate is held as collateral.

Michael: That's very good. That was all from just what you learned that day when you wanted to buy another residential property and they turned you down and the bank told you why.

Trent: Exactly, at that point, they turned us down and we said, "We are building and we are buying." At that point, we were just doing residential. We're doing real estate as a business. So, why is our business credit hurting us personally? We thought back to those business credit cards that weren't reporting.

We thought, "If the business credit cards aren't reporting, then if we're buying real estate as a business, then the mortgages should not also report." It wasn't until we learned how to truly separate the personal credit from the business credit, until we went on to the next level. At that point, a lot more doors opened up.

Michael: So, what was real important is you had to know the right lending institutions to go to.

Trent: Even before that, we had to know the right steps and the right process to build the business credit up so the lending institutions would even look at our business.

Michael: Did the bank give you any tips on how to do that?

Trent: No, the banks did not teach us how to do this. We literally learned the hard way by trial and error.

Michael: How long was this trial and error going on?

Trent: We started learning, just my dad and I probably about eight, nine years ago, and there's a few corporations that we learned the hard way and we messed things up, and we'll talk briefly here in a couple slides of why it's so important to follow the right steps, and follow the order of everything. We'll talk about this here shortly.

It's vital that everything's in place prior to setting up your business credit file.

Michael: How am I going to benefit by using business credit?

Trent: Well, you can secure the cash you need to finance your business dreams. In my father and my situation, we used it to finance real estate. Now, that doesn't seem that it only can be used for real estate. It doesn't matter whether you have a flower shop or a construction company or you want to start a business. As long as you're in business doing something, you can benefit by building business practice.

You're also able to shield yourself from liability and reduce tax burden. You're able to protect your personal finances and credit history. You're able to obtain favorable lending terms and conditions, and most importantly as we talked about earlier, the quote, the rich continue to get richer because they have the cash, now.

That's what we're really after. The end result is to have secured working capital that we have access to.

Michael: Let me ask you this. When you went from residential real estate investing to commercial properties, was that part of your strategy that aided in your ability to get the financing because you were dealing with commercial properties, or did that not have anything to do with it?

Trent: Do you mean the business credit?

Michael: To get the business credit because you were building commercial properties. Did that make easier that you were kind of outside of the residential real estate investing arena?

Trent: No, getting into the commercial side of things was only made possible after we learned how to properly build our business credit.

Michael: You would've done that first if you had the credit.

Trent: Oh, yeah, absolutely, part of the only reason we started in the residential side is to get the experience and get the funding that we needed to get into the commercial side.

So, the bottom line is you cheat yourself if you finance your business investment using personal credit.

Michael: Can we do another case study of someone you've helped do this?

Trent: Sure, John was a business owner. He currently had a business, and he was also looking to expand. He need to show seasoning of funds for some additional funding that he was looking for.

Michael: What does that mean? He needed to show seasoning of funds.

Trent: The lender wanted to see three months of bank balances. The lender wanted to see his last three months bank statements.

Michael: To see that he's making money.

Trent: One to see that he's making money, but two to see that he has a certain amount on deposit, and what John came to us for was he was about $100,000 short of what he needed for an average three month balance.

So, what we had him do is one build his business credit for his current business so he was able to benefit that way, but we were able to after we built his business credit get him the $100,000 that he needed and all he did was that money was simply put it in his bank account.

Michael: That was good enough for the bank.

Trent: And, that was good enough for the bank.

Michael: They don't care where it came from, as long as it was in there.

Trent: As long as he could show that he had money in his account for three months, that was good enough for this particular lender.

Michael: What kind of loan was he going for?

Trent: He wanted to expand his business. If I remember right, he wanted to buy another location. So, after building his business credit and getting him the funding that he needed to show in his bank account, he was able to secure additional funding to buy another location.

Michael: Do you remember how long that took him to do?

Trent: It took him about 75 days.

Michael: That's pretty quick.

Trent: It's not bad. It does take some time, so it's not going to happen next week, but it's not two years down the road either. If you structure your business debt correctly, you can do like John and separate the personal credit from the business credit.

Because you're separating the personal credit from the business credit, your business credit will not report to your personal credit file, and because your business credit is not reporting to your personal credit file, the debt won't hurt your personal debt to income ratio.

Michael: What is a personal debt to income ratio? Who looks at that? Why is that important?

Trent: Well, anytime you're looking for financing, the bank is going to look at how much debt you have versus how much income that you have. They want to see that you're able to service the debt load.

So, the lower debt that you have and the higher income that you have, the better the ratios are. The reason why it's so harmful to not separate the personal credit from the business credit is let's say the business owners has $50,000 in debt, and let's say the family has $20,000 in debt, just credit card debt or car loans, home loans, whatever.

So, they've got a total of $70,000 in debt. Now, let's say that income is $100,000. Their debt to income ratio would be obviously the $70,000 in debt versus the $100,000 in income, and a good chunk of that, $50,000 of that is not their personal debt. It's the business debt.

If they learn how to separate their personal credit from the business credit, that $50,000 wouldn't even show up in the calculation of their debt to income ratio. So, it would only be what it should be, the $20,000 in debt versus the $100,000 of personal income.

So, when the business debt doesn't show up, it won't hurt the personal debt to income ratio, and because those debt to income issues aren't harmed, you credit score will remain high so next time you need financing, you can get the best terms and conditions. Eventually, lenders won't require a personal guarantee.

Michael: Everyone's seen the commercial, "I'm thinking of a number," and they've been educated on their credit score. That is what it's all about that number, correct?

Trent: Exactly, you need to have a 680 or above is pretty medium, and what is best is a 700 or above, or even better a 720 or above, but lenders are going to pull the credit score. They're going to look at that three digit number, and they're going to base your credit worthiness off of that number.

Michael: Can we talk about some reasons why one should avoid using personal credit for their business?

Trent: When using personal credit for your business, you instantly slash the amount of personal credit you have. Let's say for example you have a $15,000 credit limit on a personal credit card. If you put $10,000 on that personal credit card for the business, that means you only have $5,000 left over for personal reasons. So, you slash the amount of personal credit you have.

The more personal credit you use, the less you get, the more personal credit you use, the lower your FICO score drops. If the business fails, your personal assets are at risk, and if the business fails, your family finances suffer. That's what we want to keep protected and keep separate from the business.

So, some of the entities that you can build business credit to, it doesn't matter if it's a C-Corporation, an S-corporation, a limited liability company. It doesn't matter as long as it has an EIN number or a Tax ID number.

Now, I also put on the slide a sole proprietorship. Now, the reason I put that on there is so that everyone understands how this works. Sole proprietorship is a catch-21 situation. You do not want to build business credit to a sole proprietorship.

The reason why in most sole proprietorships are based on social security numbers. So, when you start building business credit, it will report back to that nine digit number, and you'll have business credit reporting on your personal credit file which is exactly what we're trying to separate.

Michael: Can you build business credit in a sole proprietorship?

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Trent: You can technically, that's why I put it up there, but you don't want to because all of it will report back to the personal credit file. So, the personal credit file is now going to have personal credit and business credit, and it really turns out to be a mess.

Michael: Explain for maybe someone who doesn't even know, what's a sole proprietorship?

Trent: A sole proprietorship is in other words a DBA, a doing business as. It may be Trent doing business as ABC Bakery. So, it's me personally doing business. I don't have any type of a business entity separate from me personally that's actually running or owning the business.

So, it doesn't matter whether it's a corporation or an LLC, and a business owner will want to talk with their particular tax attorney or a local attorney to determine what entity is best for their business. It doesn't matter on our end which entity it is. You can build business credit to either one of those entities.

Let me introduce you to the main business credit bureau. The main business credit bureau is Dun & Bradstreet, and Dun & Bradstreet as you asked earlier Michael, they have a paydex score and a Dun's rating.

A paydex score is on a different range scale than personal. It ranges from zero to one hundred, and a seventy-five or higher is considered good. What we are looking for is eighty or higher.

This score is based on the payment experiences reported by vendors. I'll talk here in a couple of slides about what that is exactly, but make sure to remember you need five trade references who report to generate a score.

Now, how is this business credit file set up? As I mentioned earlier, just because you maybe in business with a business credit card or a business loan or line of credit does not mean you have a Dun & Bradstreet file set up. Dun & Bradstreet, what we will do, we will go to our representatives and we will manually set up your Dun & Bradstreet file for you.

The reason that's so important is we need to make sure that everything is set up properly, the business name is spelled correctly, the business address, the ownership, everything is set up properly. So, we will manually go and set up your D&B file for you.

Michael: So, as a business, I may already have ten or fifteen different vendors doing business with them for many, many years, and I'm not even using the assets of these trade references especially if I'm not in debt and I've got all this history. You'll show me how to set that up and start using my trade references to start building the paydex store?

Trent: Exactly. We can help you get a number of those trade references if you currently have some reported on your file.

Michael: Once they're reported could it reflect the history and the time that I've had that account with these trade references.

Trent: Yes, if those trade references qualify, but yes, you're right. You can have that history added to your file, but one thing that's important, I can't stress enough, if you don't know you have a Dun & Bradstreet file, it's probably a good sign you don't have one because it's not set up like a personal file. You don't just one day wake up and you have a file filled with history there.

We go and manually set that up for you. Now, the next business credit bureau is just like the personal, Experian. They have a business side called Corporate Experian, and it's very similar to Dun & Bradstreet. They have what they call an Intelliscore.

An intelliscore ranges from zero to one hundred, again 75 is good, eighty is what we're looking for. It's based on the payment experiences reported by the vendors and with Corporate Experian, you need two trade references who report, only two to generate an Intelliscore.

Now, this file is set up differently than Dun & Bradstreet. This file is set up by your first trade account reporting your payment history to Corporate Experian. When they report that history and there's no file found in Corporate Experian, they will generate your file. They'll set up your file.

The reason why it's so important to note this is let's say Target for example, we'll talk about them in one of the upcoming slides. Let's say you spend some money with Target for the business, and Target reports to Corporate Experian your payment history.

If Target misspells your business name or possibly puts St. instead of Street spelled out completely for the business address or a number of other variables, that is how Corporate Experian will set up your initial credit file.

So, it's vital to make sure that the vendor has everything properly spelled and everything properly set up to report to Corporate Experian to generate your file.

The reason why that's so important is, let's use an example St. and Street, if you have one vendor that reports your payment experience to your company name and the address is St., and another vendor who reports your company's payment history and they've got your company name and the address is Street, they may not go to the same file. So, you might not get credit for both of those vendors.

So, it's imperative that you have set it up properly from the first vendor, and the nice thing about it is we are set up to report to Corporate Experian every single month.

So, anytime someone becomes a client of ours, we will report their payment history to us to Corporate Experian, which takes care of two things. One it sets up their file properly, and two, we become a trade reference on their file. Remember, you only need two with Corporate Experian to generate an Intelliscore. So, at that point, the client only needs one more to generate their scores.

Michael: Does Dun & Bradstreet and Experian share information?

Trent: No, they're two separate companies.

Michael: Who is bigger?

Trent: Dun & Bradstreet is much, much bigger.

Michael: When they're considering financing in money, are the banks checking both of these resources?

Trent: No, most banks will check Dun & Bradstreet. There are a number of lenders who will check Corporate Experian.

Michael: So, your special list of lenders, are some of them using Corporate Experian?

Trent: Exactly, our job is to decipher which bank is pulling what report, and to determine, okay, the Dun & Bradstreet's file is strong enough now, but I'll send you to this lender who we know pulls Dun & Bradstreet or vice versa.

We know the Corporate Experian file is strong, so we'll send them to XY's lender who we know pulls Experian.

Michael: Can you tell me another case study where maybe this came into play, the client you helped?

Trent: Well, it was Spencer who was also a business owner in Oregon, and he simply needed about $50,000 for working capital. What he found was a lot of the invoicing that they did was not necessarily paid on time, and so at the end of the month, if a number of his invoices were paid late, he didn't have enough money to cover other expenses – payroll and other working capital needs.

So, what we did is we got him $50,000 after building his business credit just to simply have in reserve in case he needed to cover any miscellaneous expenses.

Michael: That's a perfect example. This is the kind of thing that can kill a business.

Trent: Absolutely, as we talked about earlier, the number one reason was lack of financing. There's so many times that business has a short fall of money, and it's not because they don't have a profitable business or they don't know how to run the business properly.

There's just a lot of variables that are outside of a business owner's control, where they just may need $50,000 here and there to cover any miscellaneous expenses.

So, by building his business credit properly, we were able to get him the working capital that he needed to take care of his business and make sure he stays up to growing as possible.

Michael: Do you remember how long that took?

Trent: Everyone is going to be about the same time, anywhere from sixty to ninety days.

Michael: Was he already set up as a corporation?

Trent: Yes.

Michael: His credit was already pretty good, right?

Trent: Yes, most of our clients will already have some sort of a business entity set up and will need for them at least a 680 or better personal credit score.

Michael: Can we talk about the different types of business credit?

Trent: Yes, that is going to be the most important that we go over today. There's trade credit or vendor credit, and that is one and the same. Trade credit or vendor credit, and there's cash credit. Let me explain a little bit of both of them.

Let's take for example Quill. Quill or Office Depot or Target, all three of these are examples of trade credit. What that really is, is let's use Target for example. Target extends your business a $10,000 trade line. That trade line, that credit line can only be used at Target.

So, let's go back to Spencer and his situation. A $10,000 line of credit at Target would've done him virtually no good. What he needed was cash. That's really what we're after is the cash credit, but let me talk briefly about trade credit and why it's so important, why it's even so vital to business owners.

What happens is if Target extends you a credit line, you go and use that credit line, you want to spend about $80 on something, $80 or more. What will happen is they'll let you go into Target, spend the money, walk away with the product and they'll invoice you, or invoice the business.

When you get the invoice and make the payment on time, Target will then report your company information, your trade line and your payment history to the business credit bureaus.

Michael: So, let's say I did it with Target. They'll report I had $10,000 trade line. They'll report that I bought something for $80. You're just giving an example of once you get it, go buy something for $80, and then make the payment.

Trent: That's how you get them to report. Just getting a trade line doesn't mean they report.

Michael: You've got to use it.

Trent: You've got to use it. Remember, it's based on the payment experienced by the vendor.

Michael: So, $80, is that a magic number? Are you saying you don't want to do it for three dollars?

Trent: Yeah, eighty dollars or more.

Michael: Eighty bucks or more, okay, so buy something, use it, pay it back. Do you pay it back within two days? Does it matter?

Trent: Wait until you get the invoice. Just pay it on time. Don't pay it late, whatever you do, just make sure you pay it on time.

Michael: When you get that invoice, you can check how they listed your company, and make sure that's all correct.

Trent: Yes, absolutely.

Michael: So, when you get that and you fill out the application for your trade credit, set it all up in your business name. Don't put your personal name on there. Any tricks on that?

Trent: No, no tricks. Naturally, just to make it easy, we set up all the trade accounts for clients. So, that way, there's no confusion for what to do or what to say and what not to say. We'll actually set up most of the trade accounts for everyone.

The reason why this is so important, these trade accounts is remember, this is how you generate your scores. With Dun & Bradstreet, five trade references, with Corporate Experian, two, and so your payment history becomes a trade reference on your business credit file.

Even though we're not after trade credit, let me explain why it's so important. On this next slide, you'll notice this is a small portion of a business credit report. I underlined a portion at the top that says D&B has not received sufficient sample of payment experience to establish a paydex score, and notice on there, there's a trade line of $1,500 and a trade line of $500.

Now, notice off to the side, the far right, under the column 91 plus, you see a 100. That means that they were past due. They were late 91 days or more. So, this is where it shows how you pay your bills.

If you have late pays, it shows up there, and if you go to the bank with late pays just like on your personal credit file, they're not going to want to lend money to businesses who don't make the payments on time.

Michael: There were only two trade references where they need five.

Trent: Exactly. Now, the reason this is so important is right here. This next slide, D&B issues a credit limit recommendation. Now, most business owners don't realize, when they go to the bank to apply for financing, the bank is going to pull the personal credit, make sure they're okay there, and the business credit and see what's there.

Michael: Does the bank subscribe to this D&B service?

Trent: Exactly. They subscribe to D&B and they pull companies' reports. The reason this is so important is Dun & Bradstreet, they rate companies and they recommend credit limit recommendations for the banks, and how they calculate this as you notice here on this one, conservative $5,000, aggressive $15,000.

Now, these two files don't necessarily go together. I'm just showing you an example. How they calculate this is they take the number of trade lines a business has and they take an average. In this case, this prior one has two trade lines one for $1,500, one for $500. They'll calculate and average between $1500 and $500, and that's how they get a credit limit recommendation.

So, the higher trade lines we build, the more trade lines we build, the higher the D&B's private limit recommendation is going to be for a particular business.

Michael: Is it the more the better?

Trent: Absolutely, the more the better.

Michael: It's important to have all of them, but to actually borrow against it and make a payment on time.

Trent: Yes, and that's how you get them to report. You have to use them. You've got to use them, make the payments on time, and that's what they're reporting. It's how you pay the bill.

One thing to note, the bank will typically go with the aggressive credit limit. So in this case, this business, they can expect to get somewhere between ten to fifteen, maybe a little bit more at any one given bank. They really can't expect to get anymore because that business credit doesn't merit anymore.

So, let's go to this next file, one that we've worked on. Notice up at the top, the company's paydex score is 80.

Michael: That's pretty good.

Trent: That's perfect. Notice all those dashes on the far right. That means they have no late payments, but most importantly notice the trade lines. They have some large tradelines on the file.

Now, again, this next slide doesn't necessarily correlate with this one here, but this next credit limit recommendation is now for $50,000. So because somebody has spent the time building up their trade credit, they can expect to get a lot more cash funding at the bank, which is really what we're after.

So, trade credit, even though it's not the end result, it is a stepping stone to cash credit, and that's what we're really after is the cash credit.

Michael: So, really, again, this is for businesses who have good credit, and once they score the 680 you were talking about, getting these trade credits shouldn't be that big of a problem.

Trent: Well, the nice thing about it is trade credit is not correlated to personal credit whatsoever. So, we don't care if someone declared bankruptcy yesterday. We can get them trade credit and build up their business credit file. So, when applying for trade credit, the issuing vendor, the issuing creditor will not check personal credit. They'll only check business credit.

Michael: What if I have no paydex score, no business credit history, and I'm trying to get trade credit?

Trent: Again, that's why it's so important that you follow the steps. That's partly why we set up the trade credit for the clients. We have a series of four tiers. We have a list of companies on each tier.

Tier one are companies that are known to grant credit to businesses who have no trade credit whatsoever, and it's not going to be a lot. Let's say it's $200, $500, $750. They'll grant the credit to the business who has no history whatsoever.

Once the business owner uses that credit, gets those files on their business credit file, we'll send them to tier two. Tier two is full of companies who are known to grant credit to businesses who have little business credit history. They'll see the trade line of $500, and then in tier two, they'll say, "Okay, we'll beat that. We'll go to $1,000." We'll get a few more on tier two.

Once we get done with tier two and got those reporting, we'll move to tier three. So, it's a gradual step. Tier one is for brand new people with no business credit history and we just work them up the ladder. The higher they go, the more the credit they get and the higher limits they get.

Michael: That answers my question. You build it up.

Trent: Exactly, that's why I say it takes time and it's a process.

Michael: Right, it takes time to build it up especially if you have none because you've got to make those payments every thirty days.

Trent: Now, what we're after is actual cash credit, and this next slide has a business MasterCard application. Most business owners don't realize why the business credit bureaus are in business. Obviously, they're in business to make money, but they don't understand how the business credit bureaus make their money.

How they make their money is just like personal credit file. They're data collectors. They collect as much data as possible and they resell it. Now, the reason why this is so important to know as a business owner, let's use for example, Citibank.

Citibank may go to Dun & Bradstreet and they may say, "We want to buy everyone who's newly incorporate in the last six months in the state of Nevada." What Citibank will do, most everyone on this call who has an entity set up has probably received them, they'll send out junk mail, preapproval offers. Let me explain the next step.

Michael: They're buying that from Dun & Bradstreet.

Trent: Exactly.

Michael: So, Dun & Bradstreet's in business to sell data.

Trent: Exactly. They're data collectors. What most business owners don't realize is that same Citibank may go to Dun & Bradstreet and say, "Okay, we want to buy everyone in Nevada who has a paydex score of 78, and a Dun's rating of 1R3." The offers that Citibank sends to that business owner are in a completely different ballpark than the offers that someone who does not have business credit receives.

You're listening to an interview on Michael Senoff's HardToFindSeminars.com.

Michael: That's the same thing in the personal arena. When you start getting a credit card, you start getting offers from all the other credit card companies.

Trent: Exactly, the more credit worthy you are, personally and business wise, the same rules applies. The more credit worthy you are on the business, the better offers you're going to receive.

Michael: So, let's face it. They're in business to loan money to low risk owners.

Trent: Exactly, you'll start to receive offers like this next one for Capital One for $20,000, US Bank for $15,000, Chase for $35,000.

Michael: These are all business lines, right?

Trent: These are all business credit cards. The reason I bring this up talking about business credit cards is I have a stack, and I can't even keep up with how many they send to me. The business credit cards are the cheapest money that you can borrow. I have a stack of these magic checks, is what I call it.

They send out these magic checks, zero percent for six months, 3.9% for the life of the loan. So, you could literally borrow, in this example, Chase $35,000, at either zero percent for six months or 3.9% for the life of the loan, and remember, none of that shows up on the personal credit file.

Michael: These have all been sent to you based on your paydex with Dun & Bradstreet.

Trent: Exactly, based on the business, and so that's what we're after is to get access to capital and especially in this situation, even though the particular credit card rate may not be the best, but the magic checks that they send out are sometimes the cheapest money that a business owner can borrow.

As you continue to build credit, the offers will get better and better. As this next slide shows, they give you the option, federal tax ID or social security number. If they ask me that question, I'm not going to put my social security number on there. If I don't put my social security number on there, that means they can't pull personal credit, and they're not going to get a personal guarantee.

On this next slide, they specifically ask should you give us your personal guarantee, and then on the next one, notice number three.

Michael: Let's say should you give us your personal guarantee, completing this section will speed the process of your application, if you have a young or small company.

Trent: One thing that you need to realize is if you leave that section blank, it will take a little bit longer to process the application because it's going to be based completely off your business, but the wait is worth it to me to not have the personal guarantee on the card.

Michael: This section should be completed if your company is a sole proprietorship, a partnership or unincorporated, or is incorporated for less than two years, or has annual revenue of less than $2,000.

Trent: Notice the les than two years. On the next slide, it also says number three, all businesses established less than three years ago. So, it is a lot easier to get additional financing if you're been around for 24 months or more. If you're a brand new business, brand new corporation, you can still get business financing and still build business credit. It's not going to be as much, but you can still obtain business credit.

Michael: Let's say I'm listening to this presentation. I've only been incorporated a year. I come to this slide, and I say, "Well, Trent, how can you help me? Can you tell me about your service how you've been able to solve this problem and expedite it?"

Trent: The nice thing, and again, we'll talk about this here in a little while, the nice thing is I can teach any business owner to have three years in history overnight. It will cost a little bit extra money, and we'll talk about how that's done, but if that's important to a business owner to get a certain amount of money, and they need that kind of history, that definitely can be done.

Michael: That stack of magic checks, generally, just from your experience, what kind of fees are associated with those? Are there annual fees kind of like credit card? Where do they get you on these offers?

Trent: Business credit cards are going to have some sort of an annual fee, if you're using the card properly, I ask for that annual fee to be waived. Most of them, if you're using it, have good history and are making your payments, they'll waive it, and if they don't, well it's all a tax write off to the business anyway.

So, the next slide, and this situation MBNA, they are giving a credit line of $50,000, and this is where they actually give you a check book. You have a book of checks you can write out for whatever, whenever, a business needs money, or the next slide for $50,000.

Now, notice the interest rate down at the bottom, 2.7%. If anyone is good at math, they'll quickly realize the payment on $50,000 at 2.7% is less than $120 a month, and that's pretty cheap to have access to $50,000 for less than $120 a month.

Now, let me mention the interest rate is not typically going to start out that low. Let's take the next slide for example. Here's another one, $50,000, the interest rate is prime plus 1.7%. That's where most of the interest rates are going to start out is prime plus, and the bank will decide prime plus one, prime plus two, prime plus three. The bank will determine what interest rate you can start out, but remember, credit building is a process.

So, as you use that money properly, every couple of months, you can ask for that $50,000 to be increased and that interest rate to be decreased. So, it's a matter of learning how to play the credit game. Learn how to increase the amount and decrease the interest rate.

Michael: Now, you said something important. There may be a lot of businesses sitting there who need cash, but they've never even considered calling their credit card companies business or personal for that matter and asking for an increase, especially if they've paid their bills on time.

Trent: Depending on the bank, they'll have a rule as to how often that can be done, but every single time that that time comes up, I ask for a line increase and a rate decrease.

Michael: About how often do you think would be a reasonable time to go back and ask for a line increase and a rate increase?

Trent: Depending on the bank or the lending institution, either three months or six months is typical. The bank's in business to lend and make money, and they make money by lending money. So, if you can show that you're responsible, they'll lend more money to you.

Michael: Consumers have a lot of rights when it comes to their credit and credit report. There's a whole Fair Credit Reporting Act. What rights does a business owner have to correct inaccurate information?

Trent: This is the second most important part that we're even going to talk about today, and as I mentioned earlier, I mentioned it was so vital to follow the steps to have everything in place prior to setting up the business file. The reason this is so important is everyone has probably heard of the Fair Credit Reporting Act. In essence, prove it or remove it.

When it comes to personal credit, they have a certain amount of time, the personal credit bureaus, where if you dispute information, they have to by law respond, verify and inform you of their findings.

Now, why is this important to us as business owners? Business credit bureaus are not regulated by the Fair Credit Reporting Act. So, if you skip a step in the process, if you take a short cut, if you don't have everything in place prior to set up your business credit file, the business bureaus have what they call a high risk or a red flagged status.

If your business is put in this high risk or red flagged status, then there is literally nothing you can do. There's no laws on our end protecting us to go back and dispute that information.

So, realistically, it's easier to shut the doors to that corporation and start all over, and earlier, Michael, I had mentioned my father and I had learned the hard way. We learned what to do and what not to do because we've been in that situation, and it's literally is easier to shut the doors to that corporation.

I'll go back a slide to a number of slides where the credit limit recommendation shows the $50,000 aggressive limit. If you notice over to the right, where it has the asterisk, it says, "A zero dollar recommendation indicates that this company has a high risk assessment."

So, if your business is put in the high risk assessment, that credit limit recommendation will show zero, meaning no banking institution will ever lend money to someone who's in the high risk status.

Michael: What slide was that?

Trent: That is slide 31.

Michael: Credit limit recommendation, okay so this is on the slide where Dun & Bradstreet gives a recommendation, and there's an asterisk, a zero dollar recommendation indicates that this company is a high risk assessment or is in bankruptcy.

So, if someone pulls your record from Dun & Bradstreet and sees this, you may as well start over.

Trent: And, what's even worse is if you had any lending any funding, and you get put in the high risk category down the road, if that lending institution finds out, they'll probably call due immediately the current lines of credit you have. So, it's imperative to make sure to follow the process in order of building business credit.

Michael: So, these lines of credit are not really unsecured because they can call them.

Trent: Well, no they're unsecured meaning no collateral.

Michael: No personal collateral.

Trent: Yes, you don't have to put the equity in your home. You don't have to put the title of your vehicle on the line. It's just on good personal and good business credit.

Michael: Let's say I had established $100,000 worth of credit lines and then I got a bad report or I got sick and something happened and I got one of these credit limit recommendations of zero, the banks could immediately call all those personal lines.

Trent: Well, paying your bills late will not put you in the high risk category.

Michael: What will put you in that high risk category?

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Trent: It's mainly things that are done prior to setting up your business credit file. So, that's why it's so important what we do on our end. What we do is we walk the client through step by step process of getting everything set up properly prior to setting up their Dun & Bradstreet file.

Let's take for example someone who's been in business. When we go to set up their file at Dun & Bradstreet, Dun & Bradstreet checks for a number of things, and I know everything they check for so we make sure it's all in place prior to sending that to Dun & Bradstreet, but let me give you an example.

Dun & Bradstreet will check a business's phone number to make sure that it is listed in the 411 directory, and that's just one of the things Dun & Bradstreet looks for.

Many business owners may be operating their business from a cell phone or an 800-number. Dun & Bradstreet needs a local landline phone number listed in 411 prior to setting up the file.

So, what we want to do as consultants is walk the client through every single thing that Dun & Bradstreet is going to verify. We'll make sure that that's in place prior to sending them over to Dun & Bradstreet.

You don't really need to be put in high risk unless you're trying to do this on your own.

Michael: Let's say someone has an established credit lines, what would they have to do to revert back to high risk, what kind of mistake or anything that you could think of?

Trent: Well, once they have the credit established, they would really have to be either doing some illegal activity, or they would have not be keeping up with what any business owner should have. If they're letting their corporations lapse, if they're not renewing business licenses, there's a few other things that we make sure clients don't have to do.

It's really not that big of an issue after you have your D&B file set up. A number of advantages of business credit is you can stop using your personal credit for business expenses. You can have higher personal credit scores by keeping the business credit out of your personal name.

How you do that is you have a separate legal entity, which is separate from you, and remember the business credit it tax deductible. Borrowed money is not taxable, and most importantly, you can have peace of mind knowing that business creditors can't cut through personal assets.

Some additional advantages of business credit is it does not report to the personal credit bureaus. It's based on tax ID number not your social security number, lower interest rates on business loans and leasers and eventually you can get commercial and residential property without it showing up on your personal credit report.

The nice thing about it is unlike personal credit where you can only have one personal credit file, you can create a new clean business credit file for each corporation.

So, you have virtually limitless credit potential. Each corporation that you have can honestly have a tax ID number. Each corporation can have its own business credit file, and each corporation can obtain business funding.

Michael: Yeah, that is pretty powerful. With your social security, you're just one person.

Trent: So, if you mess up one corporation's business credit, it's not the end of the world. We can do it again under another credit file, but most importantly, if you're working with us and know what you're doing when it comes to business credit, you don't have to worry about messing up business credit files. You can just simply build credit files as to many corporations as your business needs or wants to have.

Now, one thing I get asked all the time is what if I don't need business credit now, and I always like to live by the boy scout motto. Be prepared. You don't know when the business is going to need some additional working capital or there's going to be an opportunity that presents itself, and the last thing you want to do is try and run out and scramble to get funding at the last minute when you need it.

So, you want to have it available prior to needing it or prior to the opportunity arising, and the nice thing about it is you don't pay interest unless you use it. So, for a lot of business owners, we build business credit to, they don't need it for a couple of months, or they don't even know what they need it for. They just have it there for emergencies.

The nice thing is if you want to start a business, it may be six months, you're not quite ready, or your business may have something coming up in a couple of months. Build the business credit now, and simply don't use it. It won't cost you anything.

The nice thing about is it's unsecured meaning no collateral. It's stated income and typically no financials are required.

Michael: What does stated income mean?

Trent: Stated income means they're not going to ask for the last two months worth of paycheck stubs to see exactly the amount of money that you're making. You can use a stated income figure for the business.

Michael: So, what can you do for me as a partner?

Trent: What we will do as your partner is walk you through the step by step process. We'll provide you with a list of companies that grant business credit without a personal guarantee. As I mentioned earlier, we will set up the trade accounts for you.

We will obtain credit cards that don't require a personal guarantee. We'll show you how to build up the business credit so you purchase vehicles or equipment without a personal guarantee. We'll keep your business out of a flagged or high risk status, and most importantly, we'll introduce you to our banking contacts that you can apply for an unsecured business line of credit for your company that will not report to your personal credit file.

Michael: Okay, you have different packages for different customers?

Trent: Exactly, there's the silver credit builder which includes trade credit of $50,000, credit cards based on a tax ID only $25,000. So, you're looking at a total of anywhere, and again these are estimated amounts. Some people get quite a bit more. Some people get less, different areas. You're looking at a rough total of $50-$100,000 in credit.

Michael: That you'll help me get.

Trent: That we will help you get. We will of course help you set the Dun & Bradstreet file, the Corporate Experian file, and establish paydex and Intelliscores.

Now, notice that this silver credit builder does not include any cash credit at the banks. The reason why as I mentioned earlier is we need to have the business owner have at least a 680 or higher personal credit score to send them to the bank.

We can get the trade credit and the credit cards based on the business credit only, but what we want is for them to also have a 680 or better so we can get some cash credit at the bank.

Michael: So, anyone who has a poor credit score or has challenges financially on their personal credit, they could still get this funding using the silver credit builder.

Trent: Exactly, and what we have this in place for is so while we are working on building this business credit, the client can also work on repairing their personal credit.

So, once their business credit is built and their personal credit is in place at 680 or higher, they can upgrade for free to no cost at all to the gold credit building program.

Michael: How long will the silver credit builder take?

Trent: This will take a little bit longer. I'd plan on a good three to six months, and the reason it takes longer is we have to take the time to build up the business credit file to obtain funding on its own without the business owner's personal guarantee behind it.

So, this file will take a little bit longer to do, and the only reason somebody should be doing the silver credit builder is because they have bad personal credit. If somebody has good personal credit meaning 680 or higher, there's no late pays and bankruptcies, there's no negative information, the gold credit builder is what they want to do.

The gold credit builder includes everything that the silver credit builder does, the trade accounts, the $50,000, the tax ID, cards with $25,000. It also includes an additional $50,000 in business credit cards and $75-$100,000 in bank lines of credit. So, a rough total of $100-$200,000.

Now, this file will take, as I mentioned earlier, anywhere from about sixty to ninety days. So, it's a lot quicker, and the reason it's quicker is we can feedback the good business history off of the good personal credit history and obtain funding a lot quicker.

Michael: How long will this gold credit builder take?

Trent: About sixty to ninety days.

Michael: What are some advanced credit building techniques?

Trent: As I mentioned earlier, anyone who wants the two to three years in history overnight, they can purchase a shelf corporation. A shelf corporation is a corporation that's been set up two to three years ago that really, just as the name applies, has sat on the shelf. It hasn't done any business.

A business owner can buy that shelf corporation, and start running their business from that corporation and when they go to the bank, and the bank asks how long has the business been around, they can legitimately say two to three years.

What the bank will do is they'll verify that. They'll pull the Secretary of State, and they'll see that, yes this corporation was set up two or three years ago, and that's a way that someone can get instantly to two to three years of history. That doesn't mean that everyone needs to have that. You can get more funding if you have 24 months of history, but it doesn't mean that that's a necessity.

People can get anywhere from $30-$60,000 cash right now as a newer business.

Michael: Then, that's good for someone maybe who has a business or a corporation that their credit is destroyed or they have a zero paydex and they can start fresh.

Trent: Exactly.

Michael: Trent, what's the CD Deposit program?

Trent: Well, the best way to obtain high amounts of credit, and we're talking at this point $500,000 and above, the best way to obtain those types of credit lines is to incentivize the bank to lend the money to you. The best way to incentivize the bank to lend money to you is to deposit money in their bank.

We have a special program for those who are looking for higher amounts of lines of credit. Let's say someone is looking for a million dollars. We can arrange for double that in essence, two million dollars to be deposited at that particular bank in the form of secured CDs.

Now, the money that we deposit in CDs is not used as collateral, but it does incentive the bank to look at giving that business owner lending that they wouldn't have otherwise given to them because two reasons.

One, we're giving the bank the liquidity to make the loan, and two the banks have certain whatever their ratios are they can lend out. If we deposit two million, they can lend out quite a bit more than that, and make money on that two million.

So, it's a nice way to get the banks to give you large amounts of lines of credit and incentivize them to do that.

Michael: Do you know what those ratios are on US banks by any chance?

Trent: They can lend out ten times the amount. So, if we deposit up to two million, they can lend out ten times that amount, but that's just rumors. I don't know for sure.

Michael: CD deposit program would qualify for them to lend out the ten times.

Trent: Yes, they can lend out based on the amount of money they hold in deposits. That qualifies in CDs are held on the bank's deposits records.

Michael: Loans in the LLC name and non-recourse, what are these?

Trent: Basically, that's what we had talked about earlier. When my father and I learned to get loans in the LLC name, out of our personal name, we want the mortgage, we want the note to not show up in our personal name, and there's a number of loans that you can do that does not require a personal guarantee. In essence, it's non-recourse.

Michael: What's the next one?

Trent: We work with a particular funder that will fund up to a 103% of commercial property with not personal guarantee. This really is advanced technique once you have new credit built and some lines of credit. If you identify commercial property that you want to get into, you can finance 103% of it.

So, not only can you do it without any money out of your pocket, but you can actually get paid cash back at closing and not have to sign a personal guarantee.

Michael: Now, I'm sure did you learn this with your commercial properties?

Trent: Exactly, when it comes to those higher amounts of funding, we do not want to personally guarantee those commercial buildings. So, we do it through a non-recourse loan.

Michael: So, how can that pay 103%? What's the catch?

Trent: We can help the client analyze the property. There has to be a little equity there to make sure that they're not legally over-financing the property.

Michael: Do they want to rent it out?

Trent: Well, there's different programs – some for if you're building, if you're buying existing, but it is easier if you buy an existing property that's already performing.

Michael: What's this removing personal inquiries?

Trent: Well, a lot of clients ask, "Can I go and apply for credit at ten different banks?" The immediate answer is no. The long term answer is yes. The reason the answer is no in the short term is if I send the client, let's say to the fifth, sixth, seventh bank, bank five, six and seven are not going to like that they see that four other banks have pulled the individual business owner's personal credit.

So, what we do is we will typically send the client to three to four banks to apply for funding. If they need additional funding, we will send them to an organization that we work that does credit repair, and the credit repair as it shows on the next slide, they can remove those inquiries that the bank just placed on their file.

When those inquiries are removed, we can send the client to three or four more banks.

Michael: This clean-up company, is it easy to get rid of those inquiries?

Trent: It takes a little bit of time, maybe another thirty to sixty days, but if the client needs additional financing, we can remove those inquiries and send them to another three or four banks, and we can repeat that cycle as many times as needed.

Michael: What's next?

Trent: So, in conclusion, the last slide, a lot of people think they're coming to us to get $50-$75-$100,000 of credit. That's true. We will help them get back credit, but if they think they're coming to us just to get them a $50,000 or a $75,000 credit line, then they really have missed the entire point.

The point is we will help the client get as much funding as we possibly can to get their business up and going, or to take their business to the next level, but the point is to teach them the process of building business credit because that $75,000, that $50,000 that we help them get initially, in three months that should be $200,000. In six months, that should be $400-$500,000. By the end of the year, they should be getting close to a seven figure credit line.

So, the money that we help the client get is only the beginning.

Michael: Now, you give them the system. Once you do it once, they can start any other business and use the same system to do it over and over and over again.

Trent: Yes, exactly, not only can they do this on multiple entities, but most importantly, they'll now the process to take what we've done just the foundation, that's all we are laying is just the foundation.

They'll know the process to take that foundation and start building up from there, and really turn it into unlimited business financing.

Michael: What is this whole process meant for you and your dad?

Trent: Well, not only has this process allowed us individually to become financially free because we've learned how to use this to start up businesses and to buy investment real estate, we never imagined that we would be doing this helping others. We just initially started building business credit for our own business purposes. Before we knew it, people started asking us a little bit more, and people started asking us to speak at different seminars and to teach their organizations what we did.

This has really turned out as a surprise, but there's a huge need for it in the marketplace because everywhere we go people that have been in business years and years have no idea how to properly build their business credit. When they find out how it's done, it's just like the IRS agent said, every single business owner in America needs to learn how to build their business credit, and separate their personal credit from their business credit and nobody is teaching them how to do it.

Michael: Can we close out with some more stories of client case studies?

Trent: Absolutely, I have Rob, he was not a business owner when he came to us, he wanted to be a business owner. He was tired of years and years working fifty, sixty hours a week for someone else. He had a lot of experience, and he wanted to start his own company instead of work for someone else.

He was stuck in the rat race, and he didn't have the initial capital he needed to start his company. So, he came to us for $75,000 to get his company up and going.

So, now because we built his business credit and got him that initial funding, he now works for himself and has others that work for him instead of working for someone else.

Michael: How about another one?

Trent: Richard was another business owner that had been in business for a couple of years, and he was doing well. He gets certain discounts based on the amount of products that he orders. He had the demand for additional products, but he didn't have the money he needed to buy more products than he currently was.

If he'd get over that little hump and take his product purchasing to the next level, he would get a bigger discount, which would mean more profit on each product that he sold.

So, we helped him get $100,000 so he could use that plus the money he was using already to buy the products that he needed each month. He was able to buy a lot more and get a bigger discount on each product and has made his business more profitable because of it.

Michael: Can we do another case study?

Trent: Jamal who lives in Arkansas, and he was like us, a real estate investor, actually very similar situation. He did a lot of residential and knew he wanted to eventually get to commercial, but he needed some money for a down payment on a commercial building. We helped him get $200,000 so he could use for the closing costs and part of the down payment he needed on the commercial building. That was his first commercial building.

From there, he's been able to move on to additional properties because as you know once you get on your first one, it's a lot easier to move on to the next. He needed a little bit of help just getting into his first commercial building.

Michael: What would you say to all the real estate investors out there? You've found out about all this through your real estate investing. Are there still investors out there in the real estate investing market who could benefit from this, and do you speak to a lot of real estate investors?

Trent: Absolutely, I would say realistically half of our clients are real estate investors, and in my opinion, in the right market, in the right area, there's no better time than right now to buy real estate because you can get it at such a deep discount if you're planning on keeping them for the long term.

So, it's a perfect time and a perfect place for real estate investors to use this money for closing costs, down payment, whatever they need, fix-up costs, but it doesn't necessarily have to be used for real estate.

Take for example Stephanie, another business owner, she simply needed $45,000 just for marketing. She had a current marketing program that she had already tried and tested and she knew some rough numbers. If she spent X amount, she'd get Y amount in return. So, she was just looking for another $45,000 to use for marketing.

So, we helped build her credit to get that money to use for marketing, which took her business to the next level. I'm going to conclude with this last story.

A past client, and actually he still comes back to us quite a bit is Dr. Curtis, and he had purchased a small apartment complex in his self directed IRA, and he simply needed some working capital because he was turning those apartments into condos. He was doing a condo conversion, and he simply just needed some working capital to convert the apartments in the condos and then have his self-directed IRA manage those for him and sell them off.

That's the end of our presentation. If you'd like more information on how to get business financing you may call toll-free 888-446-1139. This call is good from anywhere in the US.

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