

THE CREDIT SECRETS

**GUIDE TO BUILDING
BUSINESS CREDIT**



**HOW TO START YOUR OWN BUSINESS
AND BUILD UP BUSINESS CREDIT**

SCOTT & ALISON HILTON

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The background of the image is a light-colored wooden desk. In the top left corner, there is a white document with a bar chart. Below it, a tablet is positioned vertically, displaying a line graph and some text. In the bottom left corner, there is a white cup of coffee on a saucer. The main text is centered on the right side of the image.

What is Business Credit

Introduction To Business Credit

The Benefits Of Business Credit

Introduction To Business Credit

Business credit is credit obtained in the name of business using the business's EIN/Tax ID. This is separate from business owner(s) personal credit or social security number.

Business credit is based on the company's ability to repay its creditors/obligations.

A business will build its business credit profile and score with the three major business credit reporting agencies.

With an established and strong business credit profile the business will be able to qualify for vendor accounts, revolving accounts, major credit cards, unsecured business credit lines and loans without using the owner(s) personal credit.



The Benefits of Business Credit

By having business credit your business can grow far quicker than relying on personal credit.

It can give the business extra borrowing potential in addition to using the owner(s) personal credit.

Businesses can obtain funding faster than relying solely on personal credit.

Businesses also have a larger borrowing window than an owner using their personal credit.





Getting Started

Setting Up A New Business

The Name Of Your Business

The Business Address

Choosing A Business Entity

Federal Tax Id/Ein

Telephone Services

Company Logo

Website And Professional Email

Business Licenses

Business Credibility Checklist

Setting Up A New Business

To start the process of building business credit you must first understand that building business credit is a process and it takes time.

Establishing and building business credit can take on average 4 – 6 months.

When building business credit, you should never take short cuts.

This section will go through the proper steps of setting up your business so that your company has a solid presence and strong business credibility.

- The Name of Your Business
- The Business Address
- Choosing a Business Entity
- Federal Tax ID Number/ EIN Number
- Telephone Services
- Logo
- Website & Professional Email Address
- Business Licenses
- Business Compliance Checklist



The Name of Your Business

The very first step in building business credit is having a business or starting a new business. Of course you will need to choose the name for this new business unless you already have a business established. Be sure to check if your business name conflicts with any other companies. The best place to do that is to go to the Secretary of State's website, and search to ensure it is not in use by another company. You should also check that there is not a trademark on the name you're considering for the business.

When choosing a name it is best to avoid DBA's (doing business as). When there are multiple DBA's under your business name it can create multiple credit profiles which can be really confusing and cause denials.

Also, be mindful of the length of the name as you would not want a long web

address that would be easy to forget. Choose a name that is related to the industry that you are pursuing.

Always check social media and the internet for your business name ideas in case someone else out there is already using it. Is your name taken on Facebook, Instagram, twitter, and other popular social media sites? You also want to check GoDaddy.com or any other domain registrar to see if your domain might be available. (More on domains later on)

Once you have decided on your name it is time to move on to the next step.



The Business Address

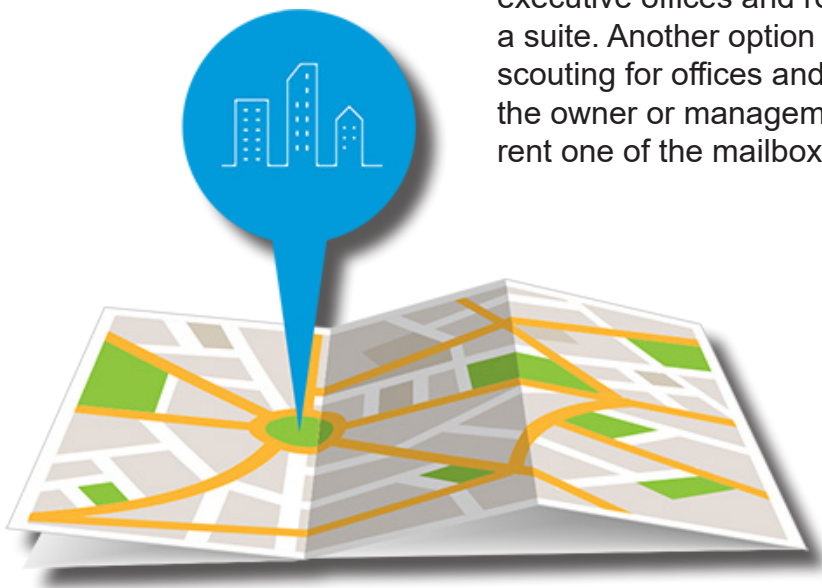
Once the name has been chosen, the next step is deciding where the business is going to be located. Will it be a home based business? Will you operate out of a office (physical brick and mortar building)? Or will you use a virtual office?

The business address should be the same on all documents and paperwork for the business.

You may not want to use a post office box or UPS mail box as the address for the business. This is flagged or considered high risk.

The most desirable address for lenders is a physical location although, as a start up, it can be difficult coming up with the finances for a building or physical office.

Since start ups have limited funds, one idea if a physical location is desired, is to look for an office in a less desirable part of town. You can also look into executive offices and renting a suite. Another option is to go scouting for offices and asking the owner or management to rent one of the mailboxes.



The Business Address

If a physical office is out of your budget in the beginning, another option is to use your home address although there are some banks who do not lend to home based businesses. While using a home address can limit funding from certain lenders it does not completely make your company ineligible for building business credit. Remember, Amazon started out of a garage.

A virtual office is another alternative for a business address when a physical commercial building or space

is not an option. For example, check out a company like Regus.com.

When choosing a virtual office you'll need to check with the company to ensure that you are using a real address that doesn't include a PMB (Personal Mail Box). A PMB is a dead giveaway that you are using a virtual office so stay away from virtual offices who assign PMB's.

The most important aspect of the address is presenting your company as a legitimate business.



Choosing A Business Entity

Once we have a name and address for your business, it's time to choose a business entity. For your business to truly have separate credit from your personal credit it needs to be designated as a separate business entity.

When you decide on an entity, and obtain your tax id, the address with the IRS and Secretary of State will be

the exact same on all future documents.

LLC, C-Corp, or S-Corp?

The three options to designate for your entity are LLC, C-Corp and S-Corp

With Corporations and LLCs the business owner(s) and share holder(s) are limited from personal liability of any lawsuits or business debts.

Stay away from registering your business as sole proprietor or partnership and avoid DBA's.



Choosing A Business Entity

Of the three entities there are advantages and disadvantages to all.

C-Corp is the traditional and most popular form of business entities. C-Corps have share holders and there is no limit on the amount of share holders.

If your business at some point would like to have investors or publicly offer shares of stocks, a C-Corp would be a great entity for you.

C-Corps in some states are less expensive to form than an LLC, and the business is simple to transfer to a new owner by simply by selling stocks.

C-Corps are also subjected to being taxed at the corporate level and the individual level, also known as double taxation.

C-Corps are seen as more professional in the eyes of a customer and lender.



Choosing A Business Entity

An S-Corp is the preferred entity set up for many small businesses since its creation.

S-Corps avoid double taxation because the business is not taxed at the corporate level.

All of the shareholders in an S-Corp must be an individual, which means an LLC or another corporation cannot be a shareholder.

An S-Corp cannot have more than 100 shareholders.

Shareholders are usually not personally liable for the liabilities and debts of the company.

An S-Corp is seen as more professional in the eyes of a customer and lender.

An LLC is a relatively new concept and many businesses are taking advantage of this new structure.

Unlike Corporations a LLC doesn't have shareholders or stocks. The owners are labeled as members.

Unlike a C-Corp a LLC is not taxed at the corporate level so there is no double taxation with an LLC.

Like Corporations members are usually not personally liable for the liabilities and debts of the company.

Unlike a S-Corp an LLC may be owned by individuals, corporations and other LLCs'

Another reason an LLC is more preferable is that the paperwork is less stringent than a corporation.



Choosing A Business Entity

Now that the three entities are laid out for you it is UP to you to decide which structure best fits your company. We also advise that you consult with a CPA to discuss further tax implications involved with each entity to help with your decision.

You will file the paperwork to incorporate your business with the Secretary of State where the business will be located. There are filing fees that are associated with incorporating your business and the fees are determined by the business structure.

When filing your paperwork to incorporate your business PLEASE make sure that the address being used with the Secretary of State is the address that the business will use when applying for Credit.

PRO TIP



Too Confusing?

If forming a Corporation or LLC proves to be too much for you, there are organizations (such as [Legalzoom.com](https://www.legalzoom.com)) who will incorporate your business for you.

Federal Tax ID/EIN

An Employer Identification Number (EIN) or Tax ID Number is a MUST when applying for business credit and is needed whether or not you have employees. An EIN is nine-digit number assigned by the Internal Revenue Service (IRS). An EIN works much the same way as an individual's social security number. The IRS uses the number to identify taxpayers who are required to file various business tax returns. This number is needed to build your business credit file.

Your address on your EIN application must match the address on the incorporation paperwork used when filed with the Secretary of State. Lenders will verify addresses and there should only be one. Please do not use your social security number in place of an EIN, as creditors and credit bureaus will know.

There are four ways for you to apply for an EIN: online, via fax, by mail or speaking with someone over the phone.



Federal Tax ID/EIN

1. If you apply online you'll be issued an EIN immediately once all of the information on the application has been validated during the online session. At the end of the application you will be given the option to print the application and the EIN Confirmation. It is best to print these documents and save them for your records.
2. To apply by fax you'll need to complete and fax the Form SS-4 and fax it to (855) 641-6935. If a fax number is provided with the application you will receive your EIN via fax within four business days.
3. Applying by mail is the most time-consuming process taking up to four weeks. You will need to mail a Form SS-4 to Internal Revenue Service, Attn: EIN Operation, Cincinnati, OH 45999. You will receive your EIN documents in the mail.
4. When applying by phone you'll call (800) 829-1040, select your desired language and choose option three for business taxes. The person placing the phone call must be authorized to receive the EIN and be prepared to answer questions concerning the Form SS-4. During the phone call you will be provided the EIN number.

Please Note!

Some states issue an Employer ID Number. Check with your Local IRS agent to see if one is required in your state.

Telephone Services

To present yourself as a legitimate business you will need a separate phone number, local, and preferably an 800 number. You will also want a business fax number, and a professional voicemail. A local telephone will be useful for listing the business in the 411 directories such as <https://411businesslistingservice.com>.

The phone number needs to be a real phone number and not a cell phone or home phone. If a cell phone or home phone is listed as the number for the business, you potentially risk the business being flagged as “high risk.”

Whether you are in a physical location, home based, using a virtual office or executive suite you will need a professional telephone service. The easiest and most economical option for telephone services is to use a virtual telephone company, especially for those without a physical location. For example, check out Ring Central. (<http://creditsecrets.com/ringcentral>)

They can provide your business with an 800 number, a local number, a fax number, customized hold music, multiple extensions, a professional voicemail and call forwarding options. You will have the ability to forward the calls from the virtual telephone number to a your cell phone without your customers or lenders knowing the difference. Adding a professional voicemail is great for clients and potential lenders. Lenders may call the business at hours you are not available just to check and see if you have a professional voicemail. Be sure to mention the name of the business and telephone number in the voicemail.

In addition to a local number and 800 number, a fax is just as important. Lenders will fax important documents to you and you may need to send and receive faxes from potential customers.

Telephone Services

Next is getting listed in the 411 directory databases. Lenders, creditors, insurance companies and sometimes even customers will verify your business by calling directory assistance. You can list your company for free on listyourself.net. When entering your company's information you want to ensure that the address matches the information on your incorporation paperwork and EIN paperwork.

Once your business is set up you may receive a letter in the mail from the yellow pages requesting that you confirm

your information for their listing. Ensure that everything is correct and return the form.

You can also list your business with Verizon, AT&T, Express Update, Yellow Pages, Localize, White Pages, Super Media and 411.com.

For a small FEE per month Yahoo!'s small business local works guarantees to list you in 60+ local directories. (optional)



Company Logo

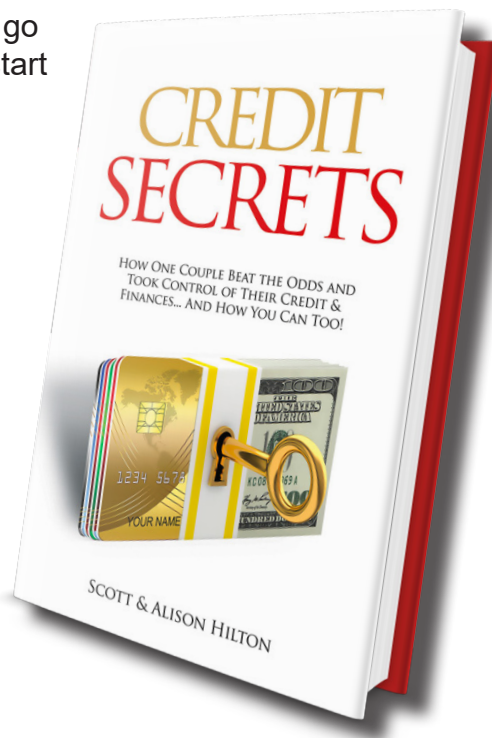
If you do not already have a logo, one is needed and is a crucial component for your website, business cards, vehicles and/or anyplace else where your company name will appear.

A logo gives the business a professional appearance which many lenders are looking for.

If you are unable to create one yourself, a Google search will pull up several companies that are able to assist you with logo creation. You can even go to [Fiver.com](https://www.fiverr.com) where prices start at \$5!

As you would trademark the name of your company, it is also smart to protect your brand by trademarking the logo.

Once the logo is complete you can move forward to building your website.



Domain Name And Website

Many times, before granting business credit, lenders will research your company via the internet. A website and professional email legitimizes your company. Lenders are looking for you to have a professional website. Not having a website can harshly hurt your company's chances of obtaining business credit.

With the right website, a lender can find out everything they need to know about your business.

Purchase Your Domain Name

You can check the availability of a domain name for free at GoDaddy.com. When choosing your domain it is always best to go with a ".com". A ".com" is easier for your customers to remember and type.

Whichever you go with, choose your domain name carefully. If the name of your company is an available domain name, then that should be the domain for your website.

If your company is a very long name, consider carefully abbreviating the domain name. You want something that will not be too lengthy for your business cards and that is easy for lenders and clients to remember.

PRO TIP



Be Careful!

Do not use social media accounts as your only business website, such as a Facebook Page. You do not have control if those third party websites decide to take down your content.

Domain Name And Website

Once you have a domain name chosen and purchased, it's now time to create a website. You can create a basic (but professional) website for under \$20! - without any design experience. Here's what you MUST include on your website to get approved for business loans. These pages will serve as an instant credibility booster.

1. Home page (use a headline that creates curiosity and promises a major benefit). Example: "Discover the Secret to Getting Paid Faster While Providing the Best Service to your Clients"
2. About Us with your company details(your mission statement, testimonials, etc)
3. Contact Us (list all of your contact info, email,address, social media plugins etc)



We have worked with the CoolHandle hosting team to develop an exclusive free website offer for your business! Normally, their website design services are over \$2000, but today you get your website for FREE* (with qualifying web hosting purchase)! Go here to find out more: <https://CreditSecrets.com/coolhandle>

Professional Email

In addition to your website you should also have a professional email such as yourname@yourbusiness.com. Nothing says that you are a professional business like a professional email.

At all costs PLEASE avoid using an email from a service provider like Gmail or Yahoo. A free email address could be the reason for a denial.

Once you own your domain you can obtain a professional email address for as low as \$5.00 per month, per email address, from Google Business Services. (<https://gsuite.google.com/products/gmail/>)

Also: If its in your budget, a mobile app for your customers is a good idea.



Business Licenses

Since some Lenders will check, you will want to have the required business licenses and permits for your city, state, county and federal government agencies to ensure your business is operating legally. Licensing and permit requirements vary based on where you live and the type of business that you operate.

One of the easiest ways to see what licenses are needed is by calling the government offices to see if any sort of license or permit is required. Even if you are a home-based business in some places a license is required to operate a business out of your home. you will also want to check for zoning requirements with your homebased business.

If you are in retail, your business will usually require a sales tax license and most local businesses will need a general business license.

There are resources on the SBA's website that can also assist with figuring out what licenses or permits are required.

For a fee there are websites (listed in the resources section) that will give you direction on the licenses and permits needed based on your location and industry.

Your mailing address on your business license she be the exact same as it is on your articles of incorporation, EIN, 411 listing and website.

Social Media

Social Media accounts are not required or needed for business credit but, it gives your business an internet presence. These are the various sites listed below that you should consider creating a page for your business.

Facebook (<https://www.facebook.com>)

LinkedIn (<https://www.linkedin.com>)

Google+ (<https://plus.google.com>)

Tumblr (<https://www.tumblr.com>)

Twitter (<https://twitter.com>)

Instagram (<https://www.instagram.com>)

Snapchat (<https://www.snapchat.com>)

Pinterest (<https://www.pinterest.com>)



Business Credibility Checklist

- ☐ Business Name
- ☐ Business Address
- ☐ Business Entity
- ☐ EIN Number
- ☐ Local Number
- ☐ 800 Number
- ☐ Professional Voicemail
- ☐ Fax Number
- ☐ 411 Listing
- ☐ Logo
- ☐ Website
- ☐ Professional Email
- ☐ Business License
- ☐ Business Permits

Although not required, Business Insurance should be considered to protect you from unexpected losses and lawsuits. Also, if it is in your budget, speaking with an accountant and attorney is strongly advised. Before advancing further you should also make sure there are certain things in order such as existing Business Tax Returns.



Notes

[illegible]



Business Bank Account

Small Business Financial Exchange

Bank Rating

Bank Services

Opening An Account

Merchant Account

A Business Plan

A Micro Loan

Small Business Financial Exchange

The day your bank account is opened is the day your company is considered “established” in the eyes of lenders. If you had an EIN for the last 25 years but your bank account was opened a year ago, the age of your business is one year old.

Having a bank account opens different finance options and your banking history will enable the business to receive larger loans later on in the business credit building process.

The Small Business Financial Exchange, familiarly known as SBFE®, is a not for profit trade association striving to be the trusted advocate for the safe and secure growth of small businesses. The SBFE gathers and protects the largest aggregation of small business payment data. This data helps the small business industry by building a true and accurate picture of the small business. The database is handled via Equifax.

In layman's terms the SBFE is a network of organizations (mainly banks) who share information (your bank account activity) with each other. This is done to reduce risk and share business credit information. The SBFE has three certified vendors and they are Equifax, Dun & Bradstreet and LexisNexis Risk Solutions.

The SBFE is not a credit bureau because they do not allow nonmember banks or companies to check your file.

Bank Rating

A bank rating gives a lender an overview of your business's cash flow. It gives them an idea of the management of the business's debt and expenses on a constant basis.

Your bank rating is based on the average daily minimum balance over a three month period.

Bank ratings range from nominal (which is less than three) to ten. The higher the bank rating the better the chances are for the business to secure a loan

On the next page you will see an example of different bank ratings



Bank Rating

| Bank Rating | Account Balance |
|-------------|-----------------------|
| Nominal | - Balance - \$99.99 |
| Low 3 | \$100. - \$199.99 |
| Moderate 3 | \$200. - \$399.99 |
| Medium 3 | \$400. - \$699.99 |
| High 3 | \$700. - \$999.99 |
| Low 4 | \$1,000. - \$1,999.99 |
| Moderate 4 | \$2,000. - \$3,999.99 |
| Medium 4 | \$4,000. - \$6,999.99 |

| Bank Rating | Account Balance |
|-------------|---------------------------|
| Low 5 | \$10,000. - \$19,999.99 |
| Moderate 5 | \$20,000. - \$39,999.99 |
| Medium 5 | \$40,000. - \$69,999.99 |
| High 5 | \$70,000. - \$99,999.99 |
| Low 6 | \$100,000. - \$199,999.99 |
| Moderate 6 | \$200,000. - \$399,999.99 |
| Medium 6 | \$400,000. - \$699,999.99 |
| High 6 | \$700,000. - \$999,999.99 |

Bank Services

Before opening an account with any bank, you should have a checklist of services that are important for your business to have with your bank account. Here are some basic questions you might want to consider:

If your business accepts credit or debit card payments through a merchant account, will your funds be available within 24 hours?

Is the bank a member of the small business financial exchange? This is so that other member banks can see your bank rating. You **MUST** keep a **POSITIVE** balance at all times.

A negative balance can be a cause for a denial.

Does the bank integrate with QuickBooks?

Does the bank offer online banking for small businesses? If you are always on the go and do not constantly have access to a computer or laptop, this service will come in handy. Mobile banking will allow you access to your bank account via your smart phone or tablet.

Will the bank be able to handle payroll and taxes for you? If you have employees, having a bank that handles

payroll and taxes can save you a lot of time and money.

If you have a business partner or employees, who will have access to the bank account and will need a card to the account will require a bank with multi-card features?



Bank Services

Is your bank an aggressive microlender? The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

Does your bank offer CD Secured Loans to small businesses? A CD Secured loan is where you take a certain amount of money and open a CD at your bank. The bank then gives you a loan in the amount of the CD as a loan and most report this on your business credit reports.

What is the monthly maintenance fee for a checking and savings account?

Once you have found a bank that has all of the aspects that you are looking for it is time to open an account.

Bank Account by State

If you are looking for a bank that is approved by the SBA the following link will take you to all SBA banks and they are listed by State. This list of banks are also approved Microloan Intermediary Lenders.

<https://creditsecrets.com/docs/sbfe-banks.pdf>



Opening Your Account

When trying to decide on a bank, visit their branch, website or call to discuss what their requirements are for opening an account. Ensure that your company is in good standing or else you will not be able to open an account. Once you decide on a bank it is very important to **STAY WITH THE SAME BANK**. The longer you build a history with a bank, the better your borrow opportunities.

When opening an account most banks require your articles of incorporation, a document from the IRS with your EIN Number, identification cards for the party(ies) who will be authorized on the accounts, and money to find the account.

Ensure that the information from all other documents matches what's on the bank account **EXACTLY**.

The business name, address, contact information and owner(s) need to match **EXACTLY**.

Some banks allow you to open a small business checking account over the phone or online. While others may require you to go into a branch to open an account. It is okay to have an account with more than one bank.

In addition to a checking account your business should also have a savings account.

You want to always have a positive balance and deposit as much money that you can as often as you can, to increase your bank rating.



Merchant Account

If your business intends to accept debit and credit cards you will need a merchant account.

A merchant account allows your company to accept card payments for products and services. All merchant accounts charge a fee, or percentage of the transaction for the flexibility of accepting credit card payments.

There are companies like Square or Clover (provided by Bank of America) where you can accept payments directly from your mobile device for a fee.



A Business Plan

A business plan is the foundation of a business.

A good business plan can assist as a roadmap for starting and managing a business and it can be used as a tool for finding funding such as loans and grants.

How to Put Together a Business Plan

A business plan can be purchased for a fee on Fiverr.com. If you purchase versus

write the business plan check the reviews and legitimacy on the party that you are purchasing the plan from.

If you decide to write the business plan, the SBA website has a template for the two types of business plans that are most popular.

<https://www.sba.gov/business-guide/plan/write-your-business-plan-template>



A Microloan

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

The U.S. Small Business Administration provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

Each intermediary lender has its own lending and credit requirements. Generally, intermediaries require some type of collateral as well as the personal guarantee of the business owner.

Microloans can be used for working capital, inventory or supplies, furniture or fixtures, machinery or equipment.

Microloans cannot be used to pay existing debts or to purchase real estate.

Loan repayment terms vary according to several factors such as the loan amount, planned use of funds, requirements determined by the intermediary lender and/or needs of the small business borrower.



A Microloan

Microloans are available through certain nonprofit, community-based organizations that are experienced in lending and business management assistance. If you apply for SBA microloan financing, you may be required to fulfill training or planning requirements before your loan application is considered. This business training is designed to help you launch or expand your business.

To apply for a Microloan, you must work with an SBA approved intermediary in your area. Approved intermediaries make all credit decisions on SBA microloans. For more information this is a list of Participating Microloan Intermediary Lenders.

<https://creditsecrets.com/docs/microloan-vendors.pdf>





The Importance of Your Personal Credit

**Good Credit And Business Funding
Credit Bureaus For Personal Credit
Your Personal Credit Scores
Correcting Your Personal Credit**

Good Credit and Business Funding

The purpose of building business credit under your EIN is to avoid having any of the company's liabilities attached to your social and personal credit report.

When building business credit certain loans require a personal guarantee (PG) or sometimes a PG is preferred.

In cases where a PG is needed the higher your score and cleaner your credit report the chances of getting approved greatly increases as well as the amount.

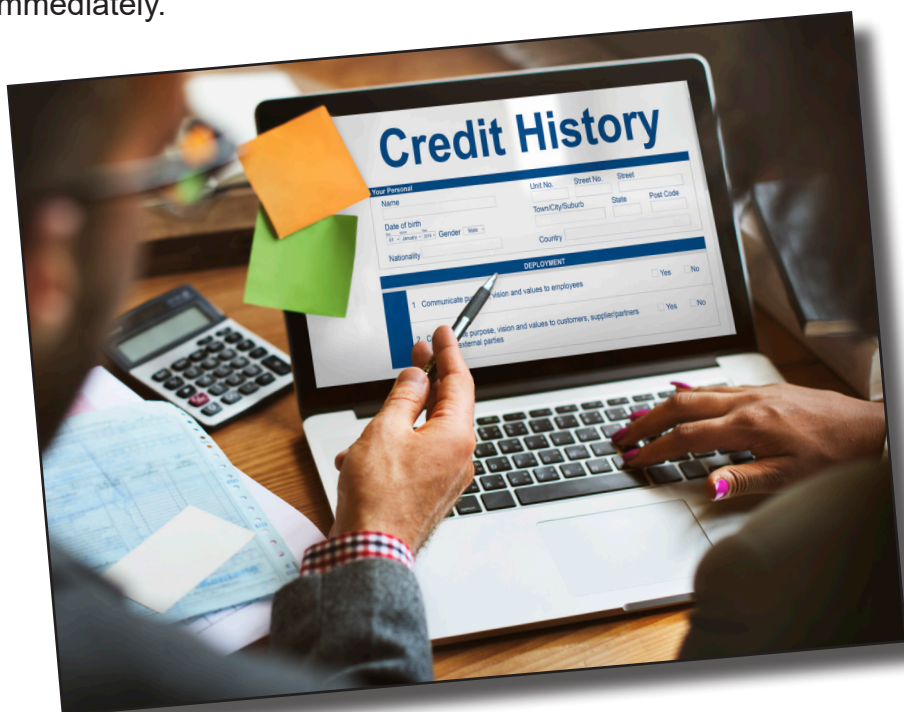


Credit Bureaus For Personal Credit

There are several credit bureaus that monitor and report information on your personal credit. There are three that are the most popular and they are Experian, Equifax and Transunion.

If you find errors, inaccuracies, incomplete and/or unverifiable information on your credit report you should challenge these items immediately.

Please refer to the **Credit Secrets** book for further and more detailed instructions on correcting a credit report.



Your Personal Credit Scores

Your credit score is a unique three digit numerical expression ranging for 300 – 850. Scores are calculated based on the information in your credit report. The areas that are calculated are your payment history (35%), amounts owed (30%), length of credit history (15%), credit mix (10%) and new credit/inquiries (10%).

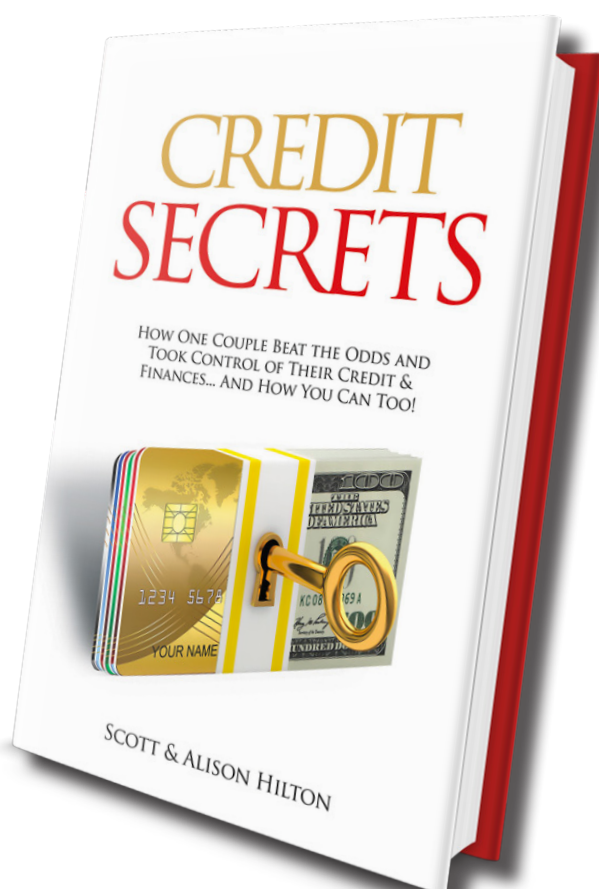
Scores that range between 350 – 579 are considered poor, 580 – 669 are average, 670 – 739 are good, 740 – 799 are very good and 800 – 850 are exceptional.

In addition to FICO scores there are also vantage scores, but 90% of lenders will use your FICO score.



Correcting Your Personal Credit

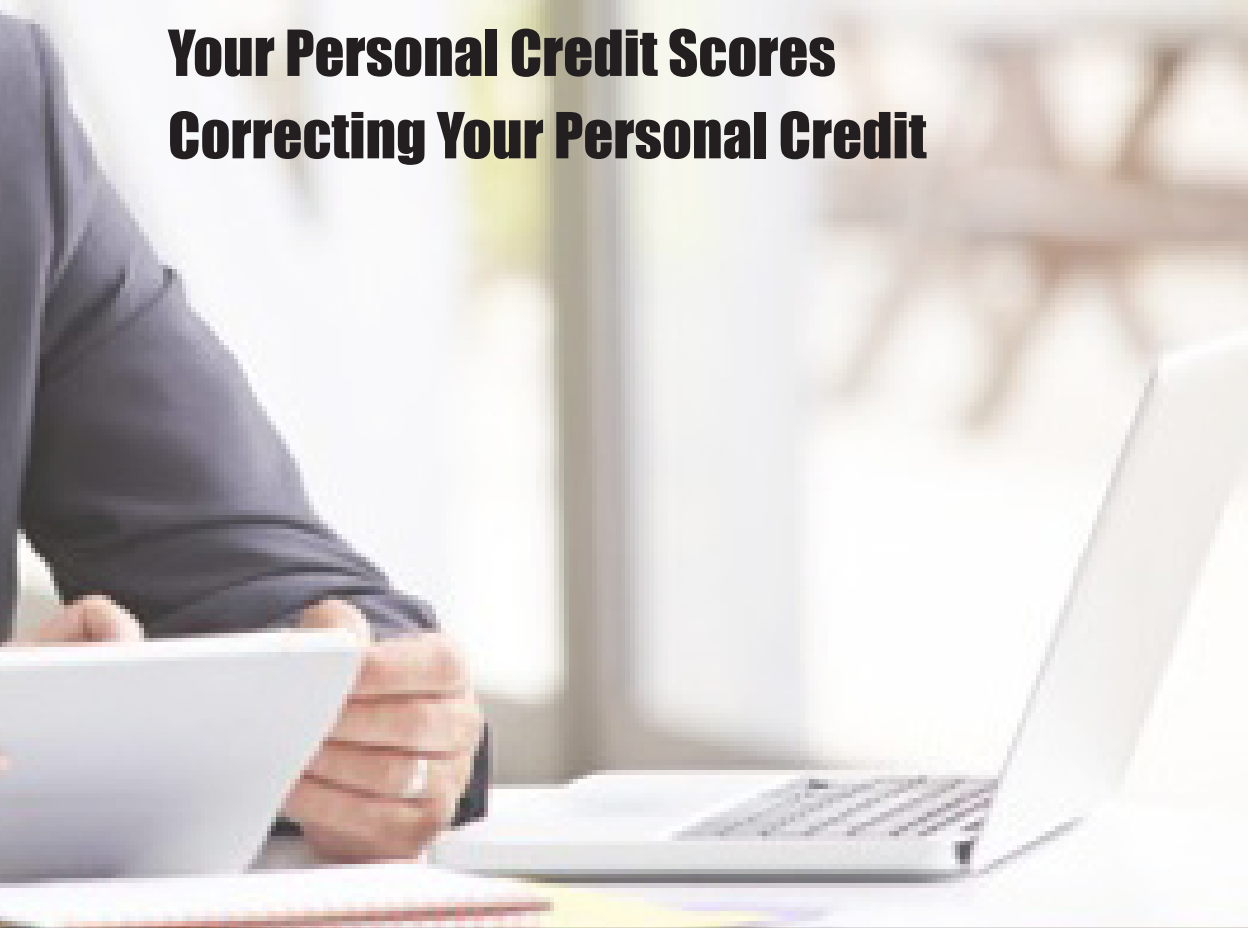
For errors, incomplete information, outdated information, or information that a bureau or creditor cannot verify, please read the **Credit Secrets** book in its entirety and follow the steps outlined in the book for challenging information on your personal credit report.





Business Credit Reporting

**Good Credit And Business Funding
Credit Bureaus For Personal Credit
Your Personal Credit Scores
Correcting Your Personal Credit**



Business Credit Reporting Agencies

Your business credit score starts very similar to your personal credit score. Just like you are not born with a score, your business isn't born with a score either.

Once the business is approved for credit the vendors will report the information to the different business credit reporting agencies.

To build a strong business credit report you will need at least five vendor accounts, three revolving accounts and one bank loan that reports to the business credit bureaus.

Your business credit reports and scores are calculated much differently than your personal credit score. The main factor in a business credit score is whether or not your company pays the bills of the business on time.

As you continue to use credit for your business, pay the obligations before it becomes due you will qualify for more credit in due time.

DUN & Bradstreet, Experian Business, and Equifax Business are the three major business credit reporting agencies. There are several third party agencies as well that you will learn about in the next several slides.

Business Credit Reporting Agencies

| Business Credit Scoring Model | |
|--|-------|
| Payment Schedule | Score |
| Payment May Come Early | 100 |
| Payment Comes w/in Early Discount Period | 90 |
| Payment is Prompt | 80 |
| Payment Comes 14 Days Beyond Terms | 70 |
| Payment Comes 21 Days Beyond Terms | 60 |
| Payment Comes 30 Days Beyond Terms | 50 |
| Payment Comes 60 Days Beyond Terms | 40 |
| Payment Comes 90 Days Beyond Terms | 30 |
| Payment Comes 120 Days Beyond Terms | 20 |
| Unavailable | UN |



Dun & Bradstreet

Dun & Bradstreet is used by most vendors who extend credit to businesses. D & B is the largest of the three nationwide business credit reporting agencies. When trying to get a lease for an office landlords use them to check your business's credit.

When applying for your duns number it is best to have everything in the getting started section before applying. Once that is complete you should double check for accuracy that all of the information on your application matches the information on all of your corporate paperwork such as articles of incorporation, EIN and business bank account.

DUNS Number

Obtaining your DUNS number starts the process of building business credit after your compliance checklist is complete. This number is what will enable the business to borrow without a PG. You will be able to create your DUNS number free of charge. If done correctly the process can take about 30 business days. However, for a fee you can expedite the process and receive the number in 5 – 7 business days.



Dun & Bradstreet

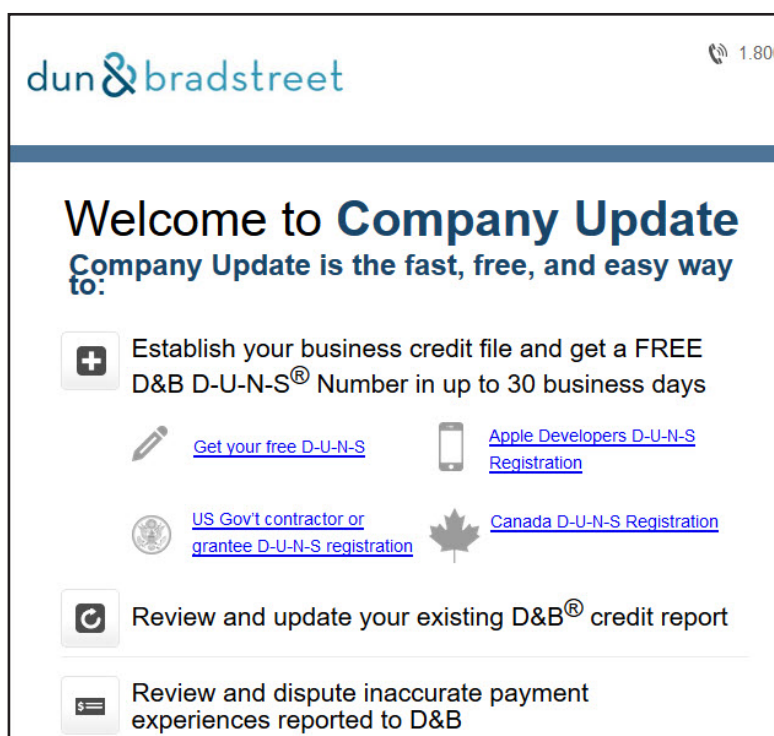
When requesting the DUNS number you will need all of the information from the getting started section along with an estimate of your annual revenue.

To see if you already have a DUNS number or get a new one you will need visit this website: [fedgov.dnb.com](http://fedgov.dnb.com/webform/pages/CCRSearch.jsp)

(<http://fedgov.dnb.com/webform/pages/CCRSearch.jsp>).

Follow the prompts to search for your company. You'll then be taken to a new webpage. If your company is listed you can call and request your DUNS number over the phone.

If your company is not listed, you'll need to request the free number. Enter your business's name along with the city and state and hit search. Towards the bottom of the screen you'll select "request a new DUNS number" and fill out the form.



Dun & Bradstreet

iUpdate

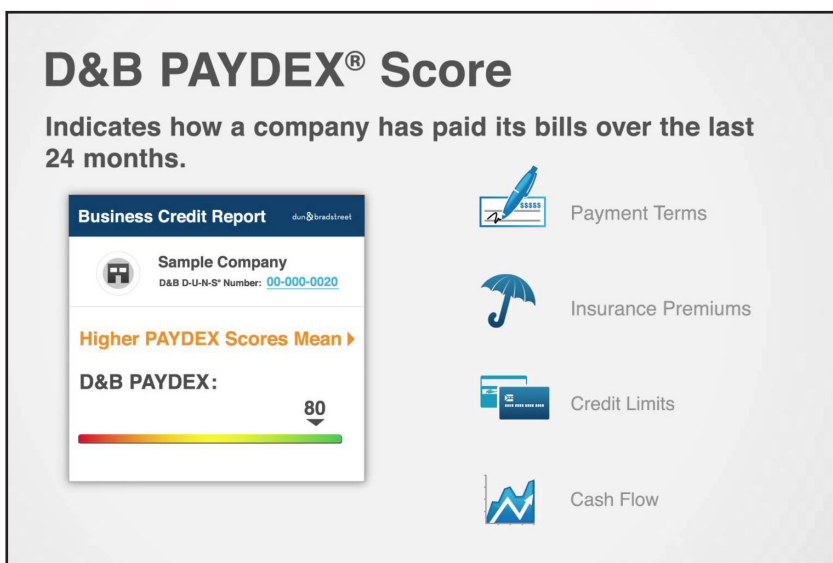
Once you have your DUNS number you will be able to login to iUpdate to view your profile. When registering for the first time be prepared to verify your company and personal information about the business owner. You will also need to select 4 security questions and answers. Once complete you will be logged in and able to view the file. Be careful with logging in, iUpdate limits the logins to two to three times per month.

Paydex Score

The Paydex score is used by D & B to determine credit worthiness. It measures how timely payments are made to creditors. It doesn't factor in all the components like a FICO or Vantage score.

Disputing Inaccuracies

Follow the Steps in the Credit Secrets Book, Part 2 Letter 1.



Experian Business Credit

To see if there is a credit file set up under your company's name you'll need to search the Experian database.

To obtain a credit report with Experian you must have a vendor report a tradeline to Experian. Experian is the second largest nationwide business credit reporting agency. Experian is used by non-traditional business creditors and credit card companies.

BIN Number

Experian assigns companies a business information number which is also known as a BIN Number

Business Credit Report

You can obtain your Experian business credit report by going to smartbusinessreports.com. For a fee you are able to purchase an Experian credit report.

Once you have this report you will be able to see how many tradelines are reporting, your company's information as well as inquiries.

The report also includes the score.

Updating File Information and Disputing Inaccuracies

Follow the Steps in the Credit Secrets Book, Part 2 Letter 1.



Equifax Business Credit

Equifax is used by a lot of cash lenders and banks. Equifax is the least used of the three nationwide business credit reporting agencies. Very few lenders report to Equifax.

Your EFX ID is a unique nine digit number that identifies a business's folder

You can obtain your Equifax business credit report by going to <http://www.equifax.com/business/business-credit-reports-small-business/>

sometimes take the longest to generate.

It is important to apply with lenders who report to Equifax.

Updating File Information and Correcting Inaccuracies

Follow the Steps in the Credit Secret Book, Part 2 Letter 1.

The Equifax credit file can



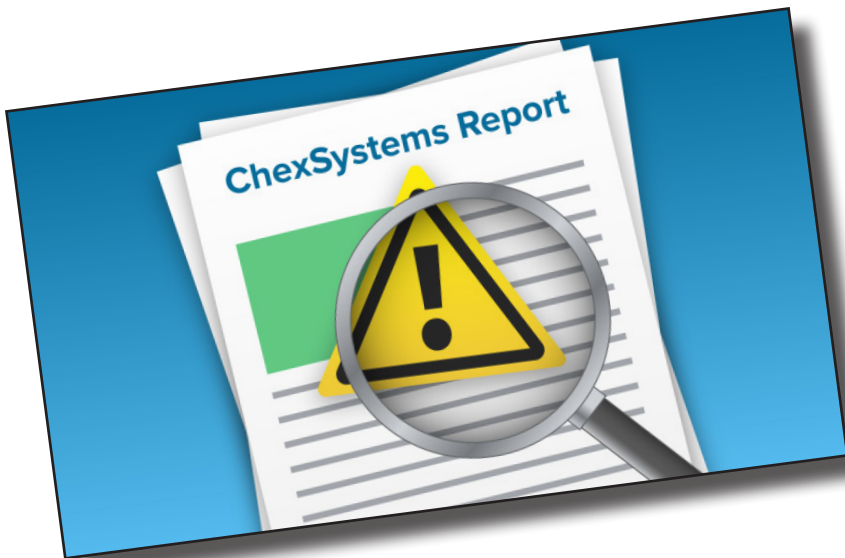
Third Party Credit Bureaus

Sometimes a business does not meet the qualifications to report directly to one of the three main credit agencies, so the business can potentially go through a local or regional agency.

Local or regional agencies serve as a “gateway” for a small business to report and obtain information from the three main agencies or repositories.

It is beneficial to request any information pertaining to your company from the third party agencies to ensure accuracy. These third party agencies or bureaus include:

- FDInsight™
- Cortera
- Credit.net
- Paynet
- ChexSystems



Third Party Credit Bureaus

FDInsight™

<https://www.factualdata.com>

A LexisNexis company that provides information such as liens and judgements to creditors. This is mainly used for mortgage purposes. If your business ever tries to obtain a mortgage a FDInsight report will be ran.

Cortera

<https://www.cortera.com>

Cortera is a commercial credit bureau, currently covering the B2B transactions of over 10 million businesses. They provide credit managers with real-time spend data, updated daily and provided in an easy to understand format. Credit.net

PayNet, Inc.

<https://paynet.com>

PayNet, Inc. is the leading provider of credit ratings on small businesses. Serving as trusted, strategic advisors to banks and commercial finance institutions.

Accurint Business

<http://www.accurint.com>

A LexisNexis company that provides information such as liens and judgements to creditors.

Chex Systems, Inc.

<https://www.chexsystems.com>

ChexSystems is a nationwide specialty consumer reporting agency under the federal Fair Credit Reporting Act (FCRA). ChexSystems' clients regularly contribute information on closed checking and savings accounts

Notes

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Vendor Accounts

**What Are Vendor Accounts
Round 1 & 2 Tradelines**

Vendor Accounts

What Are Vendor Accounts ?

To build a strong business credit report you will need at least five vendor accounts, three revolving accounts and one bank loan that reports to the business credit bureaus.

There are hundreds of thousands of vendors who may extend credit to your business, but not report the tradeline to the business credit reporting agency. It is important to stay away from these vendors during the building process. Once business credit is established, at that point you could do business with non-reporting vendors.

A vendor account is a line of credit that is extended to your business by a company who expects to be paid in 30, 60 or 90 days. You have a purchase limit and a timeframe to repay the company.

Before applying for vendor credit ensure that the vendor reports to one of the three major nationwide business credit reporting agencies.

You are trying to get a minimum of five vendor accounts open and reporting to the business credit bureaus. Do not put a lot of emphasis in the vendor. At a later time you will be able to apply for credit with different vendors.



Vendor Accounts

Vendor accounts typically can take up to three net 30 billing cycles (30 – 90 days) before it starts building a credit score. Set it up so that you have at least three separate payment transactions with the vendor for reporting purposes. Knowing this information it is important to remember that business credit is a process that can take 4 – 6 months realistically.

Ensure that the correct name, address and contact information is used on the application.

Attempt to pay your vendor accounts at net 15, if possible. The quicker that you pay them the better your credit Score. Pay your accounts in full as well.

Some vendors will open an account with as little as an EIN and 411 listing.

When choosing from the list of vendors if an active credit file is required move on to the next vendor.

Since the credit file will be relatively blank some vendors may request that you prepay your initial order.

All of your orders need to be a minimum purchase amount of \$50.00. If you order a catalog before placing an order you will be in their system as a customer so this may avoid you having to have an initial cash order.

PRO TIP



Remember: Don't Use SSN

If the application asks for your social security number only, print it and write your DUNS Number and EIN on the application.

Tradelines

Round 1 Tradelines

Uline (www.uline.com)

Quill (www.quill.com)

Gemplers (www.gemplers.com)

Seton (www.seton.com)

Grainger (www.grainger.com)

HD Supply (www.hdsupplysolutions.com)

PrintCountry.com (www.printcountry.com)

PRO TIP



Count Your Employees

On any vendor application that inquires about the amount of employees, list 5 employees unless you employ more than 5. If you are the only person employed with your organization listing 5 employees ups your approval odds.

Round 1 Tradelines

Uline

- Net 30
- Reports to D & B and Experian
- Apply Online
- Create an account, sign in, place an order, at check out choose bill me (net 30)

Quill

- Net 30
- Reports to D & B and Experian
- Apply Online
- Register for a new account, place an order, at check out select "invoice my account"
- They will be looking for a DUNS no., 411 listing and a website. (if you do not have these items there will be a 90 day wait.)

Grainger

- Net 30
- Reports to D & B
- Fax Application
- Upon registration select "contact me about a business line of credit"

Gemplers

- Net 30
- Reports to D & B
- Apply Online
- Register for a new account, place an order, at check out select "open account" as your payment method.

Round 1 Tradelines

Strategic Network Solutions

- Net 30
- Reports to D & B and Equifax
- Apply Online
- Will need a business bank account, EIN, deliverable address and DUNS No.

Seton

- Net 10
- Reports to D & B and Experian
- Apply Online
- Register for an account, place an order, at check out select “bill me later” as your payment method
- They will request a bank referral and three trade references if you are not satisfactorily rated on D & B

Print Country

- Net 30
- Reports to D & B
- Apply online or Fax Application to 630 -566 - 0708
- Register for an account and select buy on terms, youll need a \$250 purchase before they report to D & B

Hardware Express

- Net 30
- Experian
- Apply Online
- Must have a tradeline already reporting to Experian

Round 1 Vendor Accounts

The Vendor Accounts on the previous two pages have a successful track record for approving blank business credit files.

You only need a minimum of five round one vendor accounts so all of the vendors on the previous page is where you should start. It doesn't matter if you need anything from the company this is just to get started with business credit.

Please ensure you meet the minimum requirements to avoid a decline

You want to open only no more than six accounts per month. Do not apply for all in one day. Too many applications will flag the account as high risk.

The vendors on the next page are just to let you know of other options. Again, all of the vendors on the previous page should get you started.



More Round 1 Tradelines

HD Supply

Net 30
Reports to D & B
Fax Application

ITC Web Services

Net 30
Reports to D & B and Equifax
Apply Online

Supply Works

Net 30
Experian *must have an
account reporting to Experian*
Apply Online

Intertech Communications Inc

Net 30
Reports to D & B & Equifax
Apply Online

Paramount Payment Systems

Net 30
Reports to D & B
Apply Online
Laughlin Associates
Net 30
Reports to Experian
Apply Online

Venture Logix

Net 30
Reports to D & B
Apply online

Amsterdam Printing

Net 10
Reports to D & B & Experian
Apply Online

Notes

[illegible]





Revolving Accounts

What Are Revolving Accounts
Round 1 Tradelines
Other Sources Of Funding

Revolving Accounts

What Are Revolving Accounts?

After you have successfully established at least five to seven vendor accounts, reporting at least three months of payment history or more, your business will be ready for revolving accounts.

You will want at least three revolving accounts.

A revolving line of credit is one where you have a credit limit and are able to pay a minimum amount due every month.

Unlike a vendor account the entire balance isn't due in a specified term such as net 30, 60 or 90.

Revolving accounts usually report to Experian. There may be times where they also report to Equifax and D & B.



Revolving Accounts

Revolving accounts are weighed differently in your business credit score so these accounts will help assist with building business credit on a much more grand scale.

Revolving account vendors will perform a credit check and may also review your bank rating. This information needs to be correct and compliant.

Before applying for a revolving account it is best to contact the vendor and see what their lending policies are to avoid a denial.

Much like vendor accounts revolving accounts should be paid early for a better credit score.

Do Not Apply for any of these accounts unless you have at least five vendor accounts reporting at least two to three months of payments.

Do Not Apply for these accounts unless you have a vendor account reporting to all three business credit bureaus.



Revolving Round 1 Tradelines

- Lowes Hardware
Accounts Receivable
- Staples
- Autozone
- Del City
- National Pen Company
- 1-800-FLOWERS
- C & H
- Swalter
- Z Battery
- Valvoline Service WEX
Fleet Card
- Tech Depot
- UPS
- Fedex Office
- Crucial
- Aramark
- Interstate Batteries
- Rapid Forms
- U. S. Plastic Corp
- Mister Art
- Deluxe for Business
- Protective Products
- State Supply Company
- Staples
- Dell
- Macys
- Budget Corporate
Account
- Wex Fleet Card
- McBee
- Mouser Electronics
- Nebs
- Bags & Bows
- Global Industrial
- Amazon
- Sherwin Williams
- ABC Supply Co Inc
- Industrial Supplies .com
- Office Depot
- Quiktrip Fleetmaster
Service Card
- Exxonmobil Business
Fleet
- Global Fleet
- Conoco Fleet
-

Revolving Round 1 Tradelines

UPS

Net 30

Apply Online (to get a billing account you have to specify daily pick up)

Fedex Office

Net 30

Apply Online

You will need your EIN & DUNS No.

Aramark

Net 30

Apply Online

Will need a DUNS No., two trade referenes and a bank reference.

Tech Depot

Net 30

Download Application & Fax

Register for an account, choose items to purchase and for payment choose open terms

Staples

Net 30

Apply Online or Fax Application

Will check all three business credit reports, if no credit they will verify 411 and EIN. May require a PG

Del City

Net 30

Apply Online

National Pen Co.

Net 30

Call

Net 30 terms are based on approved credit. Call 866900-7367

C & H

Net 30

Apply Online

Register for an online account, place an prder, select "purchase order as your payment method

Revolving Round 1 Tradelines

Swalter.com

Net 30

Call 800-523-8888

Pick items, call to open a business account, do not mention anything about building business credit, instead say they have great products you need for your business

Z Battery.com

Net 30

Fax Application

Mister Art

Net 30

Fax Application

State Supply Company

Net 30

Apply Online

Will check your D & B Report

U S Plastic Corp

Net 30

Apply Online

Register for an account, place an order, choose "purchase order" as your payment method

Rapid Forms

Net 30

Apply Online

Protective Products

Net 30

Apply online

First order requires a Credit Card payment, then Net 30.

McBee

Net 30

Apply Online

Register for an account, place an order, choose billing terms at checkout

Fuelman Fleet Card

Net 30

Apply Online

Will need to list at least 5 employees, if you dot it will require a PG

Revolving Round 1 Tradelines

Nebs

Net 15

Fax or Email Application

Register for an account online, place an order, at checkout choose "Pay by Nebs Account"

Mouser Electronics

Net 30

Apply Online

Register for an account online, fill out the business credit application, fax or email completed application to contact info on the application

4 Imprint

Net 30

Fax or Email Application

Will check D & B so write DUNS No on application

Global Industrial

Net 30

Apply Online

Register for an account online, place an order, choose "open account" for your payment

MSC Direct

Net 30

Apply Online

Register for an account online, start a chat and provide EIN and they'll assist with opening an account

Leran Gas Products

Net 30

Call

Will need at least one account reporting to Experian. Do Not Request More than \$1000

Bags & Bows

Net 30

Apply Online

Register for an account online, place an order, choose "net 30" for your payment, will be redirected to a bill me page

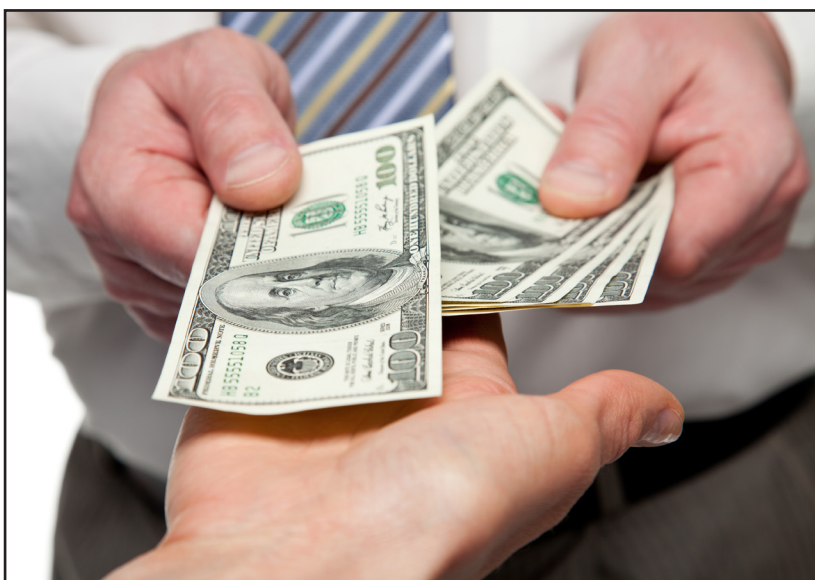
Credit Cards And Cash Loans

To receive credit cards and cash loans you'll need very strong business credit reports with all three business credit reporting agencies.

You should have at least 6 accounts on all three reports.

Keep in mind, the beginning accounts such as vendor net 30 accounts takes about three months minimum to start reporting.

If seeking cash start with a microloan approved bank by the SBA



Other Sources Of Funding

Outside of revolving and vendor accounts there are other means to fund your business that may not necessarily build business credit. However, these unconventional sources will give you the opportunity to receive the cash, equipment and/or supplies that your business may need

- Using your personal credit. *This is always a last resort*
- Vendor and Revolving accounts that require a PG.
- Account Receivables Financing
- SBA Loans
- Revenue Credit Lines
- Private Funds Financing
- Real Estate Financing
- Revenue Lending
- Equipment Financing
- Sign and Wrap Financing
- 401K Loan
- Collateral Financing
- Equipment Leasing
- Crowd funding
- Merchant Advances



Resources & Wrap Up



What Are Revolving Accounts
Round 1 Tradelines
Other Sources Of Funding

Resource Links

Trademark Link

<https://www.uspto.gov>

Virtual Offices

<https://alliancevirtualoffices.com>

<https://www.regus.com/virtual-office>

Tax ID

<https://sa.www4.irs.gov/modiein/individual/index.jsp>

<https://www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein>

Corporation Set Up Assistance

<https://www.legalzoom.com>

<https://www.mycorporation.com>

<https://www.incorporate.com>

<https://www.bizfilings.com>

<http://www.incforfree.com>

411 Directories

<http://www.listyourself.net>

<https://expressupdate.com/search>

<https://www.yellowpages.com>

<http://www.superpages.com>

<https://smallbusiness.yahoo.com/local-listings>

<https://www.neustarlocaleze.biz>

<https://www.infousa.com>

Logo, Website, Slogan, Business Plan

<https://www.fiverr.com>

<https://www.freelogoservices.com>

Phone Services

<https://www.att.com/gen/landing-pages?pid=9213>

<https://www.vonage.com/business/>

<https://www.ringcentral.com/>

Resource Links

Small Business Approved Banks

Merchant Servicers

<https://www.clover.com>

<https://squareup.com>

Business License and Permits

<https://www.businesslicenses.com>

<https://www.licensesuite.com/search>

<http://cityapplications.com/index.html>

<https://www.sba.gov/business-guide/launch/apply-for-licenses-permits-federal-state>

Business Plan

<https://www.sba.gov/business-guide/plan/write-your-business-plan-template>

Third Party Bureaus

<https://www.factualdata.com>

<https://www.cortera.com>

<https://paynet.com>

<http://www accurint.com>

<https://www.chexsystems.com>

Secretary of State Links

| | |
|--|--|
| Alabama - http://sos.alabama.gov/ | Louisiana - https://www.sos.la.gov/Pages/default.aspx |
| Alaska - https://www.commerce.alaska.gov/web/cbpl/corporations.aspx | Maine - http://www.maine.gov/sos/ |
| Arizona - https://www.azsos.gov/ | Maryland - http://sos.maryland.gov/Pages/default.aspx |
| Arkansas - http://www.sos.arkansas.gov/Pages/default.aspx | Massachusetts - https://www.sec.state.ma.us/cor/ |
| California - http://www.sos.ca.gov/ | Michigan - http://www.michigan.gov/sos/ |
| Colorado - https://www.sos.state.co.us/ | Minnesota - http://www.sos.state.mn.us/ |
| Connecticut - http://www.ct.gov/sots/site/default.asp | Mississippi - http://www.sos.ms.gov/Pages/default.aspx |
| Delaware - https://corp.delaware.gov/ | Missouri - https://www.sos.mo.gov/ |
| District of Columbia - https://os.dc.gov/ | Montana - https://sos.mt.gov/ |
| Florida - http://dos.myflorida.com/sunbiz/search/ | Nebraska - http://www.sos.ne.gov/dyindex.html |
| Georgia - http://sos.ga.gov/ | Nevada - http://nvsos.gov/sos |
| Hawaii - http://cca.hawaii.gov/breg/ | New Hampshire - http://sos.nh.gov/ |
| Idaho - https://sos.idaho.gov/ | New Jersey - http://www.nj.gov/state/ |
| Illinois - http://www.cyberdriveillinois.com/ | New Mexico - http://www.sos.state.nm.us/ |
| Indiana - http://www.in.gov/sos/ | New York - https://www.dos.ny.gov/ |
| Iowa - https://sos.iowa.gov/ | North Carolina - https://www.sosnc.gov/newsite.html?url=/ |
| Kansas - http://www.kssos.org/ | |
| Kentucky - https://www.sos.ky.gov/Pages/default.aspx | |

Secretary of State Links

| | |
|--|---|
| North Dakota - https://sos.nd.gov/ | Vermont - https://www.sec.state.vt.us/ |
| Ohio - https://www.sos.state.oh.us/#gref | Virginia - https://commonwealth.virginia.gov/ |
| Oklahoma - https://www.sos.ok.gov/default.aspx | Washington - https://www.sos.wa.gov/ |
| Oregon - http://sos.oregon.gov/Pages/index.aspx | West Virginia - http://www.sos.wv.gov/Pages/default.aspx |
| Pennsylvania - http://www.dos.pa.gov/Pages/default.aspx | Wisconsin - http://www.sos.state.wi.us/ |
| Rhode Island - http://www.sos.ri.gov/ | Wyoming - http://soswy.state.wy.us/ |
| South Carolina - http://sos.sc.gov/ | |
| South Dakota - https://sdsos.gov/ | |
| Tennessee - https://sos.tn.gov/ | |
| Texas - https://www.sos.state.tx.us/ | |
| Utah - https://www.utah.gov/government/secretary-of-state.html | |



CONGRATULATIONS!!!

You're a new business owner, with a solid foundation of how business credit works, on your way to establishing MASSIVE lines of credit for your business!

As you continue to build your business credit, it is IMPORTANT that you continue to not miss any payments. This is essential for obtaining credit lines, cash lines, car leases etc.

As always nothing is guaranteed. These steps in this guide are just that a guide to help your business, whether new or established, build business credit.

The Credit Secret family would like to thank you for allowing us to contribute to your growth in establishing a successful business!

