

Top Ten Reasons Not To Use A Broker For Unsecured Business Lines Of Credit.

Quick list of reasons why you not use a loan broker to obtain your unsecured business line of credit. This list was compiled by a company with over ten years experience with small business financing.

April 4, 2008 - [PRLog](#) -- We wanted to release a quick list for business owners of the top ten reasons we feel you should not use a loan broker to obtain an unsecured business line of credit.

1. You do not need a loan broker because you can do it your self.

The unsecured lines of credit are products that are available from your local bank.

2. They make you pay illegal commission fees.

The FDIC prohibits the client paying commission fees on most of the products. Various brokers have been known to tell you to lie to the bank and do not tell them you are paying a commission fee.

3. They make you pay high fees.

Loan brokers are generally charging 10% to get you a line of credit. Why should you pay \$10,000 for a \$100,000 line of credit? If you need \$100,000 for a down payment on a larger deal then you will only be left with \$90,000 and you will be stuck. Not only that but they say not to worry because you can pay the commission fee out of the line of credit funds, but then you are going to be paying interest right from the start. This does not make any business sense. Does it?

4. They encourage fraud.

Let's be real, if you only made \$300,000 what sense does it make to lie and say you made \$500,000 or \$1,000,000? It makes no sense to put yourself in this position with the lender. The loan brokers do not understand the stated programs and think you can state whatever you want. The truth is the stated programs let you state the truth and not what the taxes show.

5. The brokers do not understand the programs.

Some brokers will misguide you and have you think you are applying for a stated program when in fact it is a program that requires you to fill out a 4506. The 4506 form allows the lender to pull a transcript of your complete taxes to verify the numbers if they want to and whenever they want to. Just because they might not pull the taxes during application they call this a stated program incorrectly. This is incorrect because if the lender wants to pull the taxes later they can and if the numbers are not within their guidelines of the application then they can call your loan due and you may face fraud charges.

6. The brokers do not know the lenders and their territories.

Due to the fact that the brokers are only concerned about getting you all of the money they throw your application out to every lender they know without the consideration if the lender even is able to work in your area. This creates useless credit checks and your credit score drops fast, by more than 10%.

7. Opportunity for ID theft.

Never give your social security number out to loan brokers. Identity theft is rampant out there in today's society. There is no reason why a broker should have your social security number. If they have it you lose control of credit checks and you do not know what happens to your records. Usually the broker does not deal directly with the lender so there are multiple people viewing and handling your information. Did you know it is illegal to send your Social Security number through email?

8. Have you purchase extra services that you do not need.

Some brokers will charge you fees for supposed credit score improvement services, that you can do on your own, or have you purchase a high investment shelf corporation. Shelf corporation may be beneficial to some clients but our history shows them to have little value. The investment of the shelf corporations, in most cases, is better to be used to pay off personal debt.

9. Excessive credit checks.

This item is summary of the brokers not knowing the programs, having your social security number, and not knowing the lender territories. They will send you application to as many lenders and contacts that they know in an attempt to get someone to respond with an approval. However, errors are made by sending them to lenders or programs that not evaluate the project before checking credit even though it never should have been sent to the lender in the first place.

10. Not genuine interested in your success.

Face the truth that illegal high commission fees shows that a person is concerned about making money for themselves with the consideration of what it might cause to your financial situation.

Conclusion:

Take the time to learn yourself how to obtain the financing. It is easy, it may take a little time but it is definitely worth saving thousands of dollars and the ability to maintain your current credit score. If you would like to get some direction from a company that is dedicated to being on the side for the business owner go to <http://www.yourloanoffice.com> to find resources to help you on your project and reach your goals.

Website: www.YourLoanOffice.com

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