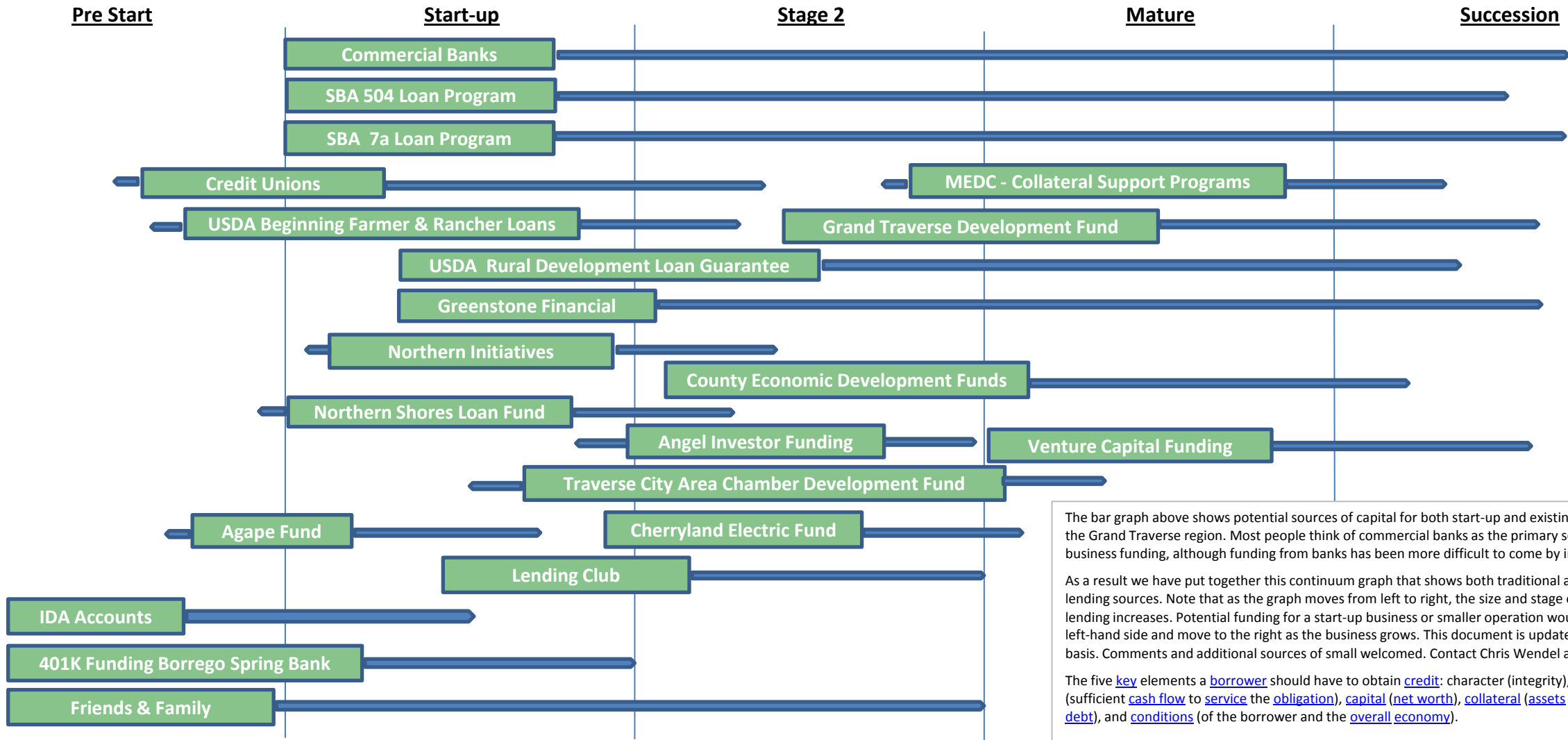


MI-SBTDC - Northwest Region

Small Business Lending Continuum



The bar graph above shows potential sources of capital for both start-up and existing businesses in the Grand Traverse region. Most people think of commercial banks as the primary source of business funding, although funding from banks has been more difficult to come by in recent years. As a result we have put together this continuum graph that shows both traditional and alternative lending sources. Note that as the graph moves from left to right, the size and stage of the business lending increases. Potential funding for a start-up business or smaller operation would begin on the left-hand side and move to the right as the business grows. This document is updated on a regular basis. Comments and additional sources of small welcomed. Contact Chris Wendel at 231.922.3782.

The five key elements a borrower should have to obtain credit: character (integrity), capacity (sufficient cash flow to service the obligation), capital (net worth), collateral (assets to secure the debt), and conditions (of the borrower and the overall economy).