

Funding growth or change for your business



What you need to know before applying for a business loan

Growth could mean different things to different people:

For some it's investing into new opportunities, for others it's about evolving to stay competitive or simply sustaining.

One way to fund growth or change is applying for a business loan, and here are a number of key considerations to help you plan.



Key questions to help plan for business loans

1 What's the loan for?

- Managing your cash flow
- Funding your growth
- Buying or leasing a vehicle or equipment

2 How much do you need?

Knowing the right amount to borrow is key and should not be underestimated.

3 Decide between a secured or unsecured loan:

- **Secured:** you secure an asset against the loan, such as your property. The interest rate will usually be lower than unsecured.
- **Unsecured:** no asset is required. The interest rate is usually higher.

4 What will the repayments be?

Understanding what the repayments will mean for your cash flow is critical.

5 Choose a fixed or variable interest rate

Depending on your circumstances, a loan with consistent repayments or a lower interest rate may suit you. Choosing a fixed or variable interest rate impacts your ability to repay if interest rates change.

6 What are the fees and charges?

There are fees and charges associated with taking a loan so it pays to do your homework and ask what they are upfront (e.g. establishment fee, exit fees).

Tips



Get your paperwork ready

Arm yourself with the [right documents](#) for your next loan application.



Speak to an expert

A [CommBank business banker](#) can help you.

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