



THE DEFINITIVE GUIDE TO BUILDING YOUR BUSINESS CREDIT

How to Obtain Credit That's Linked
to Your **EIN** Not Your **SSN**...With
No Personal Guarantee or Consumer Credit Check



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Having access to money and credit for your business ultimately determines your business's success or failure, according to the SBA. But unfortunately, according to [Entrepreneur.com](#), 90% of business owners know nothing about business credit, and ironically about 90% of businesses in the United States that open end up failing and closing their doors for good.

Having a good business credit profile and score can mean the difference between you having a prosperous business, or helming a sinking ship. You need money and credit to grow, especially to grow into a highly successful business. This is actually one commonality ALL successful businesses have: they all have established business credit.

Facebook, Microsoft, Apple, and every highly successful private and public company has business credit. This means the business can use its own credit profile to grow, without the owner or CEO providing their personal credit or liability to secure that credit. Walmart gets 80% of their total cash injection from business credit alone, one of the reasons they have grown into one of the largest retailers in the world.

But what about you? Do you have business credit established now? Are you able to go out right now and get high-limit retail and cash credit cards for your business? If not, you need business credit. It could be the only thing holding you back from ultimate success.

But how do you get business credit? How do you become one of the exclusive and elite 10% of entrepreneurs who understand business credit and gets it for your company to help you grow? In

this *Definitive Guide to Business Credit Building* you're about to find out, even if you know nothing about business credit now.

Business Credit is credit that is obtained in a **Business Name**. With business credit the **business** builds its own credit profile and credit score. With an established credit profile and score, the business will then qualify for credit. This credit is in the business's name and based on the business's ability to pay, not the business owner's. Since the business qualifies for the credit, in some cases there is no personal credit check required from the business owner.

There are a ton of benefits that business credit provides, including that a credit profile can be built for a business, completely separate from the business owner's personal credit profile. This gives business owners **DOUBLE** the borrowing power as they have built both personal and business credit profiles.

Business credit scores are based only on whether the business pays its bills on time. A business owner can obtain credit *much faster* using



their business credit profile versus their personal credit profile. Approval limits are much higher on business accounts versus personal accounts, which is yet another benefit. Per the SBA, credit limits on business credit cards are usually 10 - 100 times higher than for consumer credit.

When done correctly Business Credit can be built without a personal credit check. Business credit can quickly be obtained regardless of personal credit quality. And business credit doesn't report to the consumer credit reporting agencies and won't show up on your personal credit report. So as you obtain new business credit and use it, your

scores won't dramatically decrease as they will with consumer credit.

Plus most business credit can be obtained without the owner taking on personal liability, or providing a personal guarantee. This means in case of default, the business owner's personal assets can't be pursued.

Even though most don't know this, when a business owner applies for financing, their personal credit is reviewed. Not having business credit established will get an owner DECLINED for financing. There are no regulations that require the lenders notify the business owner for their reason for denial, so most never know.

The business can use its credit to qualify for retail credit cards like Staples, Lowes, Sam's Club, Costco, BP, Walmart, even MasterCard, Visa, and AMEX. The business can also qualify for credit lines and loans.

Building Your Business Credit

It's actually not hard to build business credit. You just need to know the proper steps to get started. Business credit building isn't too different from building consumer credit. You start off with no credit established. You are then approved for new credit that reports to the BUSINESS credit reporting agencies, helping you establish an initial credit profile and score.

Once your profile and score are established, you can then use that profile to start getting more and more credit. As you grow your credit you will get access to more useful credit such as retail credit cards and cash accounts such as Visa and MasterCard credit

you can use anywhere. Your credit limits will also grow, so you'll have access to more and more credit as you continue to expand your credit profile.

Let's jump in and take a look at the actual business credit building steps.

Business Credit Building Step 1- Building Business Credibility

The perception lenders, vendors, and creditors have of your business is critical to your ability to build strong business credit.

Before applying for business credit a business must insure it meets or exceeds all lender credibility standards. There are over 20 credibility points that are necessary for a business to have a strong, credible foundation. This is how you make your business fundable.

It is very important that you use your exact business legal name. Your full business name should include any recorded DBA filing you will be using. Insure your business name is exactly the same on your corporation papers, licenses, and bank statements.

You can build business credit with almost any corporate entity type. If you truly want to separate business credit from personal credit your business **must** be a separate legal entity, not a sole proprietor or partnership. Unless you have a separate business entity (corporation or LLC) you might be doing business but you are not *truly* a business. You need to be a corporation or an LLC in order to separate personal from business.



Whether you have employees or not, your business entity must have a Federal Tax ID number (EIN). Just like you have a Social Security Number, your business has an EIN. Your Tax ID number is used to open your bank account and to build your business credit profile. Take the time to verify that all agencies, banks, and trade credit vendors have your business listed with the **same** Tax ID number.

Your company's business address must be a real brick and mortar building, a deliverable physical address. It cannot be a home address or a PO Box, and it cannot be a UPS address. Some lenders will not approve and fund unless this criterion is met.

You must have a dedicated business phone number listed with 411 directory assistance, under the business's name. Lenders, vendors, creditors, and even insurance providers will verify that your business is listed with 411. A toll-free number will give your business credibility, but you must have a LOCAL business number for the listing with 411 directory assistance.

Lenders perceive 800 numbers or toll-free phone numbers as a sign of business credibility. Even if you're a single owner with a home-based business, a toll-free number provides the perception that you are an even bigger company. It's incredibly easy and inexpensive to set up a virtual local phone number or a toll-free 800 number.

A cell or home phone number as your main business line could get you flagged as an unestablished business, which is too high a risk. DON'T give a personal cell phone or residential phone as the business phone number. You can forward a virtual number to any cell or landline phone number.

Credit providers will research your company on the internet. It is best if they learned everything directly from your company website. Not having a company website will *severely* hurt your chances of obtaining business credit. There are

many places online that offer affordable business websites so you can have an internet presence that displays an overview of your company's services and contact information.

It is important to get a company email address for your business. It's not only professional, but it greatly helps with your chances of getting the thumbs up from a credit provider. Setting up a business email address is just too easy and inexpensive to neglect.

One of the most common mistakes when building credit for your company is nonmatching business addresses on your business licenses. Even worse is not having the required licenses for your type of business to operate legally. You will need to contact State, County, and City Government offices to see if there are any required licenses and permits to operate your type of business.

Make sure any county licenses and/or permits, city licenses and/or permits and IRS filings all have your business listed correctly. Take the time to verify that the main agencies (the state, the IRS, your bank, and 411 national directory) in particular have your business listed the same way and with your business's **exact legal name**. Also take the time to ensure **every bill** you get (power bill, phone bill, rent, etc.) has the business name listed correctly and is being sent to the business address.

Business Credit Building Step 2- Getting Your Business Credit Reports

Business credit reports are offered by Experian, Dun & Bradstreet, and Equifax, among others. You will first want to get a copy of your business credit reports to see what is being reported before you start business credit building.



We've made this easy for you by putting up links for all of the biggest business credit reporting agencies in one place. We even have affiliate relationships with them so they'll provide you with discounted pricing you won't normally find on your own. To get your reports now you can visit www.creditsuite.com/reports to access your business credit reports with Experian, Equifax, and Dun & Bradstreet.

You won't need to get reports with all three reporting agencies, but you should at least have monitoring setup with Dun & Bradstreet, and possibly Experian.

Smart Business credit reports from Experian cost \$37 - 175. With these reports you can find out how many trade lines are reporting, see if you have a business credit score assigned, see if you have an active Experian Business Profile, and check on recent inquiries.

It typically takes more time to create a file with Equifax Small Business than D&B and Experian. This is because not a lot of vendors and creditors actually report to Equifax; most report to Experian or D&B. This is also why it's important to apply with credit providers which report to Equifax when you find them. You can get set up for Equifax credit monitoring for as little as \$19.95 monthly.

Dun & Bradstreet offer a CreditMonitor product where you can get unlimited access to your D&B reports and scores for \$49 monthly.

IMPORTANT NOTE, if you do get set up for this you might get a call from Dun & Bradstreet Credibility. Keep in mind this is not Dun & Bradstreet; it is a completely separate privately owned company.

Do NOT purchase their credit builder program no matter what they tell you. This is NOT something you need and NOT

something you should pay for. This program only adds trade references to your report, but instead you should be building your business credit using real useable credit.

You can visit www.creditsuite.com/reports to access your business credit reports with Experian, Equifax, and Dun & Bradstreet.

Business Credit Building Step 3- Getting Vendor Credit

When you started building your consumer credit report you probably did so with lower limit credit cards, possibly even secure credit cards. A business credit report can be



started much the same as a consumer report commonly is, with lower limit credit cards, but in the business world these aren't secure credit cards, they just have set repayment term versus being open-ended revolving accounts. Your business can be approved for lower limit credit cards to help you build an initial credit profile. These types of initial cards in the business world are commonly referred to as the vendor credit tier.

You must start a business credit profile and score with *starter* vendors. Starter vendors are ones who will give you initial credit even if you have no credit, no score, and no tradelines or payment experiences. Most retailers like Staples will NOT give you initial starter credit so DON'T even try applying. Most retailers will NOT approve a business owner for business credit unless the owner has an established credit profile and score, just like in the consumer world. Vendor accounts

must be used first to establish a profile and score, and then retail credit can be obtained. It usually takes only 90 days or less to establish a score and profile with trade lines.

A vendor line of credit is when a company (vendor) extends a line of credit to your business on Net 15, 30, 60 or 90 day terms. This means you can purchase their products or services up to a maximum dollar amount and you have 15, 30, 60 or 90 days to pay the bill in full. So if you're set up with Net 30 terms and were to purchase \$300 worth of goods today, then that \$300 will be due within the next 30 days.

To prevent money laundering, federal identification requirements state that you must provide your Social Security Number and date of birth when applying for business credit, so long as you are **“a single individual with significant responsibility to control, manage, or direct a legal entity customer, including:**

(i) An executive officer or senior manager (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); or

(ii) Any other individual who regularly performs similar functions.”

Always make sure to ask whether providing an SSN will result in the addition of a personal guarantee. It should not, but it will always pay to check. Furthermore, for a credit check, it is perfectly permissible to provide the company's EIN, rather than your Social Security Number and date of birth.

When your first Net 30 account reports your tradeline to Dun & Bradstreet, the DUNS system will automatically activate your file if it isn't active already. This is also true for Experian and Equifax. It's important to note, in the consumer

credit world we refer to these types of accounts as tradelines, but in the business world they are called payment experiences.

A payment experience is the reporting of an account to one credit reporting agency. So if you are approved for a Staples account that reports to both Experian and Dun & Bradstreet, that would actually count as two payment experiences. But if that account only reported to Experian and not D&B, it would only count as one payment experience.

You need to have a total of at least five (5) payment experiences of Net 30 day pay accounts reporting to be able to start getting retail credit cards. Some vendors require an initial prepaid order before they can approve your business for terms. Some companies like Uline might even require you purchase from them three times for them to extend you credit, if you have no credit established now.

Some of the most popular starter vendors include Uline, Laughlin & Associates, Quill, and Gempler's. All have different requirements to approve you, and they are great sources to help you build initial business credit when you have none established now.

Business Credit Building Step 4- Getting Revolving Credit at the Retail Credit Tier

After 5 or more payment experiences are established using vendor accounts, obtaining retail credit accounts is the next tier. These are revolving accounts. That is, they are cards a business owner can use and not be required to pay the full balance owed each month.



Revolving account approvals will begin coming from retailers. Retail credit must be obtained before the business owner starts getting Visa, MC, Amex, type cards. Most retailers will NOT approve a business owner for business credit unless the owner has an established credit profile and score, just like in the consumer world. Vendor accounts must be used first to establish a profile and score, then retail credit can be obtained. It usually takes only 90 days or less to establish a score and profile with trade lines.

Most major retailers offer business credit accounts, although they don't promote that they do. Major retailers including Walmart, Target, Best Buy, Amazon, Sam's Club, Costco, Staples, Office Depot, Lowes, Home Depot, BP, Chevron, and most other retailers offer business credit. Most of these retailers will approve you for new credit once you have a credit profile established, a good business credit score resulting from you paying your bills as agreed, and five payment experiences or more established on your business credit profile.

Once you have 10 total payment experiences, a business owner can then start applying for Visa, MC, and American Express-type credit. Approval amounts will be equivalent to the highest credit limit account on the business credit report. Try to have 10 payment experiences with at least one of them having a \$10,000 high limit. It is essential to keep using the credit, keep applying for more, and talk with credit providers to raise credit limits. If you do this, your business credit will keep growing until higher limit credit lines are obtained, within 6 - 12 months.

Building business credit is truly as easy as building consumer credit once you know the proper steps to take. Now you know the 4 essential steps to take to build business credit linked to your EIN and not your SSN. Now your next move is to take action on the first step and make sure your business is set up credibly. As you are doing this, get your business credit report access established. Then you can start building vendor credit to establish

your credit profile and score so you can start securing retail credit accounts.

Congratulations!

If you have followed these steps you will have an established business credit profile and score that you can grow and continue to get more and more credit. Many people ask: "How long does it take to build business credit?" Keep in mind, just like with your consumer credit this is a never-ending process. You will always be growing your business credit as your business grows because you'll need to access more and more credit as your business grows.

If you pull a credit report for Walmart for example, you will find that their highest reported credit line has a limit of \$50,000,000! You can be assured that they didn't start out with those high of credit limits. Rather, they grew their credit to get those kinds of limits over the course of 40 years.

You may never need a credit line for \$50,000,000. But as your company grows you will have an appetite for more and more credit. For this reason, building your business credit is an unending process.

You can start getting vendor credit right away. It will then take about 30 - 90 days for that new credit to report, and then you can start to get retail credit cards. If you continue to grow your credit you will qualify for cash credit in only 4 - 6 months from starting the business credit building process.

Get started today securing your first vendor accounts. This will kick off your business credit profile and score you can then use to get your hands on retail credit, leading to you accessing cash credit to help your business grow.

Good luck building your business credit! Let us know if we can ever help you with the process info@creditsuite.com.