Article Side

Business Credit by David Zabawa

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Business Credit, sometimes referred to as Trade Credit, is credit that is established under a businessâ€™s name.

Business credit permits a business owner to use their business credit profile and score for financing not their personal credit score and profile.

One of the reasons business credit is so appealing is that business owners can commonly qualify with no personal-guarantee (PG).

This means business owners can access cash for their businesses without the personal liability.

Another reason business credit is a great resource for business owners is that there is no personal credit check with many sources.

So, even business owners with challenged credit can be approved for thousands of dollars of credit for their businesses.

To qualify for most business credit sources, the business must have a positive credit core established with the appropriate business credit reporting agencies.

In addition, it is beneficial to conduct a business credibility checkup. Lenders not only check the businessâ€™ credit score but also verify the company information to prevent fraud.

Reasons for decline can be as simple as unlisted company phone numbers, use of personal cell phone as business phone; using personal email domains such as yahoo or gmail instead of business website domains, company name not properly registered with the state, and bank statements not showing company name.

The two most commonly used business credit scores are the Paydex score from Dun and Brad Street and the Intelliscore from Experian.

Once a positive business credit score is established, many merchants will then approve the business owner for credit in the businessâ€™s name.

Thousands of major merchants offer business credit. But most donâ€™t promote their business credit programs, so they are difficult to locate.

Some merchants offering business credit include Chevron, Dell, Staples, and Lowes.

Once business credit is established and paid-as agreed the business credit scores will continue to increase.

As more positive credit history is established and scores increase, business owners can then be approved for even more credit with higher credit limits.

Business credit is an outstanding resource for businesses. Funds are available for location expansion, equipment financing, payroll funding, and day to day operations cash flow.

Owners can obtain credit to run and expand their businesses without the personal liability of using a personal guarantee.

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David Zabawa is founder and President of Business Assistance Foundation, Inc., Denver, Co. Since 1999, BAF, inc.,(division of HomeBuyers Assistance Foundation, Inc. a Non Profit), has specialized in helping business owners establish excellent business credit scores and then leverage those scores to access cash and credit for their businesses regardless of their personal credit history. For more information on business credit scoring and, business credit, visit: a creditforsmallbusinesses.com.

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