



# EQUIVICO Marks Small Business Month by Offering Tips for Small Business Owners Seeking Loans

*EQUIVICO Highlights its Mission to Create an Inclusive Economy by Financing Fair Loans to Underserved Small Businesses*

NEW YORK , U.S., May 24, 2023 /EINPresswire.com/ -- EQUIVICO by NCRC, an investment manager that finances fair loans to underserved small businesses, including those owned by women and people of color, is marking Small Business Month by offering tips to small business owners seeking loans. Equivico's mission is to fuel an inclusive economy that delivers competitive returns for investors, businesses, and communities alike.

"We are proud to highlight our mission during Small Business Month. Since Equivico's inception, we have focused on putting capital to work for small businesses. They employ one out of three people in the private sector. Yet, these productive, wealth-creating businesses are largely overlooked in our financial system," said Eleni Delimpaltadaki Janis, Managing Partner, and Chief Investment Officer of Equivico. "At the same time, we are able to offer investors competitive returns and confidence that their capital is making a difference and creating value and scale in an underserved, often preyed on, segment of the market."

Alternative lenders have been critical of providing credit to small businesses in the last two decades. Today, their role is even more urgent, given an increasing credit crunch that started before the bank fall out in March. Already in the fourth quarter of 2022, nearly 45% of banks made it more difficult for businesses to obtain commercial and industrial loans, according to the Federal Reserve's survey of senior loan officers. Equivico seeks to change this.

Here are some tips for small business owners seeking a loan:

## Prepare a Solid Business Plan

Before approaching a lender, it is crucial to have a well-written and comprehensive business plan that outlines your business goals, revenue projections, and strategies for growth. This will help lenders assess the viability of your business and the likelihood of your ability to repay the loan.

## Maintain a Good Credit Score

Your credit score is an essential factor in determining your creditworthiness. Ensure to maintain a good credit score by paying bills on time, keeping credit card balances low, and minimizing the

number of credit inquiries. Business loans often look at your FICO score. Make sure that you are doing everything possible to keep your FICO score as high as possible and be sure that you have a positive cash flow.

#### Look for Fixed vs. Floating Interest Rates

For a loan with fixed interest rates. You will pay the same amount every month and know the amount when you are first offered the loan before you even accept it.

#### Beware of Expensive Products with Hidden Fees

Many loans may look appealing initially, but investigate, ask questions, and read the fine print to identify hidden fees. If you have unfavorable terms for existing loans, investigate getting the loans refinanced with a more reputable lender. Avoid merchant loans. The easiest and quickest option is rarely the best option. Things to look out for are weekly and daily payments. You should have no additional fees other than the origination fee.

#### Seek Community and Support

Look for loan providers that provide community with other small business owners, training and mentoring programs, and other resources to grow your business.

#### Prepare to Negotiate

Lenders may offer a loan with higher interest rates or shorter repayment terms than you prefer. Be prepared to negotiate the loan terms and consider other lenders to find the best deal. Read the loan agreement carefully and understand the terms and conditions before signing.

#### Hire an Accountant Early

Hiring a bookkeeper or an accountant early on in your business development can help you accurately summarize and quantify your business state to a prospective lender.

#### Look for Human Underwriters

Online lending can often be driven by automated decisions instead of a real person considering the whole picture when evaluating business owners applying for a loan. Seek out human lenders who can give you personal attention. You may get a loan either way, but the chances of having a lower interest rate are higher when working directly with an expert who can get to know you and your situation, and more accurately assess risk related to your circumstances.

#### About EQUIVICO

Equivico is an impact investment manager that finances and empowers responsible lenders to provide fair credit to small businesses, including those owned by women and people of color. Equivico demonstrates the power of advancing an inclusive economy that delivers competitive returns for investors, businesses, and communities alike. Learn more at [www.equivico.com](http://www.equivico.com).

Disclaimer: This is not investment advice. There can be no guarantee that Equivico will achieve

its investment objective, and investors may lose their entire investment.

Brigit Hennaman  
Rubenstein Public Relations  
+1 212-805-3005  
[email us here](#)

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