

Let's face it, many buyers today are hindered by their ability to buy because banks are unwilling to provide business loans as easily as just a few years ago. It is, to say the least, difficult to get financing. As a result, seller financing have now replaced commercial banks to cover the gap. In this market, if sellers fail to provide financing, they may not be able to sell their business, period! Here are some reasons why sellers should provide financing:

1. Higher Interest Earnings. In today's market, your bank savings may generate between 2-4% interest earnings. Seller financing normally is above 8%.
2. Buyers Become more Confident. A buyer who knows you are willing to finance has a greater confidence level on the purchase of the business.
3. Generates More Potential Buyers. Your market will increase by those buyers who need financing and cannot get it through the banks.
4. The Seller will not be Subordinate to a Bank. Normally, SBA loans required a 10% subordination to their loan—until the loan has been repaid.
5. Less and Simpler Documentation. Documents between buyer and seller are significantly less complex than with Banking Institutions.
6. Much Faster Closing. Only the seller and buyer are involved.
7. Higher Buyer

Qualification.

8. More Seller Control. Normally, seller financing has as collateral the business assets. So, in case of default, you may get your business back plus all the monies you have already received.

9. Higher Sales Price. You may be able to increase the sell price of your business by 15-20% higher than those without seller financing.

So, if you are a seller, think about it. It may be to your benefit.

Should you want to know more about selling or buying a business, please contact me, Fernando Simo, at 407-361-8886 and/or visit my webpage at www.bizbuyorsellflorida.com