

# Site Under Construction

## Finance - Getting Money

### Business Loan Glossary

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### Business Loan Glossary

**Accounts Receivable Financing** - A loan gained by borrowing against receivables. Loans are paid down as receivables are collected.

**Annual Fee** - The amount charged by the lender each year to cover the administrative costs of the loan.

**Business Credit Card** - An amount of money, which a business can borrow against at times it needs capital. Using a card accesses the money.

**Commercial Real Estate Loans** - Similar to residential mortgages, but collateral is business property. Interest rates are usually fixed, the length of the loan can range from 5 - 20 years and payments due monthly.

**Commercial Term Loans** - Loans made to businesses that can be either secured and unsecured. Usually made to mid-size and large businesses.

**Credit Rating** - A predictor of the ability to pay back a loan. The credit rating is a result of credit scoring

**Credit Report** - Financial history supplied by a credit information company like Dun and Bradstreet, Equifax, Experian or TransUnion. Contains credit information on a business or an individual, including payment history of bank cards, store cards, mortgages, student loans, and trade payments.

**Credit Scoring** - The evaluation system used by lending institutions to determine relative credit riskiness of a business or consumer. When evaluating businesses, it generally considers factors such as credit payment history, new credit sought by owner of business, and financial strength and longevity of business.

**CreditFYI** - A web site for checking business credit reports

**Debt Financing** - A loan with pre-agreed terms, including payback schedule and interest.

**Dun & Bradstreet** - Leading provider of business credit information.

**Equifax** - One of three leading providers of personal credit information.

**Equipment Leases** - Leases allowing companies to purchase new equipment.

**Experian** - One of three leading providers of personal and business credit information.

**Fixed Interest Rate** - An interest rate that is the same throughout the life of a loan.

**Interest Rate** - The amount charged by a lender for the money borrowed. It can be fixed or variable.

**Inventory Financing** - Money borrowed on the basis of finished inventory. The loan is paid as inventory is sold.

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**Line of Credit** - An amount of money, which a business can borrow against at times it needs capital. Often accessed by check, ATM, or business card.

[LiveCapital.com](#) - A web site for small business loan offers from a variety of lenders instantly.

**Loan Term** - The length of time the borrower has to repay debt.

**Long Term Debt** - Financing used to purchase or improve assets such as plant, facilities, large equipment and real estate.

**Maturity** - A loan's maturity is the life of the loan; that is, how long you have to repay the loan. It usually applies to term loans and not lines of credit.

**Multi-Lender Environment** - Numerous lending institution sharing the same site and information to provide instant financing to small businesses.

**Personal Guarantee** -A guarantee that the primary owner will assume personal responsibility for repayment of the loan, should the company not repay the loan.

**Prime Rate** - The rate a lender charges its best customers. The rate is calculated differently by each lender.

**Revolving Credit** - It is the same thing as a line of credit: an amount of money, which a business can borrow against at times it needs capital. Often accessed by check, ATM, or business card.

**SBA Loan** - Loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through private-sector lenders that provide loans, which are guaranteed by the Small Business Administration (SBA) -- the SBA has no funds for direct lending or grants.

**Secured Loan** - A loan secured by specific collateral. Creditor may foreclose and seize the specific property that is collateral to satisfy an unpaid secure loan.

[Small Business Administration](#) -Established by Congress, the SBA provides financial, technical and management assistance to help Americans start, run, and grow their businesses.

**Short Term Debt** - Financing used to secure cash for accounts payable and inventory.

**Subsequent Draw Fee** - It's a fee that the financial institution may charge each time you use the line of credit after the initial use.

**Term Loan** - A loan for a specific amount of money. It has either have a fixed or variable interest rate, matures in between one and ten years and has a set repayment schedule.

[TransUnion Corporation](#) - One of three leading providers of personal credit information.

**Unsecured Loan** - A loan granted upon the good credit of the borrower. No collateral involved.

**Variable Interest Rate** - An interest rate that changes during the life of a loan.

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