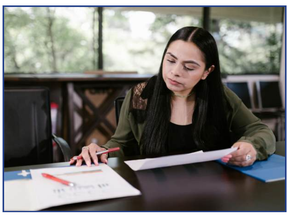
7 Reasons Lawn Care Businesses Can't Get Financing

1. Lack of Business Documentation

Many lawn care businesses start as a side gig that expands into a small business. You probably didn't open a business checking account or invoice your neighbor when you started mowing their lawn. Many owners struggle to transition from informal operations to a documented business model. And without documentation, they lack the necessary paperwork for a loan.



2. Inconsistent Income Patterns

Lawn care is a seasonal industry. It's natural for your revenue to fluctuate from month to month. But lenders look for stable patterns when reviewing your bank statements. They want to see consistent deposits throughout the year. When a lender sees sharp drops in cash flow during the winter, they may worry that you can't handle recurring obligations during the slow months.

3. Too Little Time in Business

Traditional lenders typically require at least 12 months of operating history and may need up to 24 months before approving financing for a seasonal business. It doesn't matter to lenders if you've been faithfully maintaining the neighborhood landscaping for five years if you don't have the financial history to prove it.

4. Low Credit Scores

Credit scores are a common sore spot for lawn care business owners. There are many ways landscaping owners end up with low FICO scores. Maybe you started using a business credit card to earn cash back on gas, but you overutilized the credit. When a lender sees a less-than-perfect credit score, or little credit history, they see risk. So they're likely to say no.

5. Weak Cash Flow Patterns

Cash flow measures whether you bring in enough funds to cover your operating expenses and current obligations. Lenders look for patterns in your finances showing you consistently have the cash on hand to keep things running. They want to know: Do you make predictable deposits? How much of your expenses go toward unplanned repairs? Do you withdraw large amounts of cash?

6. Too Much Existing Debt

Even if your revenue is strong, lenders shy away from high debt obligations. If your lawn care business recently secured equipment loans for a trailer and three commercial mowers, lenders may see your business as overextended.

7. Mismatched Loan Requests

Sometimes, you receive a denial because you requested the wrong type of financing for your business needs. It's an easy mistake to make. Lawn care businesses often pursue general-purpose loans because they are unaware of more specialized options.

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