

Consider Seller

Financing to Get Your

Business Sold

Creative financing is the way to go in a tough economy

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Seller financing is an option that business owners should consider if they want to try and sell their business now. Despite the economy, the entrepreneurial spirit is still going strong.

“There are serious buyers out there and there are many businesses for sale,” stated Julie Gordon White, CEO and principal of BlueKey Business Brokerage M&A located in Point Richmond, California. “What holds most things up is the financing. Businesses owners that are willing to consider seller financing might have more success in selling their business.”

Julie says that with the state of the economy and increasing job losses, many people are looking to start their own business instead of looking for more traditional employment. “Combine that fact with the number of baby boomers looking to retire and sell their business and you have created a great opportunity,” Julie stated. “Seller financing can be a win-win situation for everyone.”

Seller financing involves a seller helping finance the sale of the business by taking back a second note on the business. “Seller financing differs from a traditional SBA loan because the seller essentially extends credit to the buyer against the purchase price of the business,” Julie explained.

Julie says that there are benefits for business owners that consider seller financing:

- **Faster sale.** Seller financing can be an attractive offer for buyers which means that sellers can sell their business fast and at a higher price.
- **Flexibility.** Seller financing enables the seller to create a payment schedule, interest rates and loan period that fit their personal needs.
- **Tax breaks.** Taking a note for part of the purchase price of a business may allow sellers a tax break. The seller can defer some of the tax due on the sale of the business until full payment is received which could be several years.

In addition to benefits to the seller, seller financing may also include standards that are not as strict as a bank and be more lenient which could be a big benefit to those looking to buy a business.

“If you are serious about selling, then consider seller financing,” Julie stated. “It could make the difference to your selling time and price.”

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