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BUSINESS FINANCE GUIDE

Do you really need two *financial years* to borrow?

A plain English guide to business loan timelines, alt doc and low doc lending, and what lenders actually look for at every stage.

THE MYTH

Two financial years is not a locked gate

If you have been told you need two full financial years of trading before a lender will consider your business, that is not the whole story. It is one of the most common things we hear from business owners, and it stops good businesses from applying when they actually have real options.

SHORT ANSWER

No, you do not need two financial years of trading to get a business loan. Startup timelines exist from 6 months, and alt doc or low doc lending can help too.

Two financial years of financials is the ideal scenario for lenders. It gives them a clean, easy story: consistent income, proven trading history, low risk. Because it gets repeated so often, it has become the gold standard, and it is easy to assume it is the only standard.

It is not. There are lending pathways available well before that two year mark, and there are also options for established businesses whose recent growth has not yet shown up in their lodged tax returns. The rest of this guide walks through what those pathways actually look like.

LENDING OPTIONS AT EVERY STAGE

Where your business sits on the timeline

Whether you are three months into a new venture or three years in, there is likely a lending pathway that fits where you are at right now.

6
MONTHS
For very new businesses that can show early trading activity and momentum.

12
MONTHS
Once you have a full year of trading behind you, more doors open.

15
MONTHS
Often a good bridge while you keep building toward two full years.

18
MONTHS
For businesses getting close to that two year mark, with strong recent performance.

> *Two financial years is still a great position to be in. It typically means more lenders to choose from, sharper rates, and a simpler approval process. But it is not a locked gate.*

It is one of several genuine paths to yes, and the right one depends on where your business is at today.

AN ALTERNATIVE PATH

Alt doc and low doc lending

Alt doc and low doc options are simply an alternative way to verify income, and they can suit a wide range of businesses, not just those without a long trading history.

Rather than relying purely on traditional documents like full financial statements or tax returns, these options can take into account:

- Bank statements
- Accountant declarations
- Current year trading activity and cash flow trends

Growing businesses, 6 to 18 months

A useful option if you are in that early to mid trading window and would rather use alternative income verification than wait on formal financial statements.

Long standing ABN holders

Also useful if your current year of trade is well ahead of what is reflected in your last lodged tax return. Alt doc and low doc lending can help bridge that gap.

They will not suit every situation, and terms vary from lender to lender. But they are a good example of how lenders can look beyond a rigid set of paperwork to get a true picture of how your business is actually performing.

KEEP THIS IN MIND

Practical points and quick answers

- Two financial years is ideal, but it is not the only pathway to finance.
- Startup timelines from 6 to 18 months exist for newer businesses.
- Alt doc and low doc options are an alternative form of income verification.
- These options can also help established businesses whose current growth is not yet reflected in past tax returns.
- The right option depends on your individual circumstances, so it is worth discussing your situation directly with someone who knows the space.

Do I need two financial years to get a business loan?

No. Two financial years is ideal for lenders, but startup options exist from 6 months, and alt doc or low doc lending can help too.

What if my business is less than a year old?

There are lending options built for businesses at 6, 12, 15 and 18 months, depending on how much trading history you have.

What is alt doc or low doc lending?

It is an alternative way to verify income using things like bank statements and accountant declarations, instead of relying purely on tax returns or financial statements.

Let us talk about your options

If you have held off applying for business finance because you thought you did not have enough years behind you, it is worth having a conversation before you count yourself out. We would rather you knew all your options than rule yourself out too soon.

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