

# When Your Partner Won't Share the Loan

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**Dear FSB:** I'm a partner in a small, certified minority business that just won a statewide contract to conduct real estate assessments. It's our first large contract, and we'll need capital to pull it off. I've applied for several business loans. The problem is that my business partner of 10 years is not willing to sign. I have used all my credit cards to get us part of the way there but still need more capital. My credit score is high. How can I get over this hurdle?

**C. MIRANDA**  
Urban Revitalizers  
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**Dear C:** You've got two things many businesses lack right now: an ironclad government contract and loan options. "In a way, that makes this a no-brainer," says Marian Banker of small business consulting firm Prime Strategies. "I think you'd benefit from a discussion about your goals for the company, because you and your partner may not be on the same page."

Sit down and talk about measurable goals. Your partner may think the company can't afford certain risks, and you disagree. Ask what her growth plan is for the business, as an alternative to this contract. If you can't resolve the dispute by talking it out, you might apply for a short-term loan without your partner's signature.

"The underwriting standards of the bank will determine whether the partner's signa-



ture is necessary, and you might be able to negotiate the extent of your liability with the bank," says Porus Sagar, an Orlando accountant and current CORE counselor.

If you each own an equal stake in the company, there's a good chance that the bank won't accept your application. One alternative: Your partner can give you a majority stake in the business. But take care—Sagar has seen many partnerships dissolve in ownership disputes. He suggests asking an independent attorney to aid you in adjusting the capital ratios. Says Sagar, "The lawyer can help you decide if the ownership arrangement is best as a permanent change or just for this project."

—E.M.

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