

<http://www.smetoolkit.org/smetoolkit/en/content/en/5298/Application-for-a-Loan-Melissa-s-Case-Sample->

[Home](#) > Application for a Loan - Melissa's Case Sample

 [Share](#)  [Print Version](#)  [Email](#)

SME Toolkit [Print](#) www.smetoolkit.org

Application for a Loan - Melissa's Case Sample

Provided by the [International Finance Corporation](#)

Melissa has been approached by two big mining corporations who want to place orders for both T-shirts and uniforms for their employees. The first company is looking to buy 10,000 T-shirts and 2,000 uniforms, and would like it delivered in 3 phases. The second company is looking to buy 4000 T-Shirts some with designs and some without, in both V-neck and round neck. The T-shirts should be delivered in 5 months.

Melissa can probably meet the second order with the current equipment she has, but in order to meet the first one and ensure the quality, she will need better performing machines and a larger space. Melissa has decided to approach the bank for a \$200,000 loan to do this.

Sample of her loan application:

Melissa's T-SHIRTS Inc.

January 1, 2006

Mr. Joseph Brown
Account Officer
First Union Bank
1075 Main Street
Chicago, IL

Re: Loan Request for \$ 200,000

Dear Mr. Brown,

I am requesting a loan of \$200,000 in order to expand my business. I have over 15 years of experience in the fashion industry. I worked for 5 years sewing clothes for the Uniform Company and another 5 years sewing high fashion clothes for Boutique Mabelle. In 2000, I started my own business with personal and family funds and began selling ladies T-shirts with hand-painted designs. I later started doing silk-screening in order to accommodate larger orders.

I plan to use the \$200,000 as follows: \$100,000 to purchase a new silkscreen machine and sewing machine that will allow me to print 20 T-shirts at one time, \$100,000 for building materials to expand a new space for the business.

The market for this business is good. Women in particular, especially, are fond of my unique, hand-painted designs, and I have had a continuous and growing demand for these customized T-shirts.

Many of these customers are repeat customers. There is also a growing number of groups and businesses, which are preferring to purchase custom designed T-Shirts for their business, rather than use the standard products from the uniform manufacturers. I strive to produce quality products which satisfies basic needs, and offered at reasonable prices.

My target market is threefold: fashion oriented young people who seek an exclusive and unique design (retail or through a boutique); working women; and groups and associations who require a T-Shirts for different occasions such as conferences, or to mark special events.

My competition includes: the tourism oriented shops which print designs on T-shirts at a very low price; the boutiques which make blouses for ladies; and, companies such as the Uniform Company, which produce T-Shirts and Shirts for businesses. My business has two advantages over my competition - my prices are slightly lower because I have a lower cost structure, and my designs are very beautiful and unique. My hand-painted T-shirts cannot be found anywhere else, and my silkscreen designs are also quite popular because of the richness of the colors. I believe I am responding to the needs of my customers, who want something unique and fashionable, while still reasonably priced.

I am investing \$30,000 of my own money, generated over the last months from the business. My collateral consists of business assets having a fair market value of \$35,000 and personal real estate assets with a value of \$35,000.

Attached is my business plan which backs up the loan request. If you have any questions, please contact me at 555-1234. I would like to meet with you to go over my financing proposal. I would also like to invite you to visit my shop.

Sincerely,

Melissa Campbell

Copyright © 2000 - 2017, International Finance Corporation. All Rights Reserved.

2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, www.ifc.org

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC does not guarantee the accuracy, reliability or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon.

Back to [Home](#)  [Share](#)  [Print Version](#)  [Email](#)