

The right financing for a new dental practice

There are many different types of financing available for a dentist to use to secure a loan for their first dental practice. But not all of those options are best suited to truly help the doctor. By working with Veatch Consulting we will make sure you have the right financing in place to open your new practice and the right financial program to guarantee the success of your new business. Outlined below are the reasons why you want to use a dental specific lender to secure the "right" loan for your new office.

Dental Specific Loan:

- 100% financing: Most new doctors do not have the money to put a 10%-20% down payment on a loan. With a dental specific loan you can finance 100% of the loan and save the money you have
- Specialized payment plan: With a dental specific loan you will get a payment program tailored to suite your needs. For example, when using one of the lenders we work with you will get a loan that will not require you to make a single payment for 3-4 months after your doors open and you are seeing patients. That means during the project phase which is 6-8 months long no loan payment is required, then when you open your office for business no payments are due until 3-4 months later. Finally, when you do start paying back your loan your payments will be graduated for the first couple of years. Normally the first eight months your payments will be around \$2,000-\$3,000. This is very beneficial because you need to consider the overhead you will have with a new office. Being able to pay a \$2,000 a month payment vs. \$6,000 a month (that you would be required to pay from a local bank) is the difference of paying yourself an additional \$4,000 a month in salary or pay for additional marketing, start setting up your retirement plan etc.
- Longer Term Financing: Most local banks will only allow 5-7 years to finance your dental loan. With a specific dental lender you can finance your loan from 5-15 years. Again this will bring you overhead down by having a lower monthly payment
- Collateral: Working with one of our specific lenders they will normally just ask for your signature to secure the loan. Most banks will ask for either a co-signer or want to secure your loan through placing a lien against property you may own. (certain situations may be different)
- Higher Loan Amounts: A local bank will only lend you between \$250,000 - \$350,000. With a dental specific loan you can get approved for the loan you need. We can get you between \$450,000 - \$500,000 to help you open your office.
- Easier Approval Process: The average approval time it takes to get your dental loan with a local bank is 30-45 business days. With a dental specific lender it is 7-10 business days.
- Fixed interest rates: The dental lenders we work with will fix the interest on your loan for the entire term. While most local banks will only fix your loan for the first year then it will be set at a variable rate term.
- Reduced fees: Most local banks will charge fees that can cost you between \$5,000-\$25,000 or more. With our dental lenders you will not pay more then 1% of your total loan
- More working capital: Our dental specific lenders will give you up to \$75,000 in working capital while local banks may only give you \$25,000- \$30,000

These are just some of the benefits of using a dental specific lender. If you are interested in knowing more about dental specific loans, the different dental lenders or have questions about the process please call or e-mail Veatch Consulting for a free consultation. We can be reached at 303.621.5387 or veatchconsulting@comcast.net

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