
Guide to Friends and Family Loans

HOLIDAY SEASON ADD-ON



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Do's and Don'ts of Family Loans During the Holidays

It's your family's Christmas party and everyone keeps asking you the same few questions.

- "How's that business idea of yours going?"
- "Aren't you starting a business or something?"
- "Where's that robot butler invention you were talking about?"

**Merry Christmas!!!
Can you give me some
money?**

Don'ts

Don't be needy ("I *really* need money...")

Don't wait until after you've been rejected for bank loans to ask friends and family.

Don't offer vague repayment terms ("I'll pay you back sometime between 1 and 18 years")

Don't talk their ear off with minor business details, like what color your logo will be.

Do's

Do ask "have you ever wanted to invest in a startup?"

Do request feedback ("What do you like about my business idea? What would you change?")

Do bring photos! Of the product, or storefront, or even just the website.

Do ask for their support early on to keep the momentum going!

New Year's and High Return on Investment (ROI)

New Year's is one of the only times that many people go out of their way to re-examine their finances and search out new ways to invest or manage their money. If your family members have 401k's, they are likely to have a good idea of what return they earned in 2014, especially since they are usually mailed year-end summaries. This is the perfect time to talk about the returns they may get from their 401k versus the returns they would receive from a personal loan to you.

4 Tips for Family Loans During the Holidays

1

Not at the Dinner Table - There are three things you never talk about at the dinner table: politics, religion and money. Instead, Take a walk and explain that you are aiming to finish your fundraising in January and you would love to have them on board. Having conversations in a calm atmosphere will increase your chances of getting a 'yes'.

2

Bring Lots of Pictures - Have some photos (whether printed or on your cell) to show them what exactly you'll be spending their money on. If it's intangible, like labor, you should still show pictures of your business in general.

3

"The 1 Sentence Repayment" - If you can't describe how repayment would work within 1 easy-to-remember sentence, then it's too complicated.

4

Show Appreciation - What can you offer your family in exchange for their support? Consider giving them a better return on their money than they might find elsewhere. Additionally, be sure to keep them up to speed on what you are doing. It is important for them to get something in return- whether it's a favorable interest rate or something less tangible, like influence in your new business. Most importantly, make sure they are first on your Christmas list.

*Get the funding you need
from the people you know.*

CREATE FREE ACCOUNT

TrustLeaf

Friends and Family Lending Made Easy

TrustLeaf is the easiest way to borrow money from friends and family. Set up a simple campaign page, pick the loans terms that work for you, then invite your friends and family to pledge what they're comfortable with and sign the documents.

If you've ever had your own business, you know the importance of customer feedback. So please send a quick message to hello@trustleaf.com to tell us how to make this guide better or anything else so we can understand our potential users better. Thanks for reading!