



SELLER FINANCE READINESS CHECKLIST

Use this checklist to structure seller-financed deals that are clear, fair, and built to close. Whether you're a broker, buyer, or seller, these key steps help ensure the deal is documented properly and protects all parties.

1. Deal Basics

Confirm total purchase price and amount to be financed by the seller

Define down payment amount and timeline

Identify any third-party financing involved (e.g., SBA loan)

2. Loan Terms

Agree on interest rate (typically 5%-8%)

Set loan term length (common range: 3-7 years)

Determine monthly payment amount and due date

Include any balloon payment or early payoff terms

3. Protections for Seller

Outline default terms and remedies

Secure loan with collateral (e.g., business assets, UCC filing)

Include non-compete and transition terms as part of the agreement

4. Legal Documentation

Draft a promissory note with clear terms

Include seller financing terms in the purchase agreement

Use an attorney or closing agent to finalize documents

5. Communication and Expectations

Discuss expectations with buyer upfront to avoid misunderstandings

Reinforce that seller financing builds trust and helps close deals

Ensure both parties receive copies of signed agreements