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Growing into a higher credit limit

See what lenders look for before a limit increase, and how to bring the numbers that make your case.

A higher credit limit can feel like the obvious next step once a line of credit starts working for your business. A limit increase works best when it follows real growth in your business. Lenders look at a higher limit the same way you should: as a bigger commitment that needs to match what the business can carry. The businesses that get approved, and that benefit from the increase once they have it, can usually already show the pattern a lender is looking for.

> *A bigger limit works best when it follows real growth.*

What usually qualifies a business for an increase

01

A track record with the current line

Consistent, on-time use over several months tells a lender more than a single strong quarter. It shows the credit is being managed well.

02

Revenue that has grown since the line was opened

An increase should reflect where the business is now, compared with when the original limit was set.

03

A specific reason for the increase

A defined use makes a stronger case: inventory ahead of a busy season, a larger order you need to fulfill, or equipment that adds capacity.

When a higher limit may wait

A higher limit raises what you could owe as well as what you could access. Before you ask, check whether the business could comfortably carry a higher balance.

YOUR ACTION STEP **Before you ask**

Make the case for an increase

Come to the conversation with the numbers that already make the case: recent revenue, how the current line has been used, and what the increase is for. A loan consultant can help you look at whether the timing is right before you ask, which puts you in a stronger position either way.

TRUSTED SOURCES

- Bank of America, Business Resource Center, Understanding business lines of credit

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