My business is Influx Salon, & I applied for a loan of $45,600.75. I researched 3 different loans with 3 different outcomes.

The first was from <https://www.fundingcircle.com/us/> , which will be paid off in two years at 8% interest. By the time I will have paid it off, I would have paid a total of $3,896.81 in interest. There will be 24 payments, & each payment will be $2,097.80. In total, I would have paid the lender $50,187.05

The second loan I researched was from <http://fitsmallbusiness.com/> . This loan will be paid off in four years, at 6% interest. At the end of the four years, I will have paid a total of $3,686.30 in interest. There will be 24 payments, each payment being $1,070.93. In total I would have paid the lender $51,404.91

Last but not least, my third option is from <http://www.bankrate.com> , & it is a two year loan at 8% interest. There will be 24 payments of $1,070.93. At the end of the four years, I will have paid a total of $5,804.16 in interest. In total I would have paid the lender $49,497.56

I would chose the loan from bankrate.com, because it will only take 2 years to pay it off. It also has the lowest monthly payment, & also the lowest total paid to the lender, so I don’t think it would cut into my business’ profit too much. Even though the interest is high, I’m only paying a total of $5,804.16, which is the highest in total interest, but the quickest to pay it off while also being the lowest paid back in total to the lender.

If I could make extra payments, I would make them at the beginning of the loan, because I could pay it off early, say if I increased the first two payments to $3,000, I would pay it off about five months early, & total interest paid goes down by $1,007.07.

A change in interest rate affects your loan payments by maybe increasing either your monthly payment, or the amount of time it takes to pay it off may increase. For example, the loan I found at 6% interest would take four years to pay off, while the other two at 8% take 2 years to pay off. I feel as though my loan payment would make things a bit hard to keep going at first, but it only takes two years to pay off, & the monthly payments are so low that if I earn more one month, I could toss some extra money towards it & it will change the outcome of the loan as far as total interest paid & number of payments made until it was paid off.

A salon has lots of variables as far as the income, like number of customers each week, as well as the different types of services offered that cost different amounts. On average I plan on having 192 clients a month, at an average of (let’s assume) $20.00 an hour for services, that is about $3,840, not including retail income. So I feel that it could easily be done, & won’t affect our profits by too much.