PROCESS

Should I offer seller financing when I sell my business?

By Ayodele Olasiji, Optimax Commercial · Updated October 18, 2026 · 2 min read · Online at optimaxdeals.com/guides/should-i-offer-seller-financing

SHORT ANSWER

Offering seller financing, where you let the buyer pay part of the price over time, can bring in more buyers and help you hold your price, because most buyers hope for it. The trade off is that you wait for part of your money and take the risk the buyer struggles. Protect yourself with a solid down payment, security on the business assets and a personal guarantee.

How to, at a glance

1. Decide how much of the price you could wait for
2. Set the rate, term and payment start
3. Require real cash at closing and a personal guarantee
4. Secure the note on the business assets
5. Have a lawyer draft the note and security agreement

Questions owners ask

How much should I finance?

It depends on how long you can wait for the money and how strong the buyer is. Many sellers carry a minority of the price and want most of it in cash at closing.

What if the buyer stops paying?

Your note and security agreement decide what happens. A lien on the assets and a personal guarantee give you ways to recover. Have a lawyer draft them.

Does offering seller financing lower my price?

It often helps hold the price, because more buyers can afford the deal. You trade some cash today for interest and principal over time.

Buyers want it

In BizBuySell's second quarter 2026 survey, 90% of buyers expected seller financing to play some role, while only 29% of owners planned to offer it. Offering it makes your business stand out to buyers who have the down payment but need help with the rest.

If the buyer uses an SBA loan

SBA lenders often welcome a seller note. For it to count toward the buyer's required cash in, you must agree to take no payments for the full life of the SBA loan, called full standby, and it can cover no more than half of the buyer's required injection. A note paid during the loan is allowed, but the lender must approve its terms and it does not count as the buyer's cash.

How to protect yourself

- **A real down payment.** A buyer with their own money in is less likely to walk away.
- **Security.** A lien on the business assets, so you can recover them if payments stop.
- **A personal guarantee** from the buyer.
- **Reporting.** The right to see financial statements while the note is unpaid.
- **Clear default terms,** written by your lawyer.

What it means for your taxes

Being paid over time can change when you owe tax on the sale. Ask your CPA how a seller note affects you before you agree to terms.

Sources

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