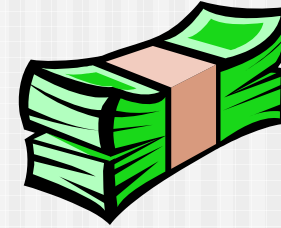


The Five C's

Defining and
evaluating business
lending

Five C's of Lending



- Credit
- Collateral
- Capacity
- Cash flow
- Character

Credit

- money loaned



- the borrowing capacity of an individual or company

Evaluating Credit

- depth of credit history
- amount of credit use
- number of inquiries
- current vs. previous credit issues

Evaluating Credit (cont.)

- high balances outstanding
- level of unsecured debts
- slow vs. derogatory credit

