

The Five C's of Credit

The 5 C's of Credit are the basis many banks and lenders use to determine whether they can make a loan.



Character

Does the applicant have a history of repayment? Does their past history show they can be trusted to repay?



Capital

What are the owners investing into the business to show that they are committed to the project?



Collateral

Does the borrower have something they can use to secure the loan in the event that the business fails?



Capacity

Will the business be able to repay the debt based on the business' cash flow and other outstanding debt?



Conditions

Are there outside influences or economic conditions that will impact whether the business can succeed?



For more information about financing in Mendocino & Lake Counties, contact Economic Development and Financing Corp. at 707-234-5705 or www.edfc.org.