

## Handout for Module 6: the Five C's of Credit

		Conventional Lender	Mission-Based Lender
<b>Character and Credit</b>			
Reputation and Experience		Generally rely on credit history	Business experience, relationship, non-traditional 'track record'
FICO Score		Over 680	Under 680
Slow Pays		No slow pays	A few slow pays
Collections		No collections	Modest collections with payment plans
<b>Cash</b>			
125% of loan payment		Based on past 2-3 years profits using business financial statements	Based on past 3-4 months using bank statements. Can include personal sources of cash. Projections possible.
<b>Collateral</b>			
Value		Value is at or above loan amount	Value is less than loan amount
Type		Large Equipment or Real Estate	Personal Vehicle or General Business Assets
<b>Conditions</b>			
Type		Strong industry and business trends	Willing to invest in higher risk conditions
<b>Owner Capital Injection</b>			
Amount		10-25% of project costs	0-10% of project costs
Source		Cash	Past investment in business assets and operations