

**Do You
Know?**

The 5 C's of Credit

A system used by lenders to determine a consumer's credit worthiness. The Five C's represent characteristics of the borrower, used as a measure of potential default in the loan application process.

Capital

Your net worth and personal investment in the loan.

Character

Your reputation with money used as an indication of your ability and willingness to repay the loan

Capacity

Your ability to repay the loan based on expenses and other debts.



Collateral

Property or assets used to secure the loan in the case you do not pay.

Conditions

Lender considerations around how you will use the loan and other overall economic factors.