

LINKING YOUR DEAL TO THE FIVE Cs OF CREDIT



1. Character

Stability is important. Show your lender that your clients are willing to pay the loan.

Be sure to complete the application accurately as this info will lead your underwriter in assessing the client's character.

Lenders like to know who they are lending to. Do they demonstrate pride of ownership? Are they working their way out of a major life event? This is all part of their critical story.



2. Credit

Significant life events can happen to anyone and underwriters understand how credit can be affected.

Are the credit issues an isolated occurrence?

Was there an injury or death in the family that led to credit problems?

Share the entire story in your lender notes so that your underwriter can assess the file accurately.



Strong notes = Quicker turnaround



3. Collateral

This is all about the subject property.

- Type
- Location
- Marketability

It is important to the lender to understand where they can recoup if a loss were to occur.



4. Capital

What is your client doing with their money that is tangible? What is their down payment and where is it coming from?

Your lender wants to know that if a significant life event were to occur, your clients can meet their financial obligations.

Net worth = Assets – Liabilities



5. Capacity

Show your lender that your client can afford the payments on top of their living expenses and credit obligations.

A true understanding of a client's income is important here.

Understanding how underwriters use the 5 Cs of Credit to analyze a deal will help you to move your deals through quickly and easily. Contact your BDM if you have any questions.