

Name:

Date:

Class:

Five Cs of Banking

Skill:

- Application (AP)

Time on Task:

- 15–20 minutes

Goal/Purpose:

- The goal of this activity is to determine if an applicant for a business loan would meet the requirements for the Five Cs of Banking.

You are interning at a local bank, and the loan officer has assigned you to pre-screen loan applicants to determine if the candidate fulfills the Five Cs of Banking. Respond to each of the following prompts to help create a set of guidelines for assessing each applicant. When completed, submit the worksheet according to your instructor's guidelines.

1. As a bank employee, which of the Five Cs of Banking would you consider to be the most important when identifying a viable loan candidate? Why is this characteristic more important than the others?

Answer:

2. Identify what you want to see in a person's *character* to consider them creditworthy. Cite specific examples.

Answer:

3. Explain how you will evaluate the applicant's *cash flow*. Cite specific examples.

Answer:

4. Explain how you plan to evaluate the applicant's *capital*. Cite specific examples.

Answer:

5. Explain how you plan to evaluate the applicant's *collateral*. Cite specific examples.

Answer:

6. Explain how you plan to evaluate the applicant's *conditions*. Cite specific examples.

Answer: