

**Know Your Customer**

NACM

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**Learning Objectives**

- ↑ The importance of non financial analysis
- ↑ How to apply the Five “Cs” of credit
- ↑ The importance of the background of the principals and the business
- ↑ How the debtor’s method of operation and industry characteristics affect creditworthiness

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**Who is the Customer?**

- ↑ General Considerations
- ↑ NAICS Codes

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## The Five Cs of Credit

- ↑ Character
- ↑ Capacity
- ↑ Capital
- ↑ Conditions
- ↑ Collateral

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## Principals and the Nature of Business

- ↑ Importance of the Principals
- ↑ Names of Principals
- ↑ Business Experience and Ability Principals
- ↑ Distribution Functions

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## Principals and the Nature of Business (continued)

- ↑ Financial Worth Principals
- ↑ Integrity
- ↑ Information of Record
- ↑ Other Business Interests

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## Nature of the Business

- ↑ Business Name
- ↑ Age and Reputation of the Business
- ↑ Seasons
- ↑ Changes in Operation
- ↑ Location Factors
- ↑ Lease or Own

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## Thank You

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