# DOWNLOAD PDF THE CHARACTER OF CREDIT

## Chapter 1 : Project MUSE - The Character of Credit: Personal Debt in English Culture, (review)

*What are the 'Five Cs of Credit' The five Cs of credit is a system used by lenders to gauge the creditworthiness of potential borrowers. The system weighs five characteristics of the borrower and.*

Capacity refers to your ability to meet the loan payments. The prospective lender will want to know exactly how you intend to repay the loan. The lender will consider the cash flow from the business, the timing of repayment, and the probability of successful repayment of the loan. Lenders will also consider payment history as an indicator of future payment potential. For example, if you have a history of not paying back loans then it becomes more difficult to obtain additional loans. Capital is the money invested in the business and is an indicator of how much is at risk should the business fail. A high debt-to-equity ratio also indicates that the company already has a high level of loans and could be a higher financial risk. Collateral is a form of security for the lender. Banks usually require collateral as a type of insurance in case you cannot repay the loan. If you default on the loan, then the lender takes possession of the collateral in place of the debt. The loan agreement should carefully specify all items serving as collateral. Equipment, buildings, accounts receivable, and inventory are all potential forms of collateral. A lender will normally want the term of the loan to match the useful life of the asset used as collateral. For example, if equipment with a five-year expected life span is used as collateral, then the term of the loan will generally be five years or less. In some cases, the lender may ask for a third-party guarantee where someone else signs a document promising to repay the loan if you cannot. Conditions refer to the intended purpose of the loan, for example working capital, additional equipment, or new offices. The size of loan in relation to the specific use will help the lender evaluate your loan request. Conditions also include the national, industry level, and local economic situation. A volatile or unstable economic situation can negatively impact the evaluation. However, positive expectations can increase the likelihood of obtaining the loan. Character is the obligation that a borrower feels to repay the loan. Since there is not an accurate way to judge character, the lender will decide subjectively whether or not you are sufficiently trustworthy to repay the loan. The lender will investigate your payment history, review a credit bureau report, and consider your educational background and experience in business. The quality of your references and the background and experience of your employees will also be considered.

## Chapter 2 : What is character? definition and meaning - calendrierdelascience.com

*Character is most often determined by looking at the credit history, particularly as it is stated in the credit score. Factors that will affect your credit score include: The fewer the problems, the higher the credit score.*

Banks want to lend to people who are responsible and keep commitments. From credentials, references, reputation and interaction with lenders. How to master it: If you have a local or community bank, work to build a relationship. Your ability to repay the loan. A business must generate enough cash flow to repay the loan. Loans are a form of debt, and they must be repaid in full. From financial metrics and benchmarks debt and liquidity ratios, cash flow statements , credit score, borrowing and repayment history. Some online lenders may be more open to helping you finance immediate cash flow gaps. Also, calculate your cash flow to understand your starting point before heading to the bank. Capital What it is: The amount of money invested by the business owner or management team. From the amount of money the borrower or management team has invested in the business. So put some of your own resources into the mix. Conditions What it is: To ensure that loans are repaid, banks want to lend to businesses operating under favorable conditions. They want to identify risks and protect themselves accordingly. From a review of the competitive landscape, supplier and customer relationships, and macroeconomic and industry-specific issues to ensure that risks are identified and mitigated. Although it might seem counterintuitive, apply for a line of credit when your business is strong. If conditions worsen, they may reduce the credit line or take it away, he adds, but at least you have some cushion for a while if things go south.

## Chapter 3 : The 5 Cs of Credit: Character | Community Business Finance

*Unlike the other C's of the Four C's of Credit, character is not quantitative, meaning it cannot be measured on a scale or be directly compared to the character of others. So, for some borrowers, character can help them get a loan, since it is the factor that allows a lender to consider your unique story when considering you for a loan.*

By Janelle Fields on May 23, One of the most overlooked aspects in obtaining credit approval is the section of the credit application that deals with character. Character is vital in the review of an applicant. The lender needs to be comfortable with who they are loaning their money to. Reviewing a credit application with the following key points in mind will go a long way toward getting a loan application approved. This may sound basic to the loan process, but many times it is overlooked. Always look for five years of residency. Is your applicant a home owner or a tenant paying rent? In the case of renters, what is the rental amount and to whom is it paid every month? A landlord name and phone number should be provided for verification. Regarding employment, the standard is five years. If the applicant is new to the job market; e. If the customer changed jobs, but not job fields, a similar job description for each period of employment should be listed. Try to determine why they changed one job for the same work somewhere else. Account for any gaps in employment Finally, references are very important. The applicant should provide the correct number of personal references. Look for the lenders preference for family or non-family references, or a combination of both. Use local references and make sure addresses and phone numbers are accurate. The best time to ask your customer questions regarding their application is when they are right in front of you buying a car. Take a few extra minutes to help them produce a complete application. Remember, the more information you provide, the better the chance of getting an approval.

## Chapter 4 : 4 Câ€™s of Credit: Character :: OneSource Financial

*Margot Finn's book The Character of Credit: Personal Debt in English Culture, is the first volume in a new series published by Cambridge University Press (Cambridge Social and Cultural Histories) which seeks to draw social and cultural history more closely together. In this respect the.*

Personal Debt in English Culture, â€" Book: The Character of Credit. Girton College, Cambridge Citation: Personal Debt in English Culture, â€", review no. Personal Debt in English Culture, â€" is the first volume in a new series published by Cambridge University Press Cambridge Social and Cultural Histories which seeks to draw social and cultural history more closely together. In this respect the book is a resounding success, charting the ways in which economic and social relations were mediated through cultural forms. Economic activity remained a fundamentally social activity, embedded in historically specific cultural norms and expectations that profoundly limit the usefulness of analytic categories derived from classical political economy. Focusing on these credit relations reminds us that customers and traders were bound together by more than a cash nexus: The Character of Credit presents a mass of fascinating evidence which brings the cultural meanings of exchange to life in a remarkably vivid way, demonstrating how considerations of status shaped the way that consumers, creditors and judges saw and engaged in economic transactions. The evidence from the novels demonstrates that these forms of exchange are laden with meanings which render them anything but impersonal. Finn uses her material to probe not just the public presentation of the self, but also how people saw themselves. Her account of these processes, based on a wide range of novels, diaries, letters, and prison and court records, is ambitious, original, and occasionally startling. By underlining the inevitable vicissitudes of the human condition, representation of personal debt as a species of misfortune emphasised the power of charity and divine providence â€" not the force of individual economic volition â€" to release debtors from their obligations p. Misfortunes could befall anyone of whatever rank, and no distinction could be drawn between the moral virtue of the debtor and the creditor. For example the painter Benjamin Haydon, who relied on access to credit and gifts from aristocratic patrons to mitigate his perpetually precarious economic situation, refused to identify his indebtedness as a marker of moral worth. Throughout his life he interpreted the credit extended by patrons as a particular manifestation of divine providence, and personal indebtedness was seen as a trial by which his moral character would be redeemed. Some of the most remarkable examples come from the study of imprisonment for debt in the second section of the book, as the interpretation of personal insolvency as a species of misfortune served to distinguish imprisoned debtors from the criminal population. This is in many ways the best part of the book, a superb social history which conveys a great deal of detail about the organisation of the prisons and the lives of the prisoners within them. The idea that imprisoned debtors were victims of misfortune is reflected in the fact that technically they were imprisoned not for punishment, but for safe custody, and could demand maintenance from the creditors who had imprisoned them. It is also reflected in the widespread charitable activity designed to support or liberate imprisoned debtors which Finn uncovers: However, it is in the prisons that we start to see a transformation in the culture of credit towards the end of the eighteenth century. The Character of Credit demonstrates that changes in the legal system flooded prisons with tens of thousands of plebeian debtors, and suggests that this combined with new theories of penal discipline to challenge the interpretation of debtors as victims of misfortune. The process of reform revealed here was highly uneven and prompted intense debate over whether or not imprisonment for debt should be abolished, leading to a number of Acts of Parliament between and which fundamentally reshaped the system. Particularly significant was an act of which redefined the concept of fraud. The Small Debts Act of allowed judges to imprison small debtors for up to forty days if they proved to have contracted their debts fraudulently, and, in a major departure from the practice in the courts of requests, such imprisonment did not liquidate the debt. Perhaps most significantly, the Small Debts Act of replaced the courts of requests with the county courts, which could imprison debtors for up to six weeks at a time, and could do so repeatedly for contempt if they failed to pay their debts. This was a dramatic transformation. These new attitudes to the imprisoned debtor prompted a steady stream of changes to the way that prisons treated of both small-claims debtors and those who owed more substantial sums, as traditional privileges were removed and debtors were exposed to penal discipline. The s saw a further burst of reform which, as Gerry Rubin and Paul Johnson have shown, effectively restricted imprisonment for debt to the working classes. The eighteenth and nineteenth centuries saw the proliferation of summary small-claims courts, and the story of these courts is a compelling one, which weaves together the history of consumption, the development of the law and the growth of the state. We are not only given details about who sued in the courts, but the different strategies deployed by debtors, creditors and judges. Finn is absolutely right to stress the importance of the fact that married women were allowed to give evidence in these courts, and the gendered dynamics of courtroom performance are explored with enviable subtlety. The ability of county court judges to order payment by instalments, for example, gave them a means of mitigating the severity of the common law. There can be no doubt that county court judges often departed from the letter of the common law, and this is an important point, but the argument does seem overstated in some respects. In the first place, as Michael Lobban has shown in his book The Common Law and English Jurisprudence, â€" Oxford, , common law judges were able to exercise considerable discretion in their interpretation of the law: Take, for example, the two cases described on page  In fact this was a disputed point at common law, not a deviation from a firm point of law. This sort of judgement, it is suggested frustrated the superior-court judges and legislators who sought to substitute autonomous individuals for social individuals. However, this interpretation ignores the longstanding rule of the common law that if a husband forced his wife to leave the marital home by his misconduct as in this particular case , she had authority to pledge his credit and he could not revoke it. This small quibble aside, The Character of Credit presents a sweeping and powerful argument, bringing together a huge body of exceptionally interesting source material from an impressive number of archives. It is an important story, and one told with great skill, although the overarching explanatory framework is based on such large generalisations that it sometimes sits awkwardly with the subtle analysis of the details. Readers of this book will find themselves in no doubt that throughout the period in question indebtedness was interpreted as a misfortune rather than a sign of moral failing, but this idea is pursued so relentlessly that alternative ways of thinking about debt are largely ignored. The result is that it is difficult to see the themes developed in the book in any sort of perspective. What was this tradition? Who else held these ideas? What happened to them? Such questions are never posed, and produce the uncomfortable feeling that the reader is being treated to a restricted view of a much broader vista. Consider again the case of Benjamin Haydon. Such language does not fit comfortably with the idea of a morally innocent debtor fallen prey to misfortune. One possible cause of this problem is that The Character of Credit tends to ignore differences between different kinds of debt. The cultural meanings of debts owed to banks, for example, are not necessarily comparable to debts owed to family members. Observers will surely attach very different moral valuations to the debtors in these two cases. In practice, the book focuses almost exclusively on retail credit, but this only begs the question of how representations of other kinds of credit interacted with these discourses. In view of the material Finn has assembled, I am in no doubt that an important way of conceptualising indebtedness was as a misfortune, imputing no moral deficiency to the debtor, but I am less certain of how important this trope was compared to alternative languages, because the alternatives are not discussed. The overwhelming emphasis on the idea that debt was seen as a misfortune has the unfortunate effect of making the perspective of those seeking to enforce strict contractual liability seem rather alien: This limits the explanatory force of the account, because it is by no means clear how or why the liberal individualist perspective gained ground if it was so marginalized. No doubt these are all important developments, but little or no evidence is offered to establish any kind of causal relationship linking these factors to the developments charted in the book. In fact, the penultimate page suggests that the fundamental changes in debt and credit relations did not occur until the interwar period, outside the time-frame of the book. The Character of Credit does not reject the idea of a transition from status to contract in economic relations, but in focusing on the status part of the question, the overall process is left thoroughly mysterious. As a heuristic device, this has obvious merits, but it underestimates the diversity within each category. Consideration of this Christian political economy also reminds us that those who supported the strict enforcement of contracts did so for a variety of reasons and should not necessarily be classed together. It is highly significant, for example, that these evangelically influenced economists opposed the introduction of limited liability, while Liberals like J. Mill and Robert Lowe supported limiting liability for debt. It is surely important that many of the changes in credit law were made while Sir Robert Peel was Prime Minister â€" a man closely associated with Christian political economy and whose banking reforms surely affected attitudes towards credit. The ideas and intentions of legislators might shed some light on the nature of these reforms, but they are ignored and one is left wondering why the law was changed at all, yet alone why the law was changed in the way that it was. The Character of Credit is not blind to this, and is often at its most interesting when probing these tensions, but a more explicit recognition of the conceptual difficulties involved would have been welcome. It is a merciful provision of the County Courts Act, , that a Judge may anticipate default in the payment even of instalments ordered, and limit the amount for which an execution on the goods may be levied. By section also, of the same Act, if from sickness or other sufficient cause the defendant is unable to pay the debt, or damages, or instalments ordered, the Judge may suspend any judgement, order, or execution, on terms from time to time. Mercy may be thus shown to poor people when overwhelmed with or suffering from sickness, accident, or poverty. A single volume cannot hope to provide a comprehensive history of personal debt, but each of the three sections in The Character of Credit illuminates important aspects of a vast subject. If the book raises more questions than it answers about how these three aspects of personal debt are connected, and how they changed over time, then that is only because it has set out to map terra incognita. This is not just a book that deserves to be widely read, but a book which ought to prompt and guide a great deal of further research by historians following the paths opened up by Margot Finn. The Character of Credit sets a high standard which future books in the Cambridge Social and Cultural Histories series will do well to match. Back to 2 G. Essays in the History of English Law Abingdon, , pp. See in particular Liddlow v Wilmot, 2 Stark. Back to 4 Matthew Bacon, A new abridgement of the law, 7th ed. See also Boulton v Prentice, 2 Strange, Back to 5 See Margaret R. Hunt, The Middling Sort. Back to 6 Hunt, p. On the widespread existence of debts to family members see Hunt, pp.

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## Chapter 5 : The Character of Credit: Personal Debt in English Culture,

*Using a wide range of printed and manuscript sources, and paying particular attention to distinctions of gender and of class, Margot Finn examines English consumer culture from three interlocking perspectives: representations of debt in novels, diaries and autobiographical memoirs; the transformation of imprisonment for debt; and the use of small claims courts to mediate disputes between.*

The 5 Cs of Credit: Although every lending situation is different, most lenders use the Five Cs of Credit when assessing your loan application. We will examine each of these areas and why they matter in the lending environment. The first C is character. Character is defined as the mental and moral qualities distinctive to an individual. It is perhaps the most important of all qualities of credit. When asked if commercial credit was based primarily on money or property, financier J. Morgan replied, "No sir. The first thing is character. Before money or property or anything else. Banks want to loan money to people with good credentials and references, but they also consider how you take responsibility, and how you treat your employees and customers. It is unlikely that a lender will know you personally, so they must evaluate your character using a variety of information and subjective measures. They will review your credit history for delinquencies and examine your payment records. Every lender that has extended credit to you will provide this information to credit reporting agencies. Lenders may also use a credit score with a numeric value. This is sometimes referred to as a FICO score. This score is based on the information in your credit report and indicates a perceived level of risk to the lender. The number is usually between and , where the higher the number, the lower the risk. While lenders may use this score, each lender has its own criteria for determining acceptable risk. Beyond just your credit history, character is also measured by your educational background and business experience in your industry. Lenders may also consider the quality of your references and the experience of your employees. This information is important in determining your ability to repay the loan. It is usually discovered through a personal interview and gathering information regarding how you have managed your business and responded to adversity. Lending institutions want to feel confident that you will stand by your business obligations in times of crisis. Honesty, integrity and a good reputation are key. Although character is highly important to a lender, each of the 5 Cs plays a crucial role in the decision process. We will be examining the other Cs of Credit in the future. If your business is weak in one area, focus on your strengths in other areas. Community Business Finance will help you identify those strengths and provide you with a choice of commercial lenders. Contact Community Business Finance and discover how our knowledge of SBA loans can get your business the financing it needs. Read more about the 5 Cs of Credit:

## Chapter 6 : The Character of Credit. Personal Debt in English Culture, â€“ | Reviews in History

*Beyond just your credit history, character is also measured by your educational background and business experience in your industry. Lenders may also consider the quality of your references and the experience of your employees.*

What are the 4 Cs of Credit? What do they mean? Are there 3, 4, 5 or 6 Cs of Credit? Credit investigation could get intricate and dense. The information that is being gathered could be getting strewn and scattered all over the place. The 4 Cs of Credit helps in making the evaluation of credit risk systematic. They provide a framework within which the information could be gathered, segregated and analyzed. It binds the information collected into 4 broad categories namely Character; Capacity; Capital and Conditions. No matter how many Cs we come up with, the fundamental question that remains to be answered by the framework of our analysis is: In analyzing Commercial Credit one would consider the following: Typically the incidence of business failures is high in the Retail and Service segments. Is the business a Parent, Subsidiary or a division Does the business have a Holding company? For Sole proprietor or Partnership type one would further seek personal information on individual s running the business. The management record of the company The location of the company Any previous evidence of fraud Any previous Insolvency record? Any Labor disputes or issues? Is the business practice ethical? Is the business seasonal or non-seasonal Is the business Local, National or International. Is there a growing or a going market for this business or the business redefining itself and what would be the impact of the internet on this business. See what computer downloads free peer-to-peer file sharing P2P has done to the music industry How willing is the prospect to share information? What are the references saying? Are there too many lay-offs especially of key personnel? Are there any Law suits pending against the company? What does the website of the company say and look like? Is there any recent media coverage about the company? Is it positive or negative Or are there any rumors floating? One can also check the indices for a particular type of Industry to see how in general the Industry is doing. Capacity of the business to pay? Capacity of the business in getting paid? Capacity of the credit grantor to expose? Sometime a business that you are analyzing might not have the required Capacity in kind but the same could be latent and hidden in some other form. For example a start-up business should have a good business blue-print of succeeding namely a good business plan. A contractor might have a good media advertising plan, say an Ad in the local Yellow Pages. All this adds to the capacity of a business to carry on trade and perhaps be successful. Innovation, Education, Experience, Knowledge would be some other considerations. Management should be able to foresee trends in the marketplace and blend accordingly. It should have plans both for good and bad turns in the economy. Adoption of sound management techniques and computer-related technologies is important. Larger businesses should also have people that know how not just to manage the company but also its main asset, its people. Cash and Only Cash can pay bills. The capacity of a business to pay its bills would stem from good cash-flow. A business could become cash strapped if it does not collect its accounts receivable on time. You must have heard of DSO! Say if a business has a DSO of 55 days. This means that at an average this business gets paid by its customers in 55 days. The question then arises that when will this business then pay its suppliers? In all probability the answer is that its capacity to pay its suppliers will be after 55 days. In this event you may want to evaluate its borrowing capacity to see if you can cajole this company to pay you in time even if it means that this business borrows to pay you. This would bring on the analysis of how the debt of the company is structured in terms of secured and unsecured debt with an operating lender, generally the bank. One should look at the line of credit and see if there is capacity for more borrowing. Also check for any negative occurrences as bad checks cheques or any default against operating loans or covenants. The capacity of your product to influence payment is also important. If your product being sold is fiercely competitive then it may not have the capacity to influence timely payment. Competition definitely influences Capacity. The Capacity to expose and increase your credit risk also depends upon your own ability and resilience to getting hit with either slow payment or perhaps no payment! Credit departments that have a lot of confidence in their collection ability and ability to influence payment have a wider capacity to expose and absorb. One must know how to read financial statements and that too from the perspective of a creditor. Short term liquidity is important if you are expecting to get paid in the short term. You should also evaluate to see if you can depend on the numbers whether they are audited, unaudited or company prepared. If required speak with the firm or person who has prepared the statements. One way of doing this is by retaining all or portions of its earnings. But one must be cognizant of the fact that financial records are snapshots of the past and credit analysis is trying to figure out the future. Thus all 4 Cs of credit are important in the overall analysis of a company or an individual where you combine elements of the past to make a futuristic prediction. There might be likelihood that a company that you are evaluating deals in international trade and a shift in the currency rates might have a detrimental or beneficial effect on it. The events on Sept 11th have had added a new meaning to Force Majuere in context of International Trade terms and conditions. Air Travel has been impacted. The recent economic impact of the credit crisis will take a while to wear-off from the financial sector. Business with local economies would be prone to the social climate and their influence on the local society. Torontonians must have heard of the flamboyant discount retailer "Honest" Ed Mirvish who treated the local community to free turkeys every Christmas. On another note a lot of businesses became insolvent in the Ice Storm a few years ago in eastern parts of the US and Canada that were totally dependant on the local economy. If winter is very mild the businesses that depend on snow feel the crunch. Again, one might look at how the internet is redefining business. So the size of the shop really did not influence its revenues but the global reach of the world wide web does. Thus in evaluating the degree of risk of a customer, information revolving around the 4Cs of credit would be normally necessary.

## Chapter 7 : The 4 Cs of Credit - Credit Management Article | Credit Guru

*Margot C. Finn's study of the nature of personal credit relations in English culture and society between and , The Character of Credit: Personal Debt in English Culture, , is an ambitious and important book. Using a rich and impressive range of sources, the author shows how in a period that saw key changes taking place not.*

## Chapter 8 : The Five C's of Credit - Which Mortgage Canada

*The credit rating is the score that represents the person or company's character (the history of repayment), the capacity to repay the loan, and capital available to secure the amount. The higher.*

## Chapter 9 : The Five Cs Of Credit

*Definition of 5 C's of credit: The five key elements a borrower should have to obtain credit: character (integrity), capacity (sufficient cash flow to.*