

Customer Name:	Credit Risk Scoring Chart For New and Renewing Loans					Loans in Liquidation Status	
	1 Excellent Risk	2 Little Risk	3 Average Risk	4 Above Average Risk	5 Considerable Risk	6 Unacceptable Risk	7 Workout Loans
Significant Credit and Financial Characteristics							
Debt Coverage Interest expense divided into the cash flowing into the project	Strong & positive for more than 3 years. Debt coverage > 1.5X. 1	Good & positive for all of last 3 years. Debt coverage > 1.2X. 2	Positive cash flow for 2 of last 3 years. 3	Recent cash shortages or no current financial information. 4	2 years negative cash flow. 5	3 years negative cash flow. 6	Continued negative cash flow. 7
Net Business Income or Total Personal Income	Long history of strong stable net income. Income > \$250,000 1	Strong & stable earnings record. Income > \$150,000. 2	Marginal but stable earnings record. Income > \$100,000. 3	Income < \$50,000 or no current financial information. 4	2 years of losses. Negative trend. Income < \$20,000. 5	3 years of losses. Insufficient income-to-service debt. 6	Continuous and significant losses. 7
Current Ratio/Liquidity	Significant liquidity and unpledged assets. 1	Average liquidity. Some unpledged assets. 2	Average liquidity. Limited unpledged assets. 3	Limited liquidity or no current financial information. 4	No liquidity. No unpledged assets. 5	Negative working capital. 6	Assets in process of being liquidated. 7
Leverage Ratio	< 2-to-1 debt-to-worth. 1	< 3-to-1 debt-to-worth. 2	< 4-to-1 debt-to-worth. 3	Marginal equity or no current financial information. 4	Negative equity. 5	Significant negative equity. 6	Not able to service debt/bankrupt. 7
Capital Adequacy Stockholder Equity or Personal Net Worth	Well capitalized. Equity or net worth exceeds \$1,500,000. 1	Less strongly capitalized. Net worth > \$500,000. 2	A higher degree of leverage. Net worth > \$100,000. 3	Net worth < \$100,000. Previously adequate. No current information. 4	Negative equity due to current year loss. 5	Negative equity. Losses are likely to continue. 6	Negative and no new source of capital available. 7
Collateral Coverage	Adequate and easily liquidated. 1	Adequate/exceeds loan policy guidelines. 2	Sufficient/within loan policy guidelines. 3	Value covers, but outside of loan policy/guidelines. 4	Collateral valuation indicates a shortage. 5	Not sufficient to repay all debt. No additional collateral available. 6	Has potential. recovery value only. 7
Repayment Record	Excellent record. No delinquency history. 1	Good record. Not a collection problem. 2	Some slowness. 3	Chronic slowness but current now. 4	Serious/recurring delinquency on non-accrual status. 5	Looking for other sources of payment. 6	Loan considered uncollectable. 7
Management Ability/ Years of Experience	Long history, stable and of proven ability. Over 10 years in same. 1	Qualified but with limited experience. Over 5 years in same business or industry. 2	No negative factors but < 5 years in same business or industry. 3	New/inexperienced or unproven management. 4	Definite & serious weakness is evident. 5	Lost confidence in management. 6	No confidence. A lost cause. 7
Strength of Guarantors	Very strong net worth > \$1,500,000. Significant liquidity. Deduct 3	Strong net worth > \$1,000,000 but limited liquidity. Deduct 2	Average assets consist mainly of real estate or business equity. Deduct 1	Unknown. No current financial information on file for guarantor. 0	Minimal. Guarantors add very little strength. Recovery potential. 0	Potential recovery from guarantors is unlikely. 0	Guarantors add no strength or recovery power. 0
Total Score _____	Score Averages: A=5 to 16 Points; B=17 to 22 Points; C=23 to 30 Points; D=31 to 46 Points						